



Square Meter²
متر مربع
للإدارة العقارية

AI-Maather REIT Valuation Report

2025/07/30



Title	Page
<u>Genx AI Maather</u>	4
<u>AI Mohammadia Tower</u>	37
<u>AI TKhassusi Showrooms</u>	68
<u>AI Sahafa Building 1</u>	99
<u>AI Sahafa Building 2</u>	130
<u>Sulai Warehouse</u>	161
<u>AI Salam School</u>	195
<u>Genx AI Rabie</u>	229
<u>AI NoKhbah Educational School</u>	261
<u>Hair Warehouses</u>	293
<u>Towlan Hotel Suites</u>	324
<u>Qudus Leasehold</u>	356
<u>Wadi Laban Leasehold</u>	383
<u>Dabbab Leasehold</u>	410
<u>Burjeel Hospital</u>	437



Property Name	Property Classification	Final Property Value
Genx Al Maather	Commercial / Office / Hospitality	166,815,000.00
Al Mahammadia Tower	Commercial / Office	130,125,000.00
Al TKhassusi Showrooms	Industrial	74,000,000.00
Al Sahafa Building 1	Office	63,016,000.00
Al Sahafa Building 2	Office	62,393,000.00
Sulai Warehouses	Industrial	57,329,000.00
Al Salam School	Educational	53,910,000.00
Genx Alrabie	Commercial / Hospitality	44,776,000.00
Al NoKhbah Educational School	Educational	30,026,000.00
Hair Warehouses	Industrial	25,918,000.00
Towlan Hotel Suites	Hospitality	30,505,000.00
Qudus Leasehold	Commercial	605,000.00
Wadi Laban Leasehold	Commercial	602,000.00
Dabbab Leasehold	Commercial	1,785,000.00
Burjeel Hospital	Healthcare Facility	120,053,000.00
Total		861,858,000.00



Valuation Report

Genx Al Maather



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 | **Executive Summary**

Executive Summary		
Property Information	Property Name	GenxAl Maather
	Property Type	Building
	Location	Al Maather District, Riyadh, Saudi Arabia
	Type of Ownership	Freehold
Client Information	Deed Data	No. 310112050696
		Date 22/11/1438
		Owner BaytaKAl-Hafiz Real Estate Company
	Recipient of the Report	Osool & Bakheet Investment Company
Valuation	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
	Date of Property Inspection	01/07/2025
Report	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Cost Approach — Income Approach
	Used Approaches and Methods	Income Approach — Cash Flow Method
	Basis of Value	Fair Value
Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12799
	Report Type	Detailed Narrative
	Report Date	30/07/2025
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

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Executive Summary of the Report		
Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following: Title Deed Building Permit
	Special Assumptions	
Report Preparer	Name	Ahmed Bdeir
	Membership Number	1220002914 ,Affiliated Member of Real Estate
	Branch	
	Membership Category	Affiliated Member
Real Estate Valuer	Contribution percentage	%20
	Signature	
	Name	Abdulmalik Mansour Al-Johani
	Membership Number	1210003639
Valuation Manager	Membership Category	Affiliated Member
	Contribution percentage	%45
	Signature	
	Name	Asim Yasin Mohammed Ahmed Yasin
Valuation Reviewer	Membership Number	1220001314
	Membership Category	Fellow Member
	Contribution percentage	%15
	Signature	
Managing Director (Authorized Signatory of the Report)	Name	Yasser Ibrahim Asaad
	Membership Number	Fellow Member
	Membership Category	Fellow Member, MRICS ,1210000124
	Contribution percentage	%5
Valuation Result	Signature	
	Name	Mohammed Abdullah Massairi
	Membership Number	1210000543
	Membership Category	Fellow Member
Final Value Opinion	Contribution percentage	%15
	Signature	
Report Version	Numerically	166,815,000
	Currency	Saudi Riyal
		Written
		Only one hundred sixty-six million eight hundred and fifteen thousand Saudi Riyal



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(01/07/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property. The property is a mixed-use building that includes retail units, office spaces, and hotel apartments leased on a monthly basis.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs. For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (retail, office, hospitality) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards. Depreciation was calculated based on the building's remaining useful life and its current physical condition. While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	14m wide street	Length	61.37
Deed No.	310112050696	Deed Date	.1438/11/22	South	30m wide street	Length	101.6
Subdivision Parcel Number	30	Subdivisionplan ID	1343	East	Eastern part of parcel number 30	Length	126
Location on Google Maps	Location			West	60m wide street	Length	136.79
Building Permit Information				Land Area		10,709.16 m ²	
Permit Number	1433/20078	Issuance Date	1433/11/29	Total Built-Up Area		22,707.37 m ²	
Permit Category	Modification of Building Plans	Building Regulation	-	Property Specifications		The property comprises a building with commercial, office, and hospitality uses.	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input checked="" type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	3,065 m ²	27,582,120 Saudi Riyal	9,000 SAR / m ²	2024-09-01
Second Comparable	Location	5,130 m ²	54,998,730 Saudi Riyal	10,721 SAR / m ²	2023-10-16
Third Comparable	Location	3,600 m ²	34,200,000 Saudi Riyal	9,500 SAR / m ²	2024-07-25

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 2,450.00/m²)
- Ground floor: (SAR 2,450.00/m²)
- First floor: (SAR 2,450.00/m²)
- Upper annex floor: (SAR 2,450.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 1.0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 40 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (8) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 8,866,429), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 15% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.60%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.50%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.72%	AS valuar
Discount Rate	9.60%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.50%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos

2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Riyadh City	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>



Property Location

A Map Demonstrating the Property Boundaries at the City Level

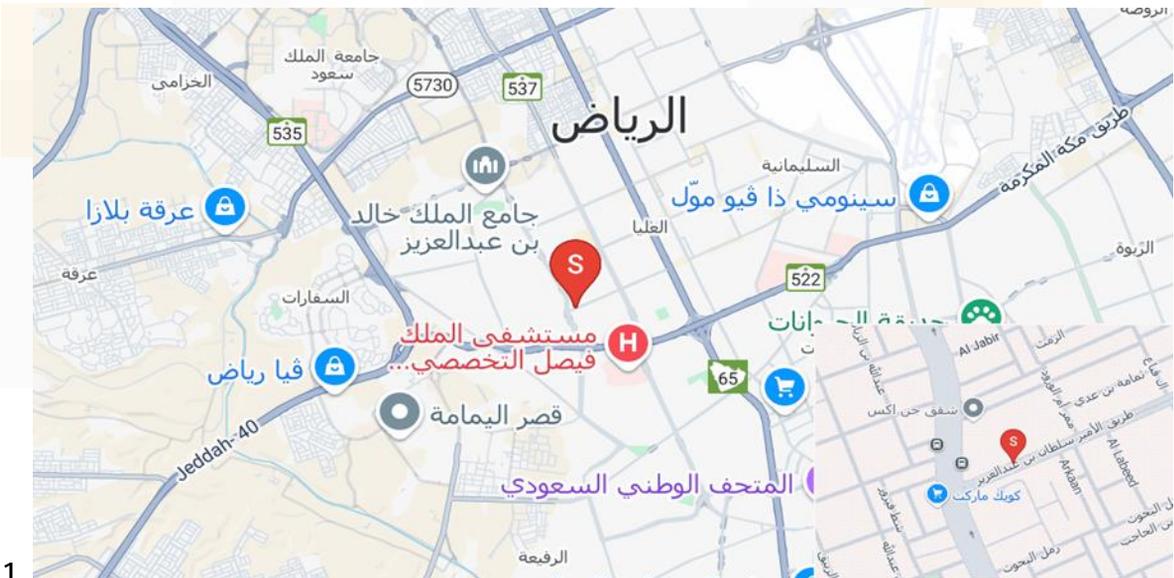
The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	2 Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	30 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Maather District in Riyadh is considered one of the upscale and distinguished neighborhoods located in the heart of the Saudi capital. It enjoys a prime location near government institutions, healthcare centers, and educational facilities. Its proximity to King Khalid Road and MaKkah Road also makes it a vital connecting point within the city. The district features a mix of luxurious villas and modern apartments and is known for its peaceful environment and abundance of green spaces. A variety of high-end restaurants and cafés are available in the area, alongside essential services such as schools, mosques, and shopping centers, making it a highly suitable residential option for families seeking comfortable living in central Riyadh.</p>
Advantages	<p>Al-Maather District offers a strategic location, with quick access to major roads like King Khalid Road and MaKkah Road, ensuring smooth and fast travel to most areas of Riyadh. The neighborhood is known for its quiet atmosphere, privacy, and safety, along with widespread green spaces and small parks, providing a family-friendly setting.</p> <p>The area also offers comprehensive services, including schools, hospitals, and markets. It is home to several embassies and upscale hotels, reflecting the district's high-end status and quality of services, which in turn enhances its investment value.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%



2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in a strategic area of Riyadh in Al Maather District, near King Abdulaziz Road, ensuring easy access from various parts of the city.
- The property features two commercial frontages, increasing its visibility and accessibility.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.

2. Weaknesses:

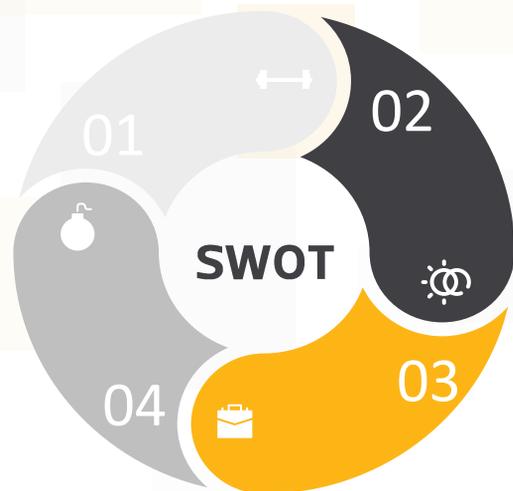
- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 45 Km) and the city center (approx. 5 Km), enhancing the property’s appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 Km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

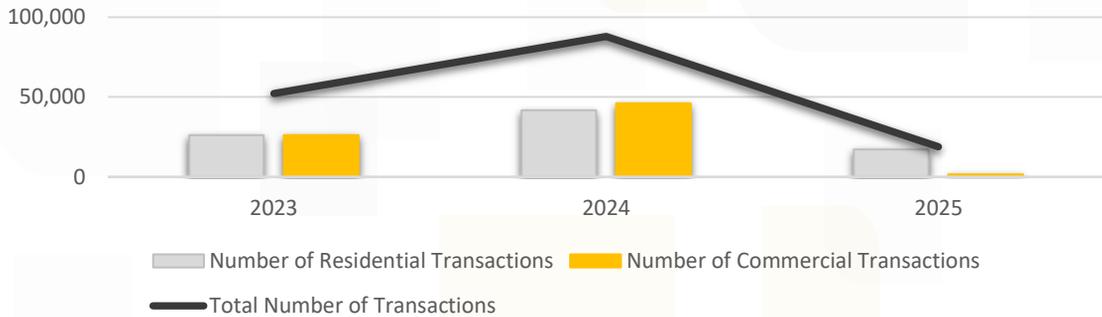


2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

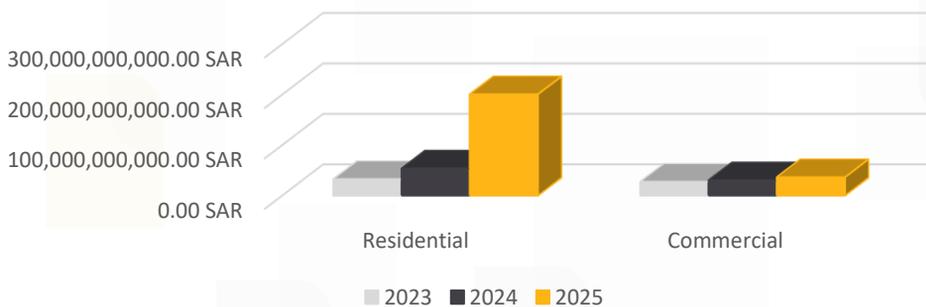
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR9,000/m ²		SAR10,721/m ²		SAR9,500/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-09-01		2023-10-16		2024-07-25	
Market Conditions		Same Conditions	0.0 %	Relative Reduction	2.8 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		300.188		0	
Value Per Square Meter (After Adjustment)		SAR9,000/m ²		SAR11,021/m ²		SAR9,500/m ²	
Location	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	3	2	2.0 %	2	2.0 %	4	-2.5 %
Area (m ²)	10,709.2	3,064.7	-12.5 %	5,130.0	-5.4 %	3,600.0	-9.9 %
Adjustment Value / Adjustment Ratio	-	SAR -942/m ²	-10.5 %	SAR -379/m ²	-3.4 %	SAR -1,176/m ²	-12.4 %
Price Per m ² After Adjustment	-	SAR8,058/m ²		SAR10,642/m ²		SAR8,324/m ²	
Weighting Factors	-	20 %		60 %		20 %	
Weighted Average Value	-	SAR 9,662					

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	10,709.16 m ²
Land Value / m ²	SAR 9,661.79 /m ²
Land Value	SAR 103,469,604.59

3.1 Valuation

3.1.2 Cost Approach — Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
10,709.16	9,661.79	103,469,604.59	
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	6,231.50	2,450.00	15,267,175.00
Ground Floor	6,341.13	2,450.00	15,535,768.50
First Floor	6,765.24	2,450.00	16,574,838.00
Upper Annex Floor	3,369.50	2,450.00	8,255,275.00
Total Cost	22,707.37		55,633,056.50
Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	2,336,588.37	
Total Indirect Costs		2,336,588.37	
Total Building Cost Before Depreciation			57,969,644.87
Building Age		8	
Useful Life		40	
Depreciation Rate		20%	
Actual Depreciation of the Building		20%	
Building Value After Depreciation			46,375,715.90
Property Value Based on Cost Approach			149,845,320.48

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions						
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area	Average Unit Area	Number of Units
Basement	1.00	6,231.50	0%	0.00	0.00	0.00
Residential Ground Floor	1.00	3,184.13	0%	0.00	0.00	0.00
Commercial Ground Floor	1.00	3,157.00	90%	2,841.30	210.00	14.00
First Floor (offices)	1.00	1,978.00	90%	1,780.20	136.00	13.00
First Floor Residential	1.00	4,787.22	0%	0.00	136.00	0.00
Upper Annex Floor	1.00	3,369.50	0%	0.00	0.00	0.00
Total		22,707.35		4,621.50		14.00

3.1.3.2 (Property Income Data)

Rental Rental Income													
Rate Increase %		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Year		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
		%											
		0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area		2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3	2,841.3
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		1,360	1,388	1,417	1,447	1,478	1,509	1,540	1,573	1,606	1,639	1,674	1,709
Total Rental Income		10,077,007.22	9,944,455.90	4,077,248.63	4,318,200.85	4,798,959.09	4,286,330.64	4,376,343.58	4,468,246.80	4,562,079.98	4,657,883.66	4,755,699.22	4,855,568.90
Vacancy and Credit Losses	3%	-992,339.22	-118,332.48	-100,817.46	-123,354.63	-125,945.07	-128,589.92	-131,290.31	-134,047.40	-136,862.40	-139,736.51	-142,670.98	-145,667.07
Maintenance and Operating Costs	5%	-3,402,722.32	-91,304.17	-193,310.56	-199,423.31	-203,671.20	-207,887.04	-212,252.66	-216,709.97	-221,260.88	-225,907.36	-230,651.41	-235,495.09
Net Income	92%	9,382,365.68	3,634,779.25	3,771,599.61	3,789,042.92	3,868,612.82	3,949,853.69	4,032,800.61	4,117,489.43	4,203,956.70	4,292,239.79	4,382,376.83	4,474,406.74

Offices Income													
Rate Increase %		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Year		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
		%											
		0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area		1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	1,780.2	
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Average Rental Value		811	828	845	863	881	900	919	938	958	978	998	
Total Rental Income		0.00	1,474,144.20	1,505,191.23	1,536,708.35	1,568,979.23	1,601,927.79	1,635,568.27	1,669,915.21	1,704,983.43	1,740,788.08	1,777,344.63	1,814,668.87
Vacancy and Credit Losses	3%	0.00	-44,234.33	-45,153.04	-46,101.25	-47,069.38	-48,057.81	-49,067.05	-50,097.46	-51,149.50	-52,223.64	-53,320.34	-54,440.07
Maintenance and Operating Costs	5%	0.00	-7,495.99	-72,997.41	-74,530.36	-76,095.49	-77,693.50	-79,325.06	-80,990.89	-82,691.70	-84,428.22	-86,201.21	-88,011.44
Net Income	92%	0.00	1,358,413.88	1,356,959.78	1,416,076.75	1,445,814.36	1,476,176.46	1,507,176.16	1,538,826.86	1,571,142.23	1,604,136.32	1,637,823.08	1,672,273.36

Apartments Income													
Rate Increase %		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Year		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
		%											
		0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Number of Units		135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Average Rental Value		63,790	66,359	67,957	69,384	70,841	72,329	73,847	75,398	76,982	78,598	80,240	
Total Rental Income		0.00	8,985,461.65	9,074,358.39	9,366,815.71	9,503,538.84	9,764,352.74	9,969,404.15	10,178,707.63	10,392,315.63	10,610,738.46	10,833,584.38	1,060,089.66
Vacancy and Credit Losses	3%	0.00	-269,363.91	-275,224.75	-281,004.47	-286,905.57	-292,930.38	-299,082.72	-305,362.85	-311,775.47	-318,322.75	-325,007.53	-331,832.69
Maintenance and Operating Costs	15%	0.00	-1,307,384.96	-1,334,840.05	-1,362,875.69	-1,391,491.99	-1,420,713.32	-1,450,548.30	-1,481,009.82	-1,512,110.22	-1,543,865.36	-1,576,386.53	-1,609,788.54
Net Income	82%	0.00	7,408,732.78	7,564,093.59	7,722,939.56	7,885,121.29	8,050,706.83	8,219,733.72	8,392,388.97	8,568,629.13	8,748,570.35	8,932,290.32	9,119,866.42

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11Years
Discount Rate	10.30%
Exit Capitalization Rate	7.50%

3.1.3.4 Cash Flow Table

Increase Rate/%	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Completion Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income	9,282,266	12,401,718	12,662,154	12,928,059	13,199,548	13,476,739	13,759,750	14,048,705	14,343,728	14,644,946	14,952,490	15,266,493
Terminal Value											203,553,234	
Total	9,282,266	12,401,718	12,662,154	12,928,059	13,199,548	13,476,739	13,759,750	14,048,705	14,343,728	14,644,946	218,505,724	
Annual Discount Factor	0.96	0.87	0.80	0.73	0.66	0.60	0.55	0.50	0.46	0.42	0.38	
Present Value	8,866,429	10,808,515	10,068,881	9,379,861	8,737,991	8,140,044	7,583,016	7,064,105	6,580,704	6,130,382	83,454,930	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.60%	166,814,856.60
Property Value	166,815,000.00

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	1,364 SAR/m ²		1,301 SAR/m ²		1,722 SAR/m ²	
Type of Comparable	-	Contract		Contract		Contract	
Date	-	2025		2025		2025	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	1,364 SAR/m ²		1,301 SAR/m ²		1,722 SAR/m ²	
Finishing	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	210.0	44.0	-18.9 %	89.0	-6.8 %	60.0	-12.5 %
Adjustment Value / Adjustment Ratio	-	-257 SAR/m ²	-18.9 %	-88 SAR/m ²	-6.8 %	-215 SAR/m ²	-12.5 %
Price Per m ² After Adjustment	-	1,106 SAR/m ²		1,212 SAR/m ²		1,507 SAR/m ²	
Weighting Factors	-	0 %		50 %		50 %	
Weighted Average Value	-			1,360 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



Aerial Map Demonstrating the Location of Comparables

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.8 (Sources of Property Income – Adjustment Table for Office Spaces)

Criteria	Property Under	First Comparable		Second Comparable		Third Comparable	
	Valuation	Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	712 SAR/m ²		960 SAR/m ²		800 SAR/m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		712 SAR/m ²		960 SAR/m ²		800 SAR/m ²	
Finishing	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	136.0	85.0	-3.0 %	75.0	-4.1%	258.0	2.4 %
Adjustment Value / Adjustment Ratio	-	-21SAR/m ²	-3.0 %	-39 SAR/m ²	-4.1%	19 SAR/m ²	2.4 %
Price Per m ² After Adjustment	-	691SAR/m ²		921SAR/m ²		819 SAR/m ²	
Weighting Factors	-	30 %		30 %		40 %	
Weighted Average Value	-			811 SAR			

3.1.3.9 Aerial Map Demonstrating the Location of Comparables:



3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.10 (Sources of Property Income – Adjustment Table for Residential Apartments)

Adjustment Table for Apartments								
Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable		
Property Price	-	63,000		53,000		57,600		
Time Adjustment	2025	2025	0.00%	2025	0.00%	2025	0.00%	
Market Condition Adjustment	-	Contract	0.00%	Contract	0.00%	Contract	0.00%	
Property Value After Cumulative Sequential Adjustments	-	63,000		53,000		57,600		
Total Built-Up Area of the Subject Property	80	70	10	80	0	80	0	
Construction Cost per Square Meter	-	2,450		2,450		2,450		
Cash Adjustment Value	-	24,500.00		0.00		0.00		
Number of Swimming Pools	0	0	0.00	0	0.00	0	0.00	
Number of Elevators	0	0	0.00	0	0.00	0	0.00	
Property Value After Cash Adjustment	-	87,500		53,000		57,600		
Number of Facades	2	2	0.00%	2	0.00%	2	0.00%	
Finishing Level	Excellent	Excellent	0.00%	Excellent	0.00%	Excellent	0.00%	
Total Relative Adjustment Percentages	-	0.00%		0.00%		0.00%		
Value of Relative Adjustments	-	0.00		0.00		0.00		
Property Value After Relative Adjustments	-	87,500		53,000		57,600		
Comparable Property Contribution Ratio	-	30%		30%		40%		
Property Value	-			65,190.00				
Final Property Value	-			65,000				

3.1.3.11 Aerial Map Demonstrating the Location of Comparables



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	149,845,320	0%	
Income Approach	166,814,857	100%	
Average Value			166,814,856.60
Final Appraisal of the Property			166,815,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	166,815,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only one hundred sixty-six million eight hundred and fifteen thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

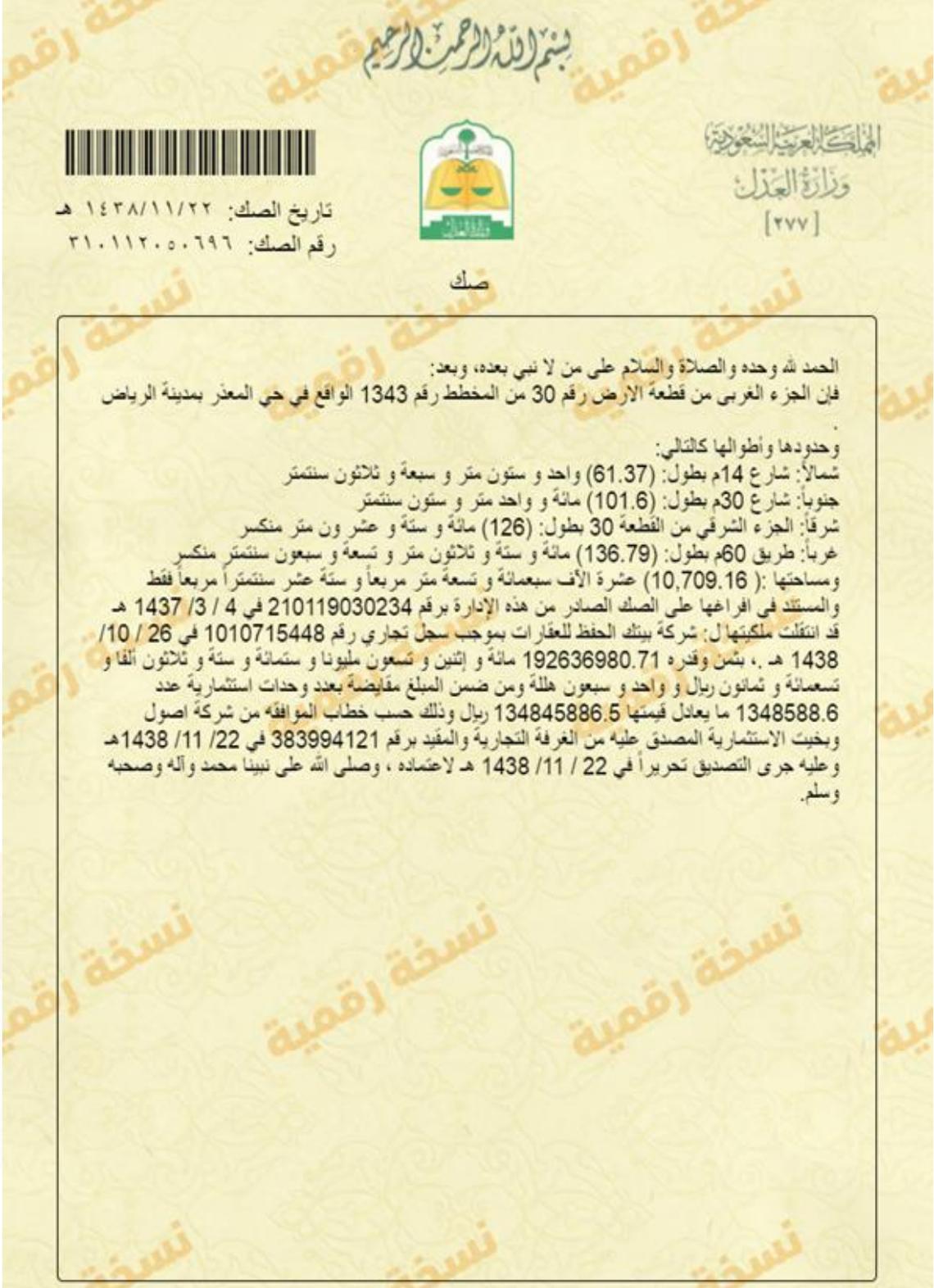
Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 A Copy of the Deed



End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Al Mohammadia Tower



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Al-Mohammadia Tower	
	Property Type	Building	
	Location	Al Maather District, Riyadh, Saudi Arabia	
	Type of Ownership	Freehold	
	Deed Data	No.	314002002732
		Date	28/12/1440H
		Owner	BaytaK Al-Hafiz Real Estate Company
	Land Area	2,109m ²	
Built-Up Area	15,562.92m ²		
Client Information	Recipient of the Report	Osool & Bakheet Investment Company	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	29/30/2025	
Valuation	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Cost Approach — Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
Report	Reference No.	12801	
	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	



1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions

Assumptions

Special Assumptions

Name Ahmed Bdeir

1220002914 ,Affiliated Member of Real Estate

Membership Number

Branch

Report Preparer

Membership Category

Affiliated Member

Contribution percentage

%20

Signature

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Real Estate Valuer

Membership Category

Affiliated Member

Contribution percentage

%45

Signature

Name

Asim Yasin Mohammed Ahmed Yasin

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Valuation Manager

Membership Category

Fellow Member

Contribution percentage

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Signature

Name

Yasser Ibrahim Asaad

Membership Number

Fellow Member

Valuation Reviewer

Membership Category

Fellow Member, MRICS ,1210000124

Contribution percentage

%5

Signature

Name

Mohammed Abdullah Massairi

Membership Number

1210000543

Managing Director

Membership Category

Fellow Member

(Authorized Signatory of the Report)

Contribution percentage

%15

Signature

Numerically

130,125,000

Currency

Saudi Riyal

Valuation Result

Final Value Opinion

Written

Only one hundred thirty million one hundred and twenty-five thousand Saudi Riyal

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(29/06/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property. The property is a mixed-use building that includes retail units, office spaces, and hotel apartments leased on a monthly basis.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (Administrative) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards.

Depreciation was calculated based on the building's remaining useful life and its current physical condition.

While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	10 m wide street	Length	57 m
Deed No.	314002002732	Deed Date	28/12/1440H	South	A parcel owned by Abdul Aziz Al-mousa	Length	57 m
Subdivision Parcel Number	N/A	Subdivisionplan ID	1343	East	80 m wide street	Length	37 m
Location on Google Maps	Location			West	14m wide street	Length	37 m
Building Permit Information				Land Area		2109 m ²	
Permit Number	1423/ 1771	Issuance Date	03/06/1426H	Total Built-Up Area		15,562.92 m ²	
Permit Category	Transfer of Ownership	Building Regulation	-	Property Specifications		The property consists of an office building	



A Photo Demonstrating the Boundaries of Property

1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information	
Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>





1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

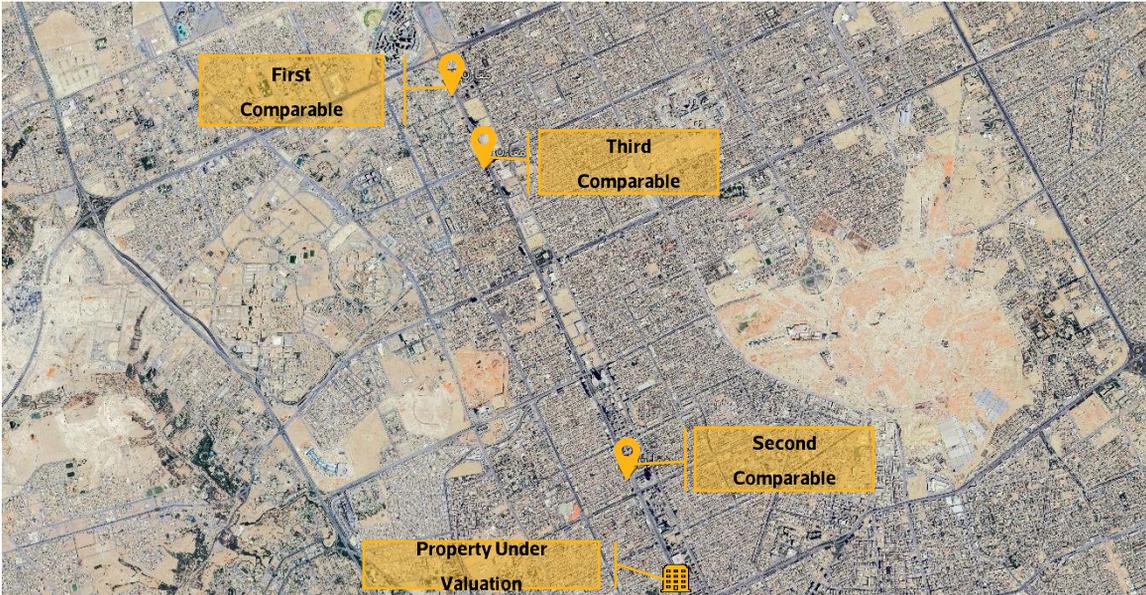
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price /m ²	Date
First Comparable	Location	2,703 m ²	54,060,000 Saudi Riyal	20,000 SAR /m ²	14-08-2023
Second Comparable	Location	2,295 m ²	42,999,120 Saudi Riyal	18,736 SAR /m ²	05-01-2024
Third Comparable	Location	3,380 m ²	108,160,000 Saudi Riyal	32,000 SAR /m ²	27-06-2024

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 2,900.00/m²)
- Mezzanine floor: (SAR 2,900.00/m²)
- Repeated floors: (SAR 2,900.00/m²)
- Upper annex floor: (SAR 2,900.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 1.0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 45 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (16) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 6,556,973), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.10%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.22%	AS valuar
Discount Rate	9.10%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.50%	

Chapter 2

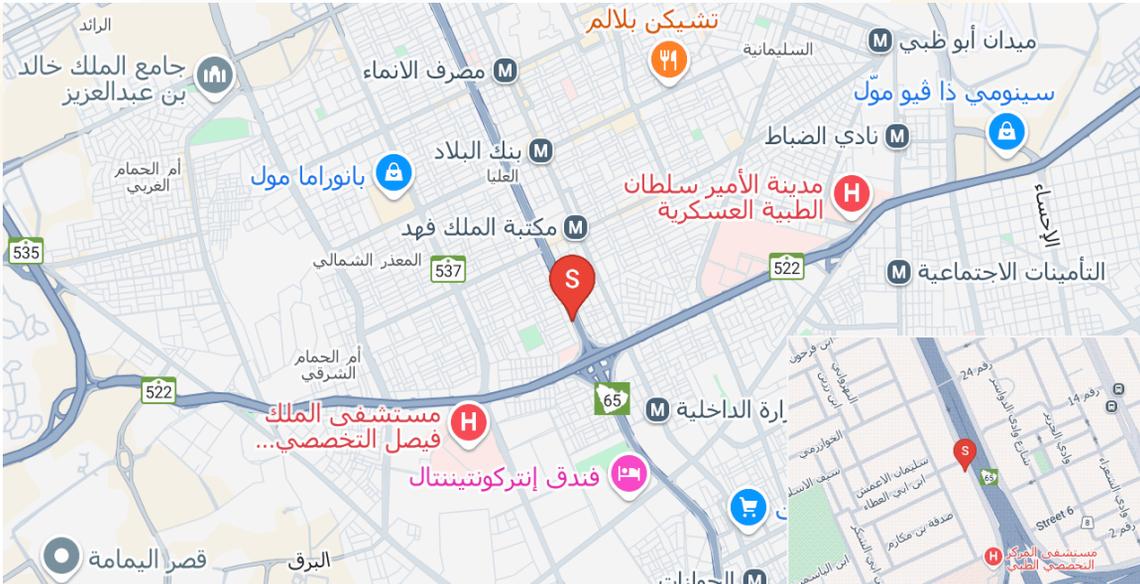
Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	Al-Maather District in Riyadh is considered one of the upscale and distinguished neighborhoods located in the heart of the Saudi capital. It enjoys a prime location near government institutions, healthcare centers, and educational facilities. Its proximity to King Khalid Road and MaKkah Road also makes it a vital connecting point within the city. The district features a mix of luxurious villas and modern apartments and is known for its peaceful environment and abundance of green spaces. A variety of high-end restaurants and cafés are available in the area, alongside essential services such as schools, mosques, and shopping centers, making it a highly suitable residential option for families seeking comfortable living in central Riyadh.
Advantages	Al-Maather District offers a strategic location, with quick access to major roads like King Khalid Road and MaKkah Road, ensuring smooth and fast travel to most areas of Riyadh. The neighborhood is known for its quiet atmosphere, privacy, and safety, along with widespread green spaces and small parks, providing a family-friendly setting. The area also offers comprehensive services, including schools, hospitals, and markets. It is home to several embassies and upscale hotels, reflecting the district's high-end status and quality of services, which in turn enhances its investment value.
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%



2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in a strategic area of Riyadh in Al Maather District, near King Abdulaziz Road, ensuring easy access from various parts of the city.
- The property features two commercial frontages, increasing its visibility and accessibility.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.

2. Weaknesses:

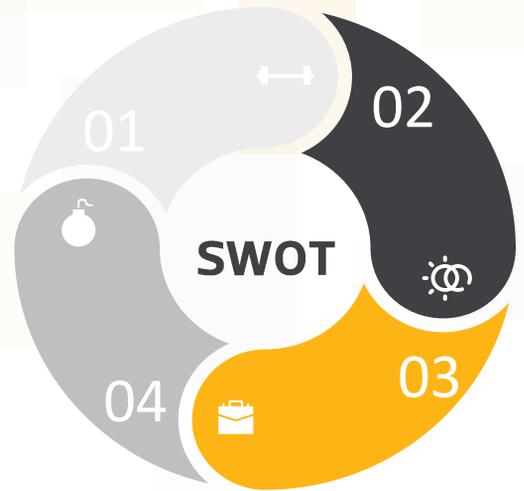
- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 45 Km) and the city center (approx. 5 Km), enhancing the property’s appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 Km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

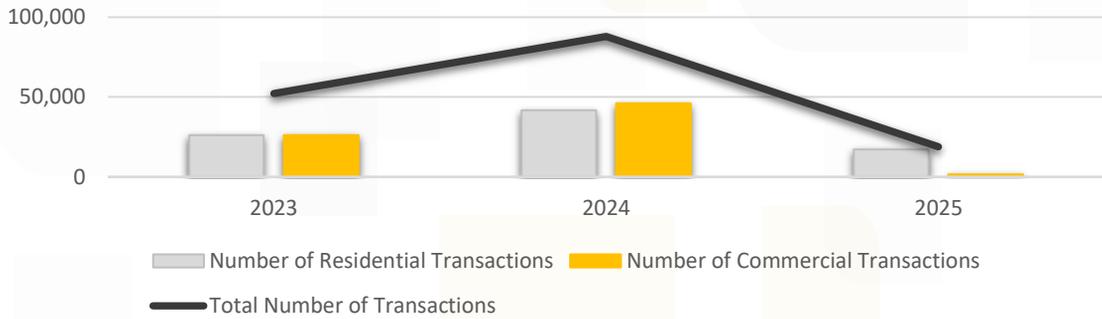


2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

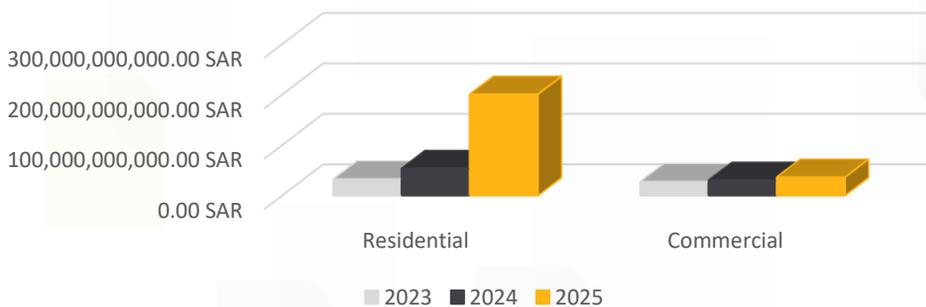
Number of Transactions



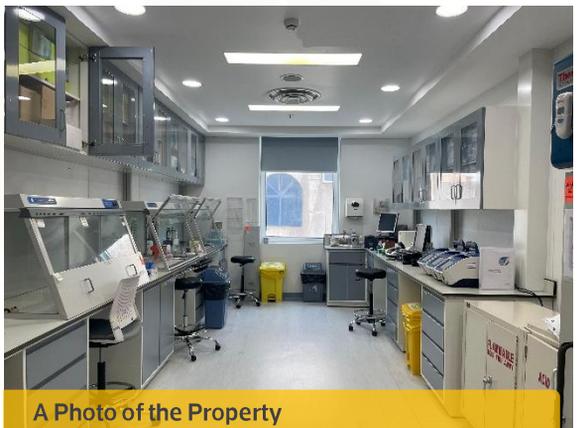
Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value



2.4 | Property Photos



Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR 20,000/m ²		SAR 18,736/m ²		SAR 32,000/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		14-08-2023		05-01-2024		27-06-2024	
Market Conditions		Relative Reduction 2.8 %		Relative Reduction 2.8 %		Same Conditions 0.0 %	
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		560		524.608		0	
Value Per Square Meter (After Adjustment)		SAR 20,560/m ²		SAR 19,261/m ²		SAR 32,000/m ²	
Location	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	3	2	2.0 %	2	2.0 %	2	2.0 %
Area (m ²)	2,109.0	2,703.0	1.4 %	2,295.0	0.4 %	3,380.0	1.9 %
Adjustment Value / Adjustment Ratio	-	SAR 701/m ²	3.4 %	SAR 470/m ²	2.4 %	SAR 1,242/m ²	3.9 %
Price Per m ² After Adjustment	-	SAR 21,261/m ²		SAR 19,731/m ²		SAR 33,242/m ²	
Weighting Factors	-	20 %		60 %		20 %	
Weighted Average Value	-			SAR 22,739			

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	2,109.00 m ²
Land Value / m ²	SAR 22,738.93 /m ²
Land Value	SAR 47,956,404.42

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area		Value / m ²	Total
2,709.00		22,738.93	47,956,404.42
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
First Basement	2,100.00	2,900.00	6,090,000.00
Second Basement	2,100.00	2,900.00	6,090,000.00
Mezzanine	1,230.00	2,900.00	3,567,000.00
Ground Floor	1,463.00	2,900.00	4,242,700.00
First Floor	1,992.00	2,900.00	5,776,800.00
Second Floor	940.56	2,900.00	2,727,624.00
Third Floor	940.56	2,900.00	2,727,624.00
Fourth Floor	940.56	2,900.00	2,727,624.00
Fifth Floor	940.56	2,900.00	2,727,624.00
Sixth Floor	940.56	2,900.00	2,727,624.00
Seventh Floor	940.56	2,900.00	2,727,624.00
Eighth Floor	940.56	2,900.00	2,727,624.00
Upper Annex Floor	94.00	2,900.00	272,600.00
Total Cost	15,562.92		45,132,468.00
Indirect Costs			
Description	Rate		Value
Engineering and Professional Consultation Costs	1.0%		451,324.68
Administrative Costs	1.0%		451,324.68
Other Services Costs	0.0%		0.00
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)		1,933,474.93
Total Indirect Costs			2,836,124.29
Total Building Cost Before Depreciation			47,968,592.29
Building Age			16
Useful Life			45
Depreciation Rate			36%
Actual Depreciation of the Building			36%
Building Value After Depreciation			30,913,092.81
Property Value Based on Cost Approach			78,869,497.23

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions							
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area	Average Unit Area	Number of Units	
First Basement	1.00	2,100.00	0%	0.00	0.00	0.00	
Second Basement	1.00	2,100.00	0%	0.00	0.00	0.00	
Mezzanine	1.00	1,230.00	0%	0.00	0.00	0.00	
Ground Floor	1.00	1,463.00	0%	0.00	0.00	0.00	
First Floor	1.00	1,992.00	75%	1,494.00	150.00	10.00	
Second Floor	1.00	940.56	75%	705.42	150.00	5.00	
Third Floor	1.00	940.56	75%	705.42	150.00	5.00	
Fourth Floor	1.00	940.56	75%	705.42	150.00	5.00	
Fifth Floor	1.00	940.56	75%	705.42	150.00	5.00	
Sixth Floor	1.00	940.56	75%	705.42	150.00	5.00	
Seventh Floor	1.00	940.56	75%	705.42	150.00	5.00	
Eighth Floor	1.00	940.56	75%	705.42	150.00	5.00	
Upper Annex Floor	1.00	94.00	75%	70.50	150.00	0.00	
Total		15,562.92		6,502.44		45.00	

3.1.3.2 (Property Income Data)

Offices Income													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area		6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4	6,502.4
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		1,509	1,540	1,573	1,606	1,639	1,674	1,709	1,745	1,781	1,819	1,857	1,896
Total Rental Income		7,123,642.30	10,015,270.86	10,225,591.55	10,440,328.98	10,659,575.88	10,883,426.98	11,111,978.94	11,345,330.50	11,583,582.44	11,826,837.67	12,075,201.26	12,328,780.49
Vacancy and Credit Losses	3%	-213,709.27	-300,458.13	-306,767.75	-313,209.87	-319,787.28	-326,502.81	-333,359.37	-340,359.92	-347,507.47	-354,805.13	-362,256.04	-369,863.41
Maintenance and Operating Costs	7%	-61,112.50	-680,036.89	-694,317.67	-708,898.34	-723,785.20	-738,984.69	-754,503.37	-770,347.94	-786,525.25	-803,042.28	-819,906.17	-837,124.20
Net Income	90%	6,848,820.53	9,034,775.85	9,224,506.14	9,418,220.77	9,616,003.40	9,817,939.48	10,024,116.21	10,234,622.65	10,449,549.72	10,668,990.27	10,893,039.06	11,121,792.88

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	9.10%
Exit Capitalization Rate	7.00%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income		6,848,821	9,034,776	9,224,506	9,418,221	9,616,003	9,817,939	10,024,116	10,234,623	10,449,550	10,668,990	10,893,039	11,121,793
Terminal Value													158,882,755
Total		6,848,821	9,034,776	9,224,506	9,418,221	9,616,003	9,817,939	10,024,116	10,234,623	10,449,550	10,668,990	10,893,039	11,121,793
Annual Discount Factor		0.96	0.88	0.80	0.74	0.68	0.62	0.57	0.52	0.48	0.44	0.40	
Present Value		6,556,973	7,928,303	7,419,613	6,943,561	6,498,053	6,081,129	5,690,956	5,325,817	4,984,105	4,664,318	4,364,115	68,032,415

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.10%	130,125,243.35
Property Value	130,125,000.00

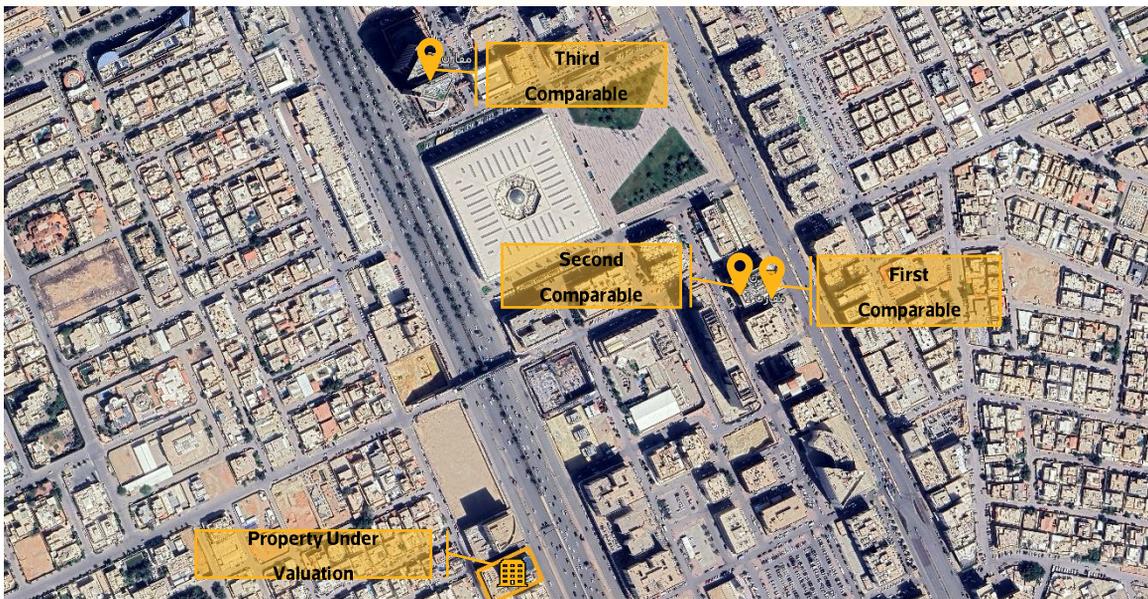
3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	2,176 SAR/m ²		1,407 SAR/m ²		1,350 SAR/m ²	
Type of Comparable	-	Contract		Contract		Contract	
Date	-	2025		2025		2025	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	2,176 SAR/m ²		1,407 SAR/m ²		1,350 SAR/m ²	
Finishing	Very Good	Excellent	-5.0 %	Excellent	-5.0 %	Excellent	-5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	150.0	80.4	-4.3 %	149.0	0.0 %	132.0	-0.7 %
Adjustment Value / Adjustment Ratio	-	-203 SAR/m ²	-9.3 %	-71 SAR/m ²	-5.0 %	-77 SAR/m ²	-5.7 %
Price Per m ² After Adjustment	-	1,973 SAR/m ²		1,337 SAR/m ²		1,273 SAR/m ²	
Weighting Factors	-	30 %		40 %		30 %	
Weighted Average Value	-			1,509 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	78,869,497	0%	
Income Approach	130,125,243	100%	
Average Value			130,125,243.35
Final Appraisal of the Property			130,125,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	130,125,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only one hundred thirty million one hundred and twenty-five thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers. Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Al TKhassusi

Showrooms



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Al Thassusi Showrooms	
	Property Type	Building	
	Location	Al Maather District, Riyadh, Saudi Arabia	
	Type of Ownership	Freehold	
	Deed Data	No.	314009010892
		Date	29/06/1442H
		Owner	BaytaKAI-Hafiz Real Estate Company
Land Area	4,248m ²		
Built-Up Area	6,610.61m ²		
Client Information	Recipient of the Report	Osool & Bakheet Investment Company	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	29/06/2025	
Valuation	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Cost Approach — Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12802	
Report	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions

Assumptions

Special Assumptions

Name

Ahmed Bdeir

Membership Number

1220002914 ,Affiliated Member of Real Estate

Branch

Report Preparer

Membership Category

Affiliated Member

Contribution percentage

%20

Signature

Name

Abdulmalik Mansour Al-Johani

Membership Number

1210003639

Real Estate Valuer

Membership Category

Affiliated Member

Contribution percentage

%45

Signature

Name

Asim Yasin Mohammed Ahmed Yasin

Membership Number

1220001314

Valuation Manager

Membership Category

Fellow Member

Contribution percentage

%15

Signature

Name

Yasser Ibrahim Asaad

Membership Number

Fellow Member

Valuation Reviewer

Membership Category

Fellow Member, MRICS ,1210000124

Contribution percentage

%5

Signature

Name

Mohammed Abdullah Massairi

Membership Number

1210000543

Managing Director

(Authorized

Signatory of the

Report)

Membership Category

Fellow Member

Contribution percentage

%15

Signature

Numerically

74,000,000

Currency

Saudi Riyal

Valuation Result

Final Value Opinion

Written

Only seventy-four Saudi Riyal

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: (Preparation of Financial Statements for the Mid-Year 2025 Budget)

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. Income Approach — Discounted Cash Flow Method (DCF)
2. Cost Approach — Depreciation Method

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: (29/06/2025)

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: (30/06/2025)

Report Date:

The report date is the date the valuation report was issued. The report was issued on: (30/07/2025)

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property. The property is a mixed-use building that includes retail units, office spaces, and hotel apartments leased on a monthly basis.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs. For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (retail, office, hospitality) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards. Depreciation was calculated based on the building's remaining useful life and its current physical condition. While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	20m wide street	Length	60 m
Deed No.	314009010892	Deed Date	29/06/1442	South	Parcel No.1113 & 1114	Length	60 m
Subdivision Parcel Number	1107 to 1112	Subdivisionplan ID	1343	East	14 m wide street	Length	70.8 m
Location on Google Maps	Location			West	40m wide Al TKhssusi Street	Length	70.8 m
Building Permit Information				Land Area		4,248 m ²	
Permit Number	1437/ 263	Issuance Date	09/01/1437H	Total Built-Up Area		6,610,61m ²	
Permit Category	Modification of Building Plans	Building Regulation	-	Property Specifications		The property consists of an automobile showroom	



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>





1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

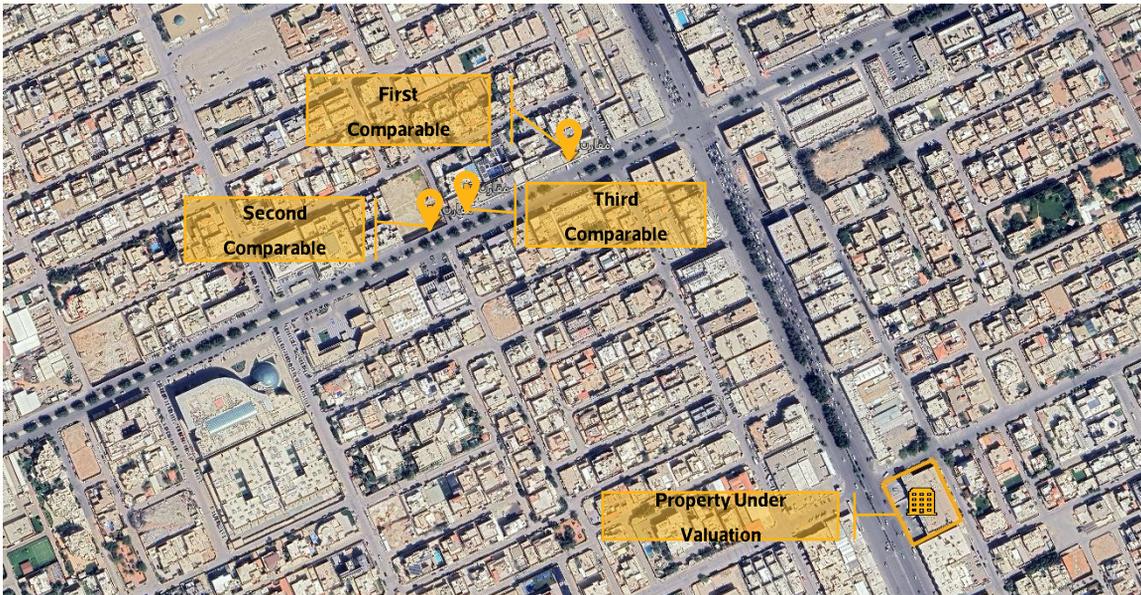
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price /m ²	Date
First Comparable	Location	1,980 m ²	26,688,420 Saudi Riyal	13,479 SAR /m ²	2024-12-16
Second Comparable	Location	875 m ²	8,358,000 Saudi Riyal	9,552 SAR /m ²	2024-07-02
Third Comparable	Location	1,980 m ²	20,825,640 Saudi Riyal	10,518 SAR /m ²	2024-05-02

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 1,600.00/m²)
- Mezzanine floor: (SAR 1,600.00/m²)
- Ground floor: (SAR 1,600.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 40 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (8) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 4,088,261), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 5% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.60%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.50%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.72%	AS valuar
Discount Rate	9.60%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.50%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos

2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Riyadh City	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>



Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	2 Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	30 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Maather District in Riyadh is considered one of the upscale and distinguished neighborhoods located in the heart of the Saudi capital. It enjoys a prime location near government institutions, healthcare centers, and educational facilities. Its proximity to King Khalid Road and MaKkah Road also makes it a vital connecting point within the city. The district features a mix of luxurious villas and modern apartments and is known for its peaceful environment and abundance of green spaces. A variety of high-end restaurants and cafés are available in the area, alongside essential services such as schools, mosques, and shopping centers, making it a highly suitable residential option for families seeking comfortable living in central Riyadh.</p>
Advantages	<p>Al-Maather District offers a strategic location, with quick access to major roads like King Khalid Road and MaKkah Road, ensuring smooth and fast travel to most areas of Riyadh. The neighborhood is known for its quiet atmosphere, privacy, and safety, along with widespread green spaces and small parks, providing a family-friendly setting.</p> <p>The area also offers comprehensive services, including schools, hospitals, and markets. It is home to several embassies and upscale hotels, reflecting the district's high-end status and quality of services, which in turn enhances its investment value.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%



2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in a strategic area of Riyadh in Al Maather District, near King Abdulaziz Road, ensuring easy access from various parts of the city.
- The property features two commercial frontages, increasing its visibility and accessibility.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.

2. Weaknesses:

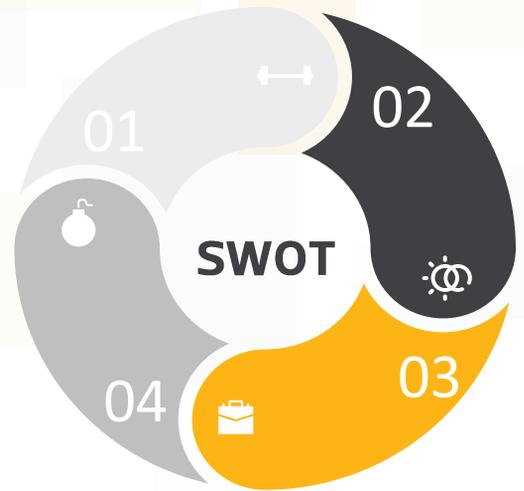
- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 45 Km) and the city center (approx. 5 Km), enhancing the property’s appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 Km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

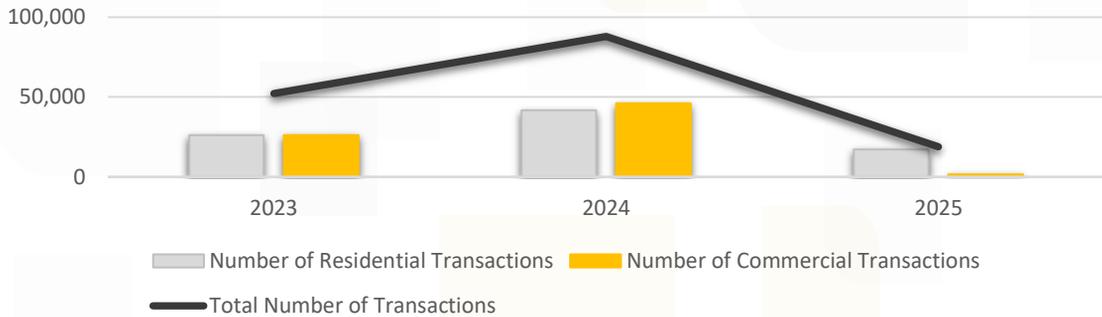


2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

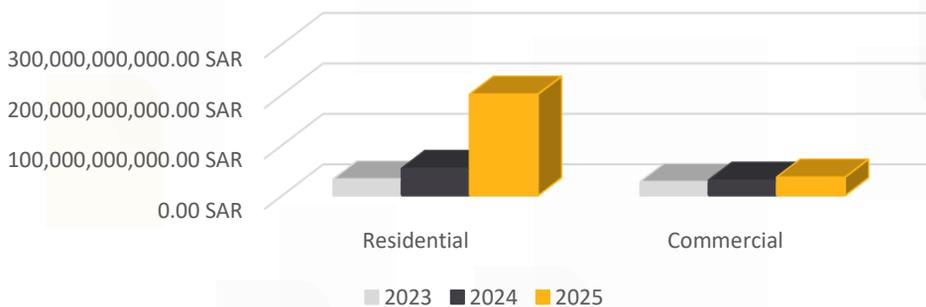
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR13,479 /m ²		SAR9,552/m ²		SAR10,518 /m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		16-12-2024		02-07-2024		02-05-2024	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		SAR13,479 /m ²		SAR9,552/m ²		SAR10,518 /m ²	
Location	Excellent	Very Good	5.0 %	Very Good	5.0 %	Very Good	5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	3	2	2.5 %	2	2.5 %	2	2.5 %
Area (m ²)	4,248.2	1,980.0	-5.7 %	875.0	-19.3 %	1,980.0	-5.7 %
Adjustment Value / Adjustment Ratio	-	SAR 239 /m ²	1.8 %	SAR -1,125 /m ²	-11.8 %	SAR186 /m ²	1.8 %
Price Per m ² After Adjustment	-	SAR13,718 /m ²		SAR 8,427 /m ²		SAR 10,704 /m ²	
Weighting Factors	-	40 %		20 %		40 %	
Weighted Average Value	-	SAR11,454					

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	4,248.00 m ²
Land Value / m ²	SAR 11,454.42 /m ²
Land Value	SAR 48,658,395.66

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
4,248.00	11,454.42	48,658,395.66	

Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	3,448.22	1,600.00	5,517,152.00
Mezzanine	835.39	1,600.00	1,336,624.00
Ground Floor	2,327.00	1,600.00	3,723,200.00
Total Cost	6,610.61		10,576,976.00

Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	444,232.99	
Total Indirect Costs		444,232.99	

Total Building Cost Before Depreciation	11,021,208.99
Building Age	8
Useful Life	40
Depreciation Rate	20%
Actual Depreciation of the Building	20%
Building Value After Depreciation	8,816,967.19
Property Value Based on Cost Approach	57,475,362.86

3.1 Valuation

3.1.3 Cost Approach — Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Basement	2.00	3,448.22	100%	3,448.22
Mezzanine	0.50	835.39	100%	835.39
Ground Floor	1.00	2,327.00	100%	2,327.00
Total		6,610.61		6,610.61

3.1.3.2 (Property Income Data)

	Rate Increase %	Year											
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Showrooms Income	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
	Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area		6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6	6,610.6
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		883	901	920	939	959	979	1,000	1,021	1,042	1,064	1,086	1,109
Total Rental Income		4,420,619.28	5,956,940.06	6,082,035.80	6,209,758.55	6,340,163.48	6,473,306.91	6,609,246.36	6,748,040.53	6,889,749.38	7,034,434.12	7,182,157.24	7,332,982.54
Vacancy and Credit Losses	3%	-132,618.58	-178,708.20	-182,461.07	-186,292.76	-190,204.90	-194,199.21	-198,277.39	-202,441.22	-206,692.48	-211,033.02	-215,464.72	-219,989.48
Maintenance and Operating Costs	5%	-8,000.00	-288,911.59	-294,978.74	-301,173.29	-307,497.93	-313,955.39	-320,548.45	-327,279.97	-334,152.85	-341,170.05	-348,334.63	-355,649.65
Net Income	92%	4,280,000.70	5,489,320.26	5,604,595.99	5,722,292.50	5,842,460.65	5,965,152.32	6,090,420.52	6,218,319.35	6,348,904.06	6,482,231.04	6,618,357.89	6,757,343.41



3.1 Valuation

3.1.3 Cost Approach — Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	9.60%
Exit Capitalization Rate	7.50%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income	4,280,001	5,489,320	5,604,596	5,722,293	5,842,461	5,965,152	6,090,421	6,218,319	6,348,904	6,482,231	6,618,358	6,757,343
Terminal Value											90,097,912	
Total	4,280,001	5,489,320	5,604,596	5,722,293	5,842,461	5,965,152	6,090,421	6,218,319	6,348,904	6,482,231	96,716,270	
Annual Discount Factor	0.96	0.87	0.80	0.73	0.66	0.60	0.55	0.50	0.46	0.42	0.38	
Present Value	4,088,261	4,784,127	4,456,746	4,151,768	3,867,660	3,602,994	3,356,438	3,126,755	2,912,789	2,713,465	36,939,305	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate - 9.60%	74,000,309.25
Property Value	74,000,000.00

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	853 SAR/m ²		857 SAR/m ²		806 SAR/m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	showroom	showroom	0.0 %	office	0.0 %	office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		853 SAR/m ²		857 SAR/m ²		806 SAR/m ²	
Finishing	Excellent	Very Good	5.0 %	Very Good	5.0 %	Very Good	5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Adjustment Value / Adjustment Ratio	-	43 SAR/m ²	5.0 %	43 SAR/m ²	5.0 %	40 SAR/m ²	5.0 %
Price Per m ² After Adjustment	-	896 SAR/m ²		900 SAR/m ²		846 SAR/m ²	
Weighting Factors	-	30 %		40 %		30 %	
Weighted Average Value	-			883 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	57,475,363	0%	
Income Approach	74,000,309	100%	
Average Value			74,000,309.25
Final Appraisal of the Property			74,000,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	74,000,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only seventy-four million Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 | A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٤٢/٦/٢٩ هـ
رقم الصك: ٣١٤٠٠٩٠١٠٨٩٢

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:

فإن قطعة الأرض 1107 و قطعة الأرض 1108 و قطعة الأرض 1109 و قطعة الأرض 1110 و قطعة الأرض 1111 و قطعة الأرض 1112 من البلوك رقم 191 من المخطط رقم 1343 الواقع في حي المعثر بمدينة الرياض . و حدودها وأطوالها كالتالي:

شمالاً: شارع عرض 20م بطول: (60) ستون متر
جنوباً: قطعة رقم 1113 و رقم 1114 بطول: (60) ستون متر
شرقاً: شارع عرض 14م بطول: (70.8) سبعون متر و ثمانون سنتيمتر
غرباً: شارع التخصصي عرض 40م بطول: (70.8) سبعون متر و ثمانون سنتيمتر ومساحتها: (4248) أربعة آلاف و مئتين و ثمانية و أربعون متر مربعاً فقط المملوكة لـ/ شركة بنك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 1438 / 10 / 26 هـ وتنتهي في 1443 / 10 / 26 هـ بالصك الصادر من كتابة العدل الأولى بالرياض برقم 810114038490 في 1438 / 11 / 17 هـ قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم 1010000096 وتنتهي في 1443 / 5 / 29 هـ ضماناً لوفائه /ـ/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم 1010000096 بمبلغ وقدره (25500000) خمسة و عشرون مليون و خمسمائة الف ريال المحاز من الهيئة الشرعية برقم 1075 في 1436 / 9 / 7 هـ ، على أن يتم سداد المدبونية دفعة واحدة بتاريخ 02 / 11 / 2026 م

وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرضبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً و عليه جرى التصديق تحريراً في 1442 / 6 / 29 هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من نياتها وصلاحيتها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٢-١٣-١٤)
مستند مطبوع المكونة -٢١٢١٢١- (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تطويله)
صفحة رقم 1 من 1

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Al Sahafa Tower 1



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology



1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Al Sahafa Tower1	
	Property Type	Building	
	Location	Al Sahafa District, Riyadh, Saudi Arabia	
	Type of Ownership	Freehold	
	Deed Data	No.	317815000994
		Date	12/06/1441
		Owner	BaytaKAI-Hafiz Real Estate Company
Land Area	2,520m ²		
Built-Up Area	11,339.80m ²		
Client Information	Recipient of the Report	Osool & Bakheet Investment Company	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	28/06/2025	
Valuation	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Cost Approach — Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12803	
Report	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 Executive Summary

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following:	
	Special Assumptions	Title Deed Building Permit	
Valuers	Report Preparer	Name	Ahmed Bdeir
	Real Estate Valuer	Membership Number	1220002914 ,Affiliated Member of Real Estate Branch
		Membership Category	Affiliated Member
		Contribution percentage	%20
	Valuation Manager	Signature	
Name		Abdulmalik Mansour Al-Johani	
Membership Number		1210003639	
Membership Category		Affiliated Member	
Contribution percentage		%45	
Valuation Reviewer	Signature		
	Name	Asim Yasin Mohammed Ahmed Yasin	
	Membership Number	1220001314	
	Membership Category	Fellow Member	
	Contribution percentage	%15	
Managing Director (Authorized Signatory of the Report)	Signature		
	Name	Yasser Ibrahim Asaad	
	Membership Number	Fellow Member	
	Membership Category	Fellow Member, MRICS ,1210000124	
	Contribution percentage	%5	
Valuation Result	Signature		
	Name	Mohammed Abdullah Massairi	
	Membership Number	1210000543	
	Membership Category	Fellow Member	
	Contribution percentage	%15	
Final Value Opinion	Numerically	63,016,000	
	Currency	Saudi Riyal	
	Written	Only sixty-three million and sixteen thousand Saudi Riyal	
Report Version	Final		



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: (Preparation of Financial Statements for the Mid-Year 2025 Budget)

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. Income Approach — Discounted Cash Flow Method (DCF)
2. Cost Approach — Depreciation Method

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: (28/06/2025)

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: (30/06/2025)

Report Date:

The report date is the date the valuation report was issued. The report was issued on: (30/07/2025)

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property. The property is a mixed-use building that includes retail units, office spaces, and hotel apartments leased on a monthly basis.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs. For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (retail, office, hospitality) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards. Depreciation was calculated based on the building's remaining useful life and its current physical condition. While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	Parcel No. 1919 & 1920 & 1921	Length	70
Deed No.	317815000994	Deed Date	12/06/1441H	South	Parcel No. 1917	Length	70
Subdivision Parcel Number	1918	Subdivisionplan ID	1637	East	15 m wide street	Length	36
Location on Google Maps	Location			West	40m wide street	Length	36
Building Permit Information				Land Area		2,520 m ²	
Permit Number	1431/9936	Issuance Date	08/06/1431	Total Built-Up Area		11,339.80 m ²	
Permit Category	Issuance	Building Regulation	-	Property Specifications		The property consists of an office tower	



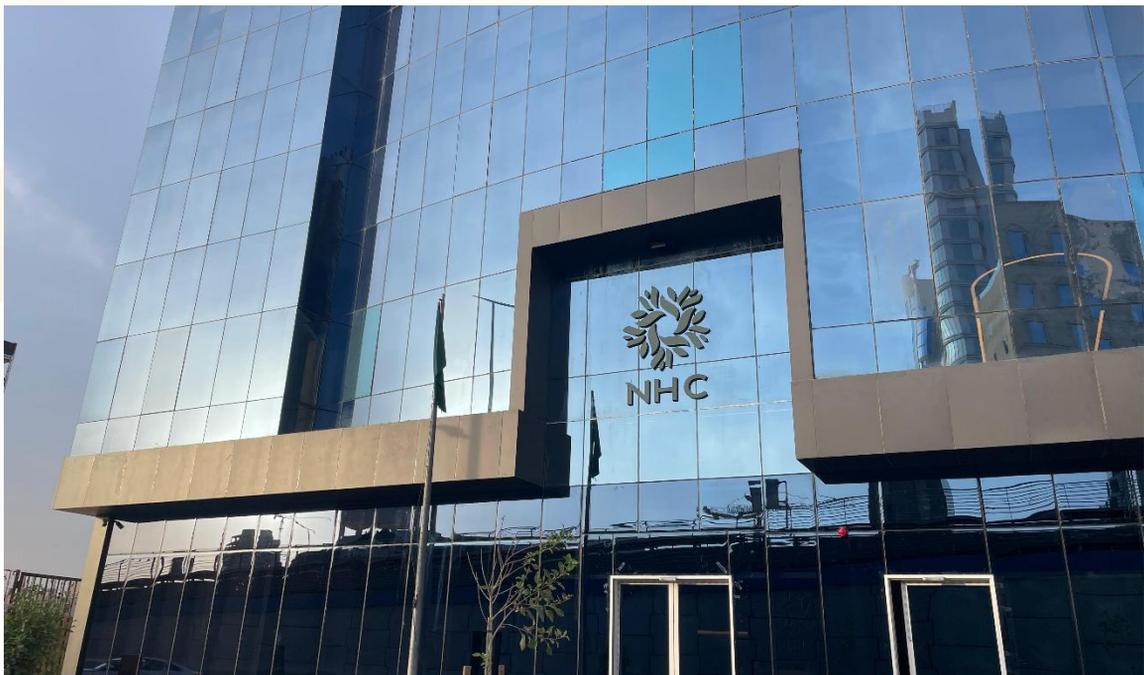
A Photo Demonstrating the Boundaries of Property

1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input checked="" type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

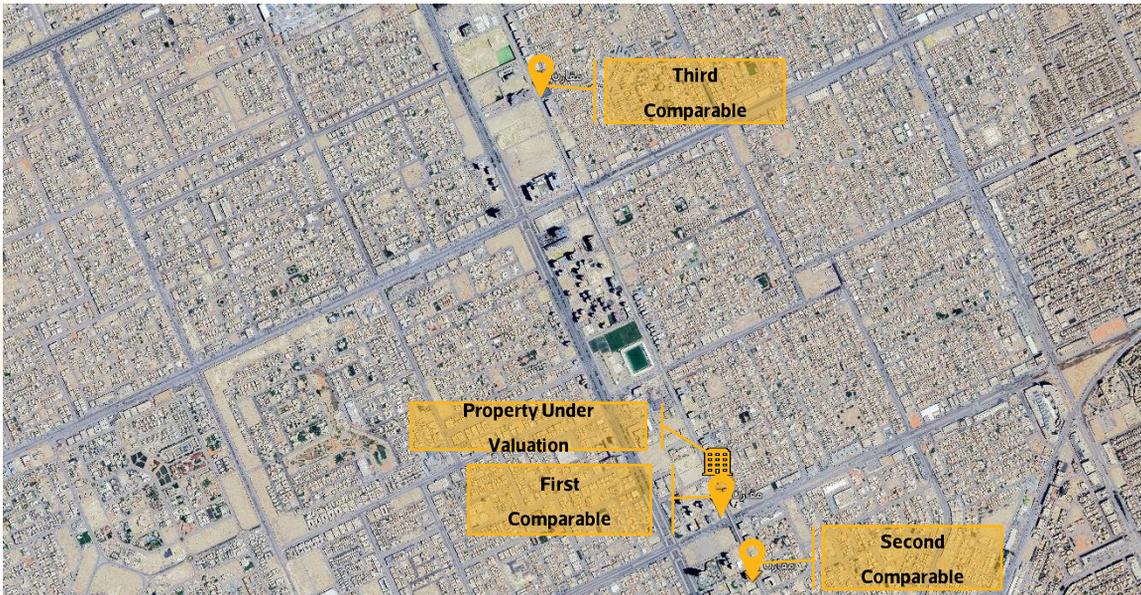
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price /m ²	Date
First Comparable	Location	840 m ²	19,999,560 Saudi Riyal	23,809 SAR /m ²	27-08-2024
Second Comparable	Location	863 m ²	20,700,000 Saudi Riyal	24,000 SAR /m ²	15-05-2024
Third Comparable	Location	2,985 m ²	68,664,200 Saudi Riyal	23,000 SAR /m ²	21-03-2024

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 2,900.00/m²)
- Mezzanine floor: (SAR 2,900.00/m²)
- Repeated floor: (SAR 2,900.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 40 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (12) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR2,779,703), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (5%).
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.60%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.50%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.72%	AS valuar
Discount Rate	9.60%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.50%	

Chapter 2

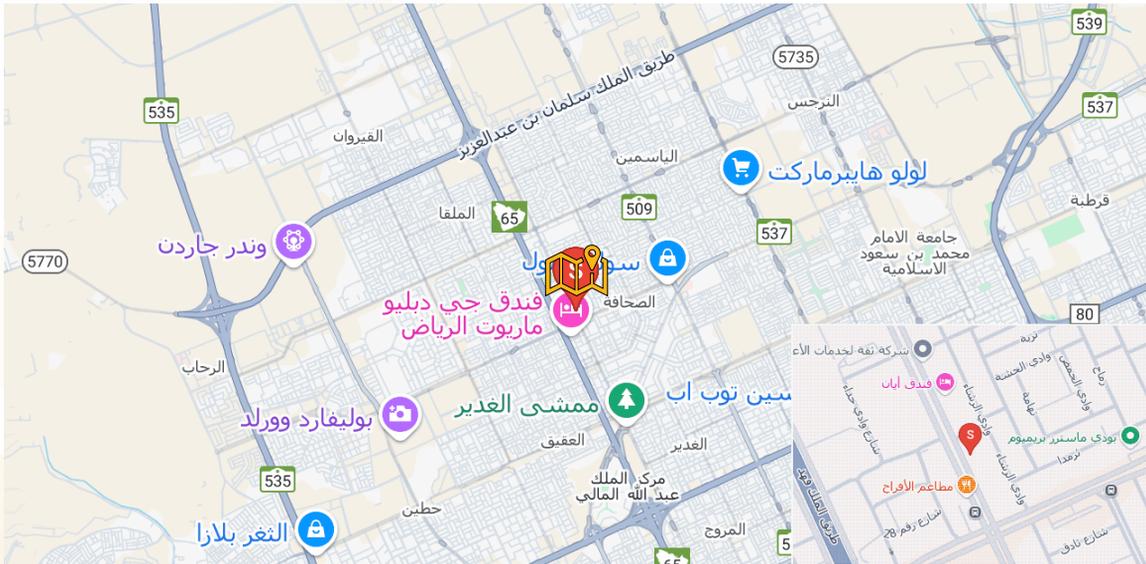
Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Riyadh City	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>



Property Location

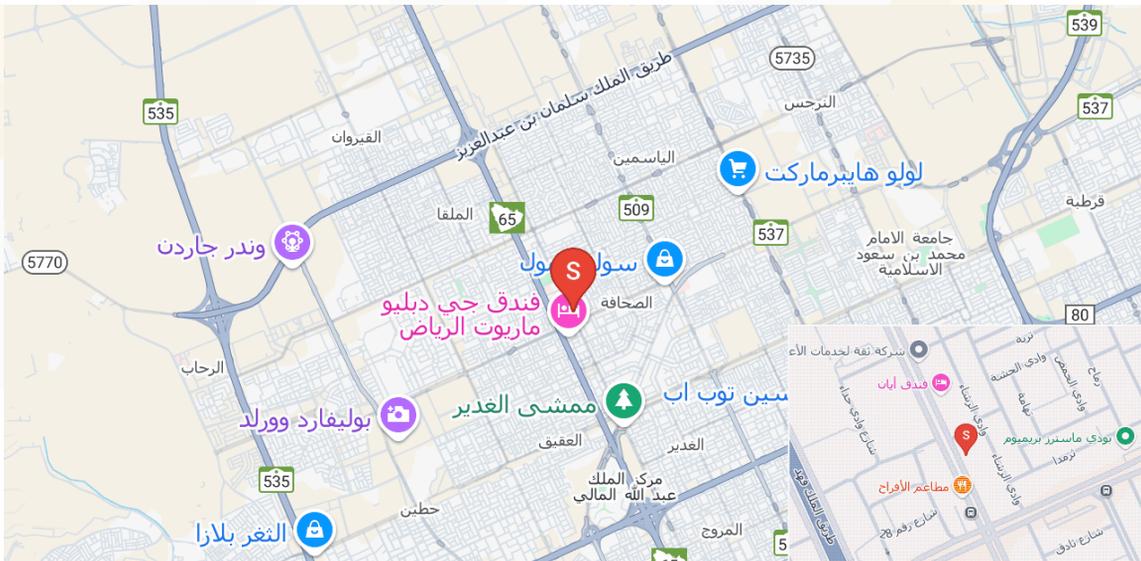
A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point			
Attraction Point	Distance	Attraction Point	Distance
City Center	11Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	18 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al Sahafa District in Riyadh is considered one of the modern and distinguished neighborhoods located in the northern part of the capital. It features contemporary urban planning and a strategic location along King Fahd Road, which facilitates access to business centers and Key areas of the city. The district is near upscale neighborhoods such as Al Yasmin and Al Muruj, and includes a mix of high-end residential units like villas and apartments, in addition to a number of commercial towers and media headquarters.</p>
Advantages	<p>The district offers comprehensive services, including schools, health centers, shopping complexes, and well-known restaurants and cafés. It is also characterized by the presence of green spaces and well-organized roads, making it a suitable environment for both families and individuals. Al Sahafa District is known for its relative calm compared to the surrounding activity, making it an attractive option for both living and investment in the northern part of Riyadh.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

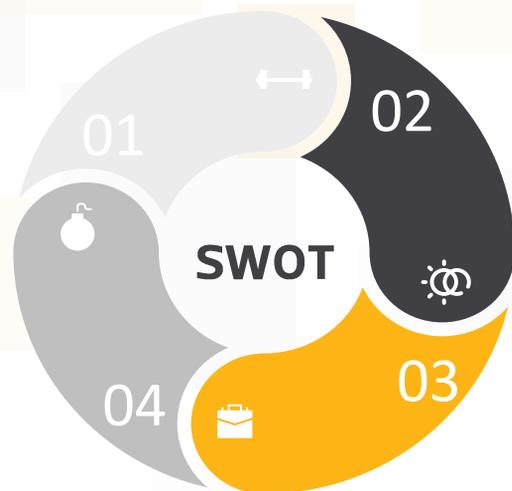


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in a strategic area of Riyadh in Al Sahafa District, Al Sahafa street, ensuring easy access from various parts of the city.
- The property features two commercial frontages, increasing its visibility and accessibility.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 45 Km) and the city center (approx. 5 Km), enhancing the property’s appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 Km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

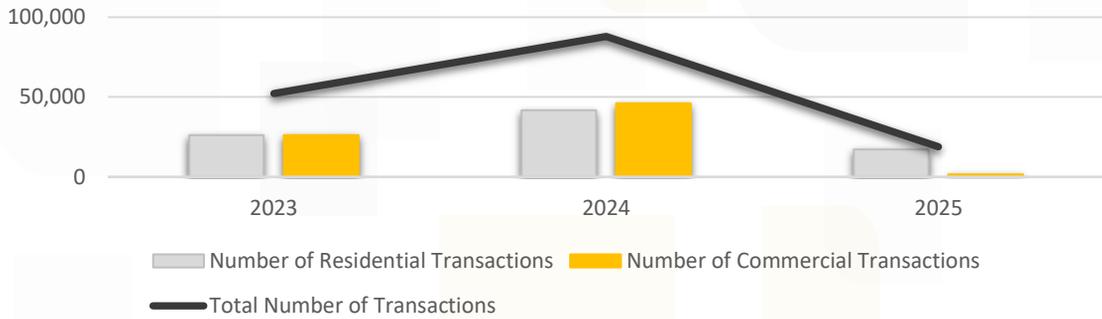
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

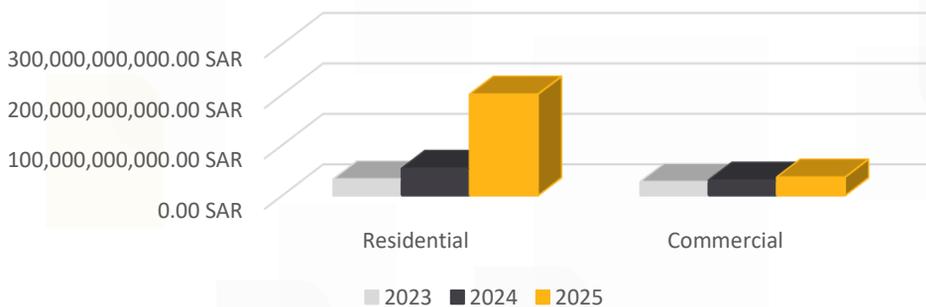
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



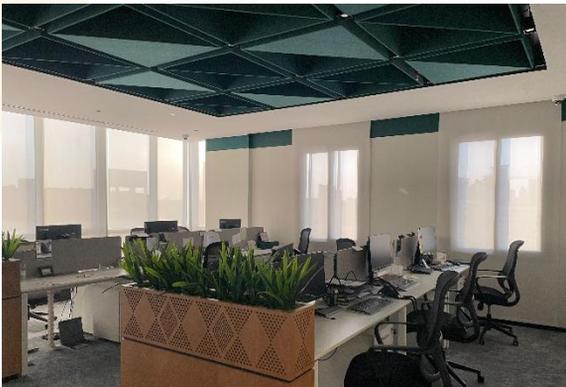
A Photo of the Property



A Photo of the Property



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A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR 23,809 /m ²		SAR 24,000 /m ²		SAR 23,000 /m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-08-27		2024-05-15		2024-03-21	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		SAR 23,809 /m ²		SAR 24,000 /m ²		SAR 23,000 /m ²	
Location	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	1	2.5 %	1	2.5 %	1	2.5 %
Area (m ²)	2,520.0	840.0	-10.0 %	862.5	-9.6 %	2,985.4	0.8 %
Adjustment Value / Adjustment Ratio	-	SAR -1,786 /m ²	-7.5 %	SAR -1,706 /m ²	-7.1 %	SAR 754 /m ²	3.3 %
Price Per m ² After Adjustment	-	SAR 22,023 /m ²		SAR 22,294 /m ²		SAR 23,754 /m ²	
Weighting Factors	-	30 %		30 %		40 %	
Weighted Average Value	-			SAR 22,797			

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	2,520.00 m ²
Land Value / m ²	SAR 22,796.88 /m ²
Land Value	SAR 57,448,141.98

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
2,520.00	22,796.88	57,448,141.98	
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	5,040.00	2,900.00	14,616,000.00
Mezzanine	765.30	2,900.00	2,219,370.00
Ground Floor	754.50	2,900.00	2,188,050.00
First Floor	789.00	2,900.00	2,288,100.00
Second Floor	800.50	2,900.00	2,321,450.00
Third Floor	800.50	2,900.00	2,321,450.00
Fourth Floor	800.50	2,900.00	2,321,450.00
Fifth Floor	789.00	2,900.00	2,288,100.00
Sixth Floor	800.50	2,900.00	2,321,450.00
Total Direct Cost	11,339.80		32,885,420.00
Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Cost	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	1,381,187.64	
Total Indirect Costs		1,381,187.64	
Total Building Cost Before Depreciation			34,266,607.64
Building Age		12	
Useful Life		40	
Depreciation Rate		30%	
Actual Depreciation of the Building		30%	
Building Value After Depreciation		23,986,625.35	
Property Value Based on Cost Approach			81,434,767.32

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Basement	2.00	5,040.00	0%	0.00
Mezzanine	0.50	765.30	0%	0.00
Ground Floor	1.00	754.50	75%	565.88
First Floor	1.00	789.00	75%	591.75
Second Floor	1.00	800.50	75%	600.38
Third Floor	1.00	800.50	75%	600.38
Fourth Floor	1.00	800.50	75%	600.38
Fifth Floor	1.00	789.00	75%	591.75
Sixth Floor	1.00	800.50	75%	600.38
Total		5,040.00		4,150.88

3.1.3.2 (Property Income Data)

Offices Income													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area		4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9	4,150.9
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		1,263	1,290	1,317	1,344	1,373	1,401	1,431	1,461	1,492	1,523	1,555	1,588
Total Rental Income		3,127,561.66	5,353,276.24	5,465,633.78	5,580,412.09	5,697,600.75	5,817,250.36	5,939,412.62	6,064,140.29	6,191,487.23	6,321,508.46	6,454,260.14	6,589,799.60
Vacancy and Credit Losses	5%	-156,378.08	-267,660.81	-273,281.69	-279,020.60	-284,880.04	-290,862.52	-296,970.63	-303,207.01	-309,574.36	-316,075.42	-322,713.01	-329,489.98
Maintenance and Operating Costs	7%	-61,112.50	-355,988.88	-363,464.65	-371,097.40	-378,890.45	-386,847.15	-394,970.94	-403,265.33	-411,733.90	-420,380.31	-429,208.30	-438,221.67
Net Income	88%	2,910,071.08	4,729,566.55	4,828,887.45	4,930,294.08	5,033,830.26	5,139,540.70	5,247,471.05	5,357,667.94	5,470,178.97	5,585,052.73	5,702,338.84	5,822,087.95

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	10.30%
Exit Capitalization Rate	7.50%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Total Net Income	2,910,071	4,729,567	4,828,887	4,930,294	5,033,830	5,139,541	5,247,471	5,357,668	5,470,179	5,585,053	5,702,339	5,822,088	
Terminal Value											77,627,839		
Total	2,910,071	4,729,567	4,828,887	4,930,294	5,033,830	5,139,541	5,247,471	5,357,668	5,470,179	5,585,053	83,330,178		
Annual Discount Factor	0.96	0.87	0.80	0.73	0.66	0.60	0.55	0.50	0.46	0.42	0.38		
Present Value	2,779,703	4,121,976	3,839,907	3,577,140	3,332,354	3,104,318	2,891,888	2,693,994	2,509,642	2,337,906	31,826,691		

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.60%	63,015,518.85
Property Value	63,016,000.00

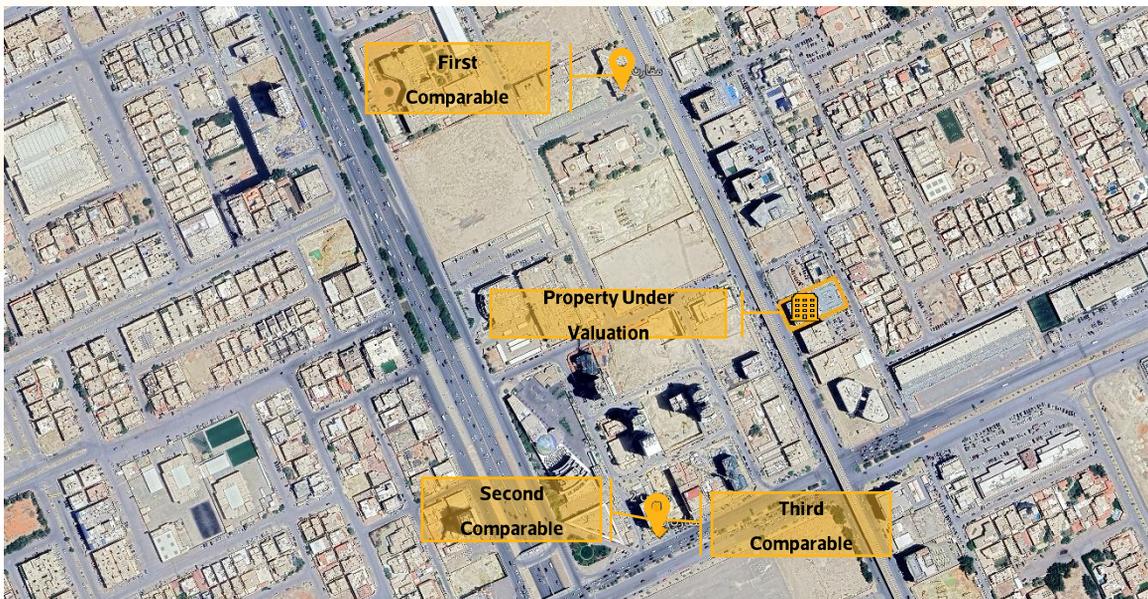
3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	1,203 SAR/m ²		1,595 SAR/m ²		1,400 SAR/m ²	
Type of Comparable	-	Contract		Contract		Contract	
Date	-	2025		2025		2025	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	1,203 SAR/m ²		1,595 SAR/m ²		1,400 SAR/m ²	
Finishing	Very Good	Excellent	-7.5 %	Excellent	-7.5 %	Excellent	-7.5 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	200.0	100.0	-5.0 %	156.0	-1.4 %	162.0	-1.2 %
Adjustment Value / Adjustment Ratio	-	-150 SAR/m ²	-12.5 %	-142 SAR/m ²	-8.9 %	-121 SAR/m ²	-8.7 %
Price Per m ² After Adjustment	-	1,053 SAR/m ²		1,453 SAR/m ²		1,279 SAR/m ²	
Weighting Factors	-	30 %		30 %		40 %	
Weighted Average Value	-			1,263 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	81,434,767	0%	
Income Approach	63,015,519	100%	
Average Value			63,015,518.85
Final Appraisal of the Property			63,016,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	63,016,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only sixty-three million and sixteen thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers. Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

رقم الصك: ١٤٤١/٦/١٢ هـ
رقم الصك: ٣١٧٨١٥٠٠٠٩٩٤

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 1918 من المخطط رقم 1637 الواقع في حي الصحافة بمدينة الرياض . وحدودها وأطوالها كالتالي:
شمالاً: قطعة أرقام 1919 و 1920 و 1921 بطول: (70) سبعون متر
جنوباً: قطعة رقم 1917 بطول: (70) سبعون متر
شرقاً: شارع عرض 15م بطول: (36) ستة و ثلاثون متر
غرباً: شارع عرض 40م بطول: (36) ستة و ثلاثون متر
ومساحتها : (2520) ألفان و خمسمائة و عشرون متر مربعاً فقط والمقام عليها عسارة المملوكة لـ/ شركة بيتك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 26 / 10 / 1438 هـ بالصك الصادر من كتابة العدل الأولى بالرياض برقم 910105051293 في 16 / 11 / 1438 هـ قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم 1010000096 وتنتهي في 29 / 5 / 1443 هـ ضماناً لوفائه بـ/ مستحقات مالية قدره 25000000 خمسة و عشرون مليون ريال يتم سداد المديونية دفعة واحدة بعد 60 شهر من تاريخ صرف التمويل تدفع في نهاية المدة وفي حالة عدم السداد فللمرتين بيع العقار بالقيمة التي تنتهي عندها الرضات واستيفاء مافي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في 12 / 6 / 1441 هـ ووصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٢-٣-١٠٠٠)

مملكة طراز الحكومة - ٢٢١٢١٥٩٠ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تكثيره)

صفحة رقم 1 من 1



4.1 | A Copy of the Building Permit

المملكة العربية السعودية
وزارة الشؤون البلدية
أمانة منطقة الرياض
إدارة رخص البناء

رقم الترخيص: ١٤٣١/٧٢٩٧٢
رقم المخطط التنظيمي: ١٤٣١.٠٦.٠٠٨
تاريخ الإنشاء: ١٤٣٤.٠٦.٠١٨
نوع الرخصة: إصدار

بلد الرياض / ١٤٣١/٧٢٩٧٢
رقم الترخيص: ١٤٣١/٧٢٩٧٢
رقم المخطط التنظيمي: ١٤٣١.٠٦.٠٠٨
تاريخ الإنشاء: ١٤٣٤.٠٦.٠١٨
نوع الرخصة: إصدار

خصصة بناء عمارة تجارية متبوية

اسم المصمم: عبدالعزيز بن احمد بن ابراهيم الرشيد
رقم الأمانة: ١١٣٤٢٢٧٢٩٢

رقم المخطط: ٢١٠١٠٨٠١٨٧٧
رقم المخطط: ١٩١٨
الشارع: شارع العليا
حي الصفاة

مساحة الأرض: ٢٠٢٠٠ م^٢ محيط الأسوار: ٢٤٠ م

الجهة	الحدود	الأبعاد	الإرتداد
شمال	في ١٩٢٠ و ١٩٢٠ و ١٩٢١	٧٠	٤
شرق	شارع ١٥ م	٣٦	٣٥,٨
جنوب	في ١٩١٧	٧٠	٤
غرب	شارع ٤٠ م	٣٦	٦

مكونات البناء	عدد الوحدات	المساحة	الاستخدام
ميزالين	١	٧٦٥,٣٠	تجاري
قبو ثلثي	٠	٢٥٢,٠٠٠	مواقف
قبو أول	٠	٢٥٢,٠٠٠	مواقف
ارضية تجاري	٦	٧٥٤,٥٠	تجاري
دور أول	٦	٧٨٩,٠٠	مكتاب
دور ثلثي	٦	٨٠٠,٥٠	مكتاب
دور ثالث	٦	٨٠٠,٥٠	مكتاب
غرفة كهرباء	٠	٢,٠٠٠	غرفة كهرباء
دور رابع	٦	٨٠٠,٥٠	مكتاب
دور خامس	٦	٧٨٩,٠٠	مكتاب
دور سادس	٦	٨٠٠,٥٠	مكتاب
أسوار	١	١٧٦,٠٠	أسوار

ملاحظات:

- يتم الإلتزام من قبل المالك بعدم فتح شوايكه بإملاكه بميلتره جهة المجاورين ويتم الإلتزام بتأمين حلول تكفل الخصوصية.
- الإستشاري مسؤول مسؤوليه كاملة عن المخططات المقدمه والمساحات المذكوره فيها وفي حال عدم تطابق المساحات بين المخططات والمبني المنفذ ستحذف الأمانة كافة الإجراءات النظامية حول معافاة الأنظمة والتعميمات.
- تم الموافقة على النقص في المواقف بموجب توجيه سعاده الرئيل للتعمير والمشاريع حيث وجه بما لسه " طبقاً تم تأمين دورين كليه مخصصه للمواقف إضافة إلى المواقف على مستوى الدور الأرضي فلا مانع من من استشفة من النقص الماسل والذي يشكل في حدود ١٦% مما إذا لم يوجد ملاحظات أخرى".

المكتب المصمم: دوائر الاستشارات الهندسية
رقم الترخيص: ١٥٤٧ رقم المشروع: ٧٠
سنة المرسوم: مبلغ وقدره: ١١٤٥ ريال بموجب الإيضاح رقم: ٣١٠١١٧٥-٢ وتاريخ: ١٤٣١.٠٦.٠٠٥

ملاحظات:

- بموجب التقرير المسامي رقم ١٤٣١/٩١٦٧ بتاريخ ١٤٣١-٢-٢٢ هـ الصادر من بلدية شمال الرياض الفرعية.
- بإلزام التقيد بتفليذ المخططات المعتمدة من قبل لجنة المشاريع الكبرى، بالقرار رقم ٣٢ بتاريخ ١٤٣١-٥-١٠ هـ.
- بإلزام التنسيق مع شركة الكهرباء بخصوص غرفة الكهرباء على أن تكون بارتدادات نظامية أو ضمن المبني.
- التنسيق مع الدفاع المدني قبل الشروع في البناء وذلك للتأكد من استيفاء المبني لجميع اشتراطات السلامة وأن تصروف شهادات إتمام البناء إلا بعد إضمار صاحب العلاقة خطاب من الدفاع المدني يثبت التنسيق بهذا الخصوص.
- لا يسمح باستخدام الأسوار المحيطة بالأرض لأي أغراض دعائية أو تجارية إلا بعد إصدار رخصة البناء والتنسيق مع الدفاع المدني.
- الاستعمارات: ٦- التقبو مواقف سيارات ويبدأ المنفذ بعد ٣ م من حد الملكية ويكون بحرض ٤ م لكل من المنفذ والمصطبح.
- خصوصية المجاورين ووضع الإضاحات التي تكفل تلك: ٨- الإرتداد الشرقي ٣٥,٨ م مخصص مواقف سيارات الوكيلين.

مستقبلاً - - - - -

مدير قسم الرخص: / م عبدالله بن محمد باقر
مدير إشراف المصمم: / م علي بن أحمد الدروي
مدير عام المخططة العمراني: / م مستطاد ابراهيم المحيا
م/ علي بن أحمد الدروي
م/ مستطاد ابراهيم المحيا

يجب الإلتزام بالشروط الموضحة خلف الرخصة.

٢٠٠١٣٠

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Al Sahafa Tower 2



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary		
Property Information	Property Name	Al Sahafa Tower 2
	Property Type	Building
	Location	Al Sahafa District, Riyadh, Saudi Arabia
	Type of Ownership	Freehold
Client Information	Deed Data	No. 317812001040
		Date 12/06/1441
		Owner BaytaKAI-Hafiz Real Estate Company
	Recipient of the Report	Osool & Bakheet Investment Company
Valuation	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
	Date of Property Inspection	02/07/2025
Report	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Cost Approach — Income Approach
	Used Approaches and Methods	Income Approach — Cash Flow Method
	Basis of Value	Fair Value
Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12804
	Report Type	Detailed Narrative
	Report Date	30/07/2025
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following:	
	Special Assumptions	Title Deed Building Permit	
Valuers	Report Preparer	Name	Ahmed Bdeir
	Real Estate Valuer	Membership Number	1220002914 ,Affiliated Member of Real Estate Branch
		Membership Category	Affiliated Member
		Contribution percentage	%20
	Valuation Manager	Signature	
Name		Abdulmalik Mansour Al-Johani	
Membership Number		1210003639	
Membership Category		Affiliated Member	
Contribution percentage		%45	
Valuation Reviewer	Signature		
	Name	Asim Yasin Mohammed Ahmed Yasin	
	Membership Number	1220001314	
	Membership Category	Fellow Member	
	Contribution percentage	%15	
Managing Director (Authorized Signatory of the Report)	Signature		
	Name	Yasser Ibrahim Asaad	
	Membership Number	Fellow Member	
	Membership Category	Fellow Member, MRICS ,1210000124	
	Contribution percentage	%5	
Valuation Result	Signature		
	Name	Mohammed Abdullah Massairi	
	Membership Number	1210000543	
	Membership Category	Fellow Member	
	Contribution percentage	%15	
Final Value Opinion	Signature		
	Numerically	62,393,000	
	Currency	Saudi Riyal	
Report Version	Written	Only sixty-two million three hundred and ninety-three thousand Saudi Riyal	
	Final	Final	



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(02/07/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property. The property is a mixed-use building that includes retail units, office spaces, and hotel apartments leased on a monthly basis.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (retail, office, hospitality) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards.

Depreciation was calculated based on the building's remaining useful life and its current physical condition.

While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	Parcel no. 1291 & 1299	Length	262.5
Deed No.	317812001040	Deed Date	12/06/1441H	South	20 m wide street	Length	262.5
Subdivision Parcel Number	1298- 1290	Subdivisionplan ID	2413	East	20 m wide street	Length	206
Location on Google Maps	Location			West	40m wide street	Length	35
Building Permit Information				Land Area		2,380 m ²	
Permit Number	1433/12653	Issuance Date	05/07/1432	Total Built-Up Area		8,879.67 m ²	
Permit Category	Issuance	Building Regulation	-	Property Specifications		The property consists of an office tower	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input checked="" type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>





1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

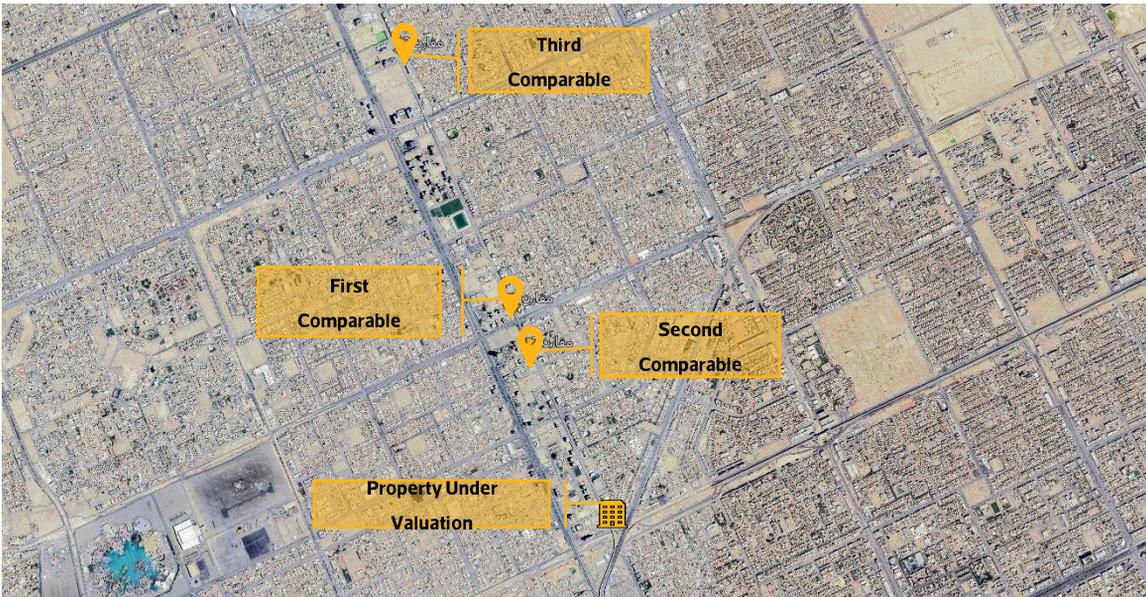
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price /m ²	Date
First Comparable	Location	840 m ²	19,999,560 Saudi Riyal	23,809 SAR /m ²	27-08-2024
Second Comparable	Location	863 m ²	20,700,000 Saudi Riyal	24,000 SAR /m ²	15-05-2024
Third Comparable	Location	2,985 m ²	68,664,200 Saudi Riyal	23,000 SAR /m ²	21-03-2024

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 2,900.00/m²)
- Mezzanine floor: (SAR 2,900.00/m²)
- Repeated floor: (SAR 2,900.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 40 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (13) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR2,820,218), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 11.10%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 9.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied: $DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = \text{DC} - \text{G}$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	3.22%	AS valuar
Discount Rate	11.10%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	9.00%	

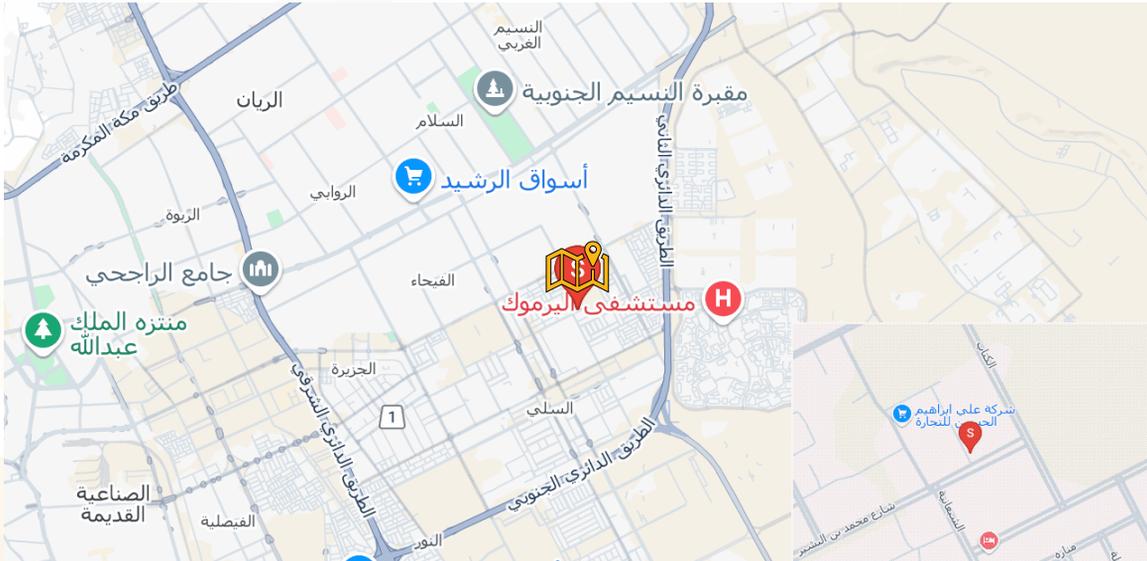
Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos

2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Riyadh City	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>



Property Location

A Map Demonstrating the Property Boundaries at the City Level

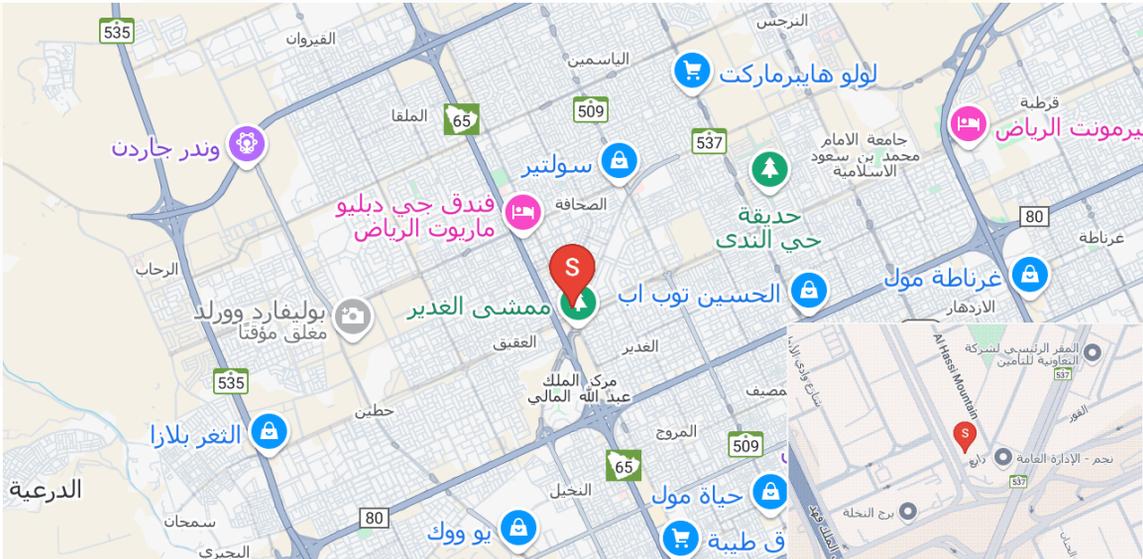
The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	9 Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	19 Km



2.2 | Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al Sahafa District in Riyadh is considered one of the modern and distinguished neighborhoods located in the northern part of the capital. It features contemporary urban planning and a strategic location along King Fahd Road, which facilitates access to business centers and Key areas of the city. The district is near upscale neighborhoods such as Al Yasmin and Al Muruj, and includes a mix of high-end residential units like villas and apartments, in addition to a number of commercial towers and media headquarters.</p>
Advantages	<p>The district offers comprehensive services, including schools, health centers, shopping complexes, and well-known restaurants and cafés. It is also characterized by the presence of green spaces and well-organized roads, making it a suitable environment for both families and individuals. Al Sahafa District is known for its relative calm compared to the surrounding activity, making it an attractive option for both living and investment in the northern part of Riyadh.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

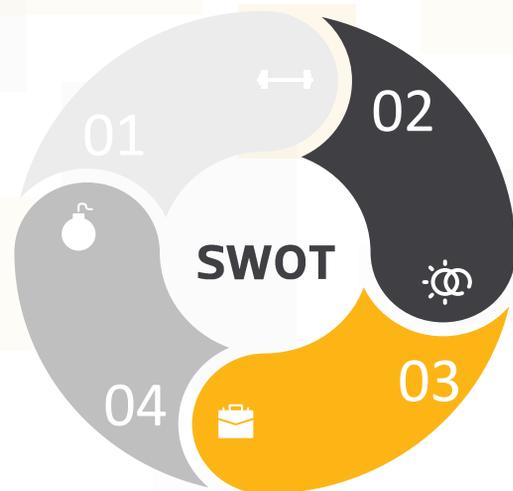


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in a strategic area of Riyadh in Al Sahafa District, Al Sahafa street, ensuring easy access from various parts of the city.
- The property features two commercial frontages, increasing its visibility and accessibility.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 45 Km) and the city center (approx. 5 Km), enhancing the property’s appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 Km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

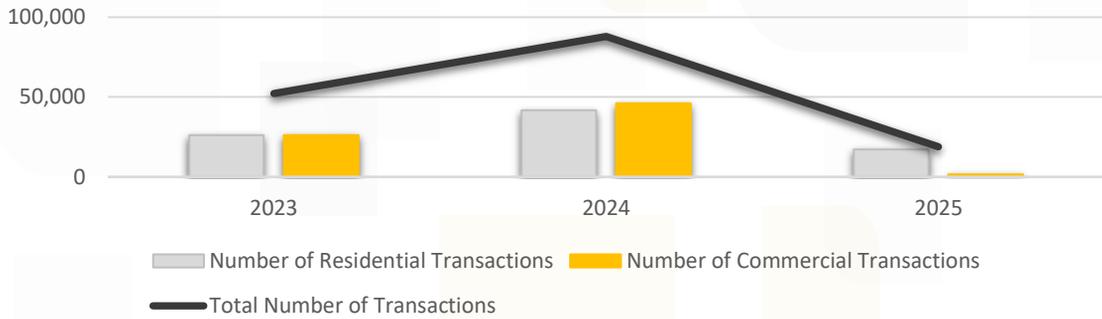
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

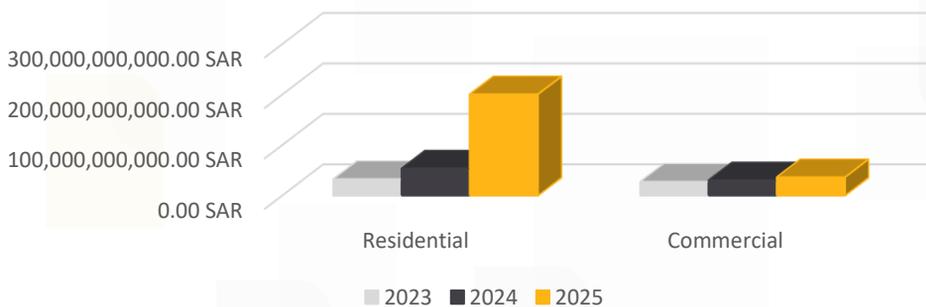
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value



2.4 | Property Photos



A Photo of the Property



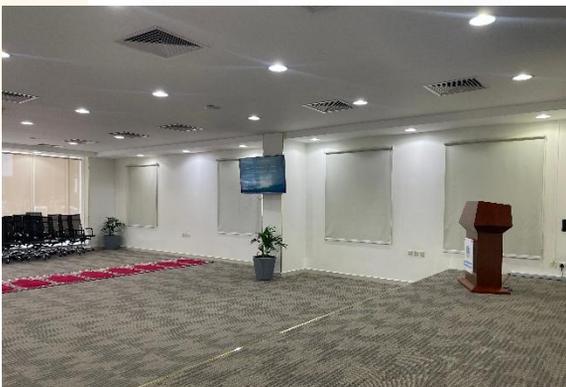
A Photo of the Property



A Photo of the Property



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A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification



3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR 23,809 /m ²		SAR 24,000/m ²		SAR 23,000/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-08-27		2024-05-15		2024-03-21	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		SAR 23,809 /m ²		SAR 24,000/m ²		SAR 23,000/m ²	
Location	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	1	2.5 %	1	2.5 %	1	2.5 %
Area (m ²)	2,380.0	840.0	-9.2%	862.5	-8.8 %	2,985.4	1.0 %
Adjustment Value / Adjustment Ratio	-	SAR -1,587 /m ²	-6.7%	SAR -1,511/m ²	-6.3%	SAR 808/m ²	3.5 %
Price Per m ² After Adjustment	-	SAR 22,222 /m ²		SAR 22,489 /m ²		SAR 23,808 /m ²	
Weighting Factors	-	30 %		30 %		40 %	
Weighted Average Value	-	SAR 22,936					

Description	Value
-------------	-------

Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	2,380.00 m ²
Land Value / m ²	SAR 22,936.41 /m ²
Land Value	SAR 54,588,657.39

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
2,380.00	22,936.41	54,588,657.39	
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	2,742.00	2,900.00	7,951,800.00
Mezzanine	747.10	2,900.00	2,166,590.00
Ground Floor	719.57	2,900.00	2,086,753.00
First Floor	778.50	2,900.00	2,257,650.00
Second Floor	778.50	2,900.00	2,257,650.00
Third Floor	778.50	2,900.00	2,257,650.00
Fourth Floor	778.50	2,900.00	2,257,650.00
Fifth Floor	778.50	2,900.00	2,257,650.00
Sixth Floor	778.50	2,900.00	2,257,650.00
Total Direct Cost	8,879.67		25,751,043.00
Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Cost	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	1,081,543.81	
Total Indirect Costs		1,081,543.81	
Total Building Cost Before Depreciation			26,832,586.81
Building Age		13	
Useful Life		40	
Depreciation Rate		33%	
Actual Depreciation of the Building		33%	
Building Value After Depreciation		18,111,996.09	
Property Value Based on Cost Approach			72,700,653.48

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Basement	2.00	2,742.00	0%	0.00
Mezzanine	0.50	747.10	0%	0.00
Ground Floor	1.00	719.57	85%	611.63
First Floor	1.00	778.50	85%	661.73
Second Floor	1.00	778.50	85%	661.73
Third Floor	1.00	778.50	85%	661.73
Fourth Floor	1.00	778.50	85%	661.73
Fifth Floor	1.00	778.50	85%	661.73
Sixth Floor	1.00	778.50	85%	661.73
Total		8,879.67	0	4,581.98

3.1.3.2 (Property Income Data)

Offices Income													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area		4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0	4,582.0
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		1,339	1,367	1,396	1,425	1,455	1,486	1,517	1,549	1,581	1,615	1,648	1,683
Total Rental Income		3,127,361.66	6,264,627.35	6,396,184.52	6,530,504.40	6,667,644.99	6,807,665.34	6,950,626.51	7,096,589.67	7,245,618.05	7,397,776.03	7,553,129.33	7,711,745.05
Vacancy and Credit Losses	3%	-93,826.85	-187,938.82	-191,885.54	-195,915.13	-200,029.35	-204,229.97	-208,518.80	-212,897.69	-217,368.54	-221,933.28	-226,593.88	-231,352.35
Maintenance and Operating Costs	7%	-61,112.50	-425,368.20	-434,300.93	-443,421.25	-452,733.09	-462,240.49	-471,947.54	-481,858.44	-491,977.47	-502,308.99	-512,857.48	-523,627.49
Net Income	90%	2,972,622.31	5,651,320.33	5,769,998.06	5,891,368.02	6,014,882.55	6,141,195.08	6,270,160.18	6,401,833.54	6,536,272.05	6,673,533.76	6,813,677.97	6,956,765.21

3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	11.10%
Exit Capitalization Rate	9.00%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Total Net Income	2,972,622	5,651,320	5,769,998	5,891,168	6,014,883	6,141,195	6,270,160	6,401,834	6,536,272	6,673,534	6,813,678	6,956,765	
Terminal Value											77,297,391		
Total	2,972,622	5,651,320	5,769,998	5,891,168	6,014,883	6,141,195	6,270,160	6,401,834	6,536,272	6,673,534	84,111,069		
Annual Discount Factor	0.95	0.85	0.77	0.69	0.62	0.56	0.50	0.45	0.41	0.37	0.33		
Present Value	2,820,218	4,825,906	4,434,968	4,075,700	3,745,535	3,442,117	3,163,277	2,907,026	2,671,533	2,455,118	27,851,945		

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 11.10%	62,393,343.68
Property Value	62,393,000.00

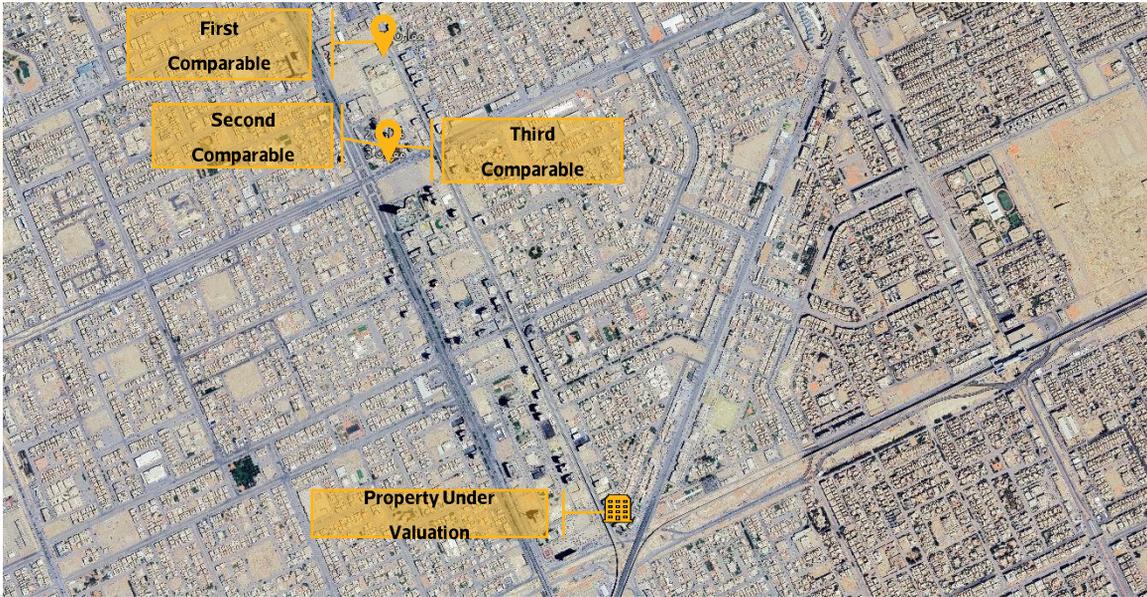
3.1 Valuation

3.1.3 Cost Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	1,203 SAR/m ²		1,595 SAR/m ²		1,400 SAR/m ²	
Type of Comparable	-	Contract		Contract		Contract	
Date	-	2025		2025		2025	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	1,203 SAR/m ²		1,595 SAR/m ²		1,400 SAR/m ²	
Finishing	Very Good	Excellent	-5.0 %	Excellent	-5.0 %	Excellent	-5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	200.0	100.0	-5.0 %	156.0	-1.4 %	162.0	-1.2 %
Adjustment Value / Adjustment Ratio	-	-120 SAR/m ²	-10.0 %	-102 SAR/m ²	-6.4 %	-86 SAR/m ²	-6.2 %
Price Per m ² After Adjustment	-	1,083 SAR/m ²		1,493 SAR/m ²		1,314 SAR/m ²	
Weighting Factors	-	20 %		40 %		40 %	
Weighted Average Value	-			1,339 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	72,700,653	0%	
Income Approach	62,393,344	100%	
Average Value			62,393,343.68
Final Appraisal of the Property			62,393,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	62,393,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only sixty-two million three hundred and ninety-three thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

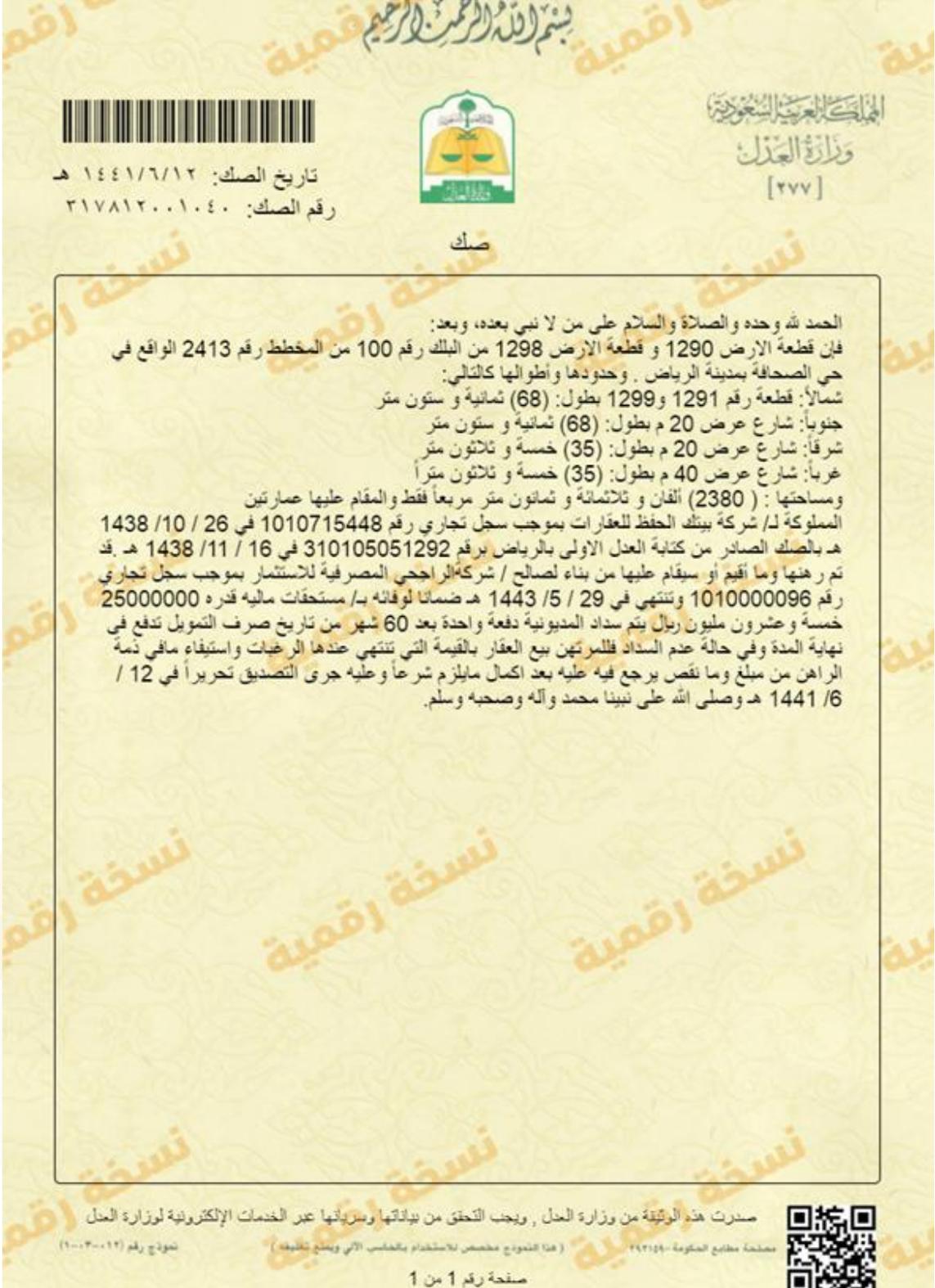
Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 | A Copy of the Deed



End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Sulai warehouses



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary		
Property Information	Property Name	Sulai Warehouses
	Property Type	Warehouses
	Location	Sulai District, Riyadh, Saudi Arabia
	Type of Ownership	Freehold
Client Information	Deed Data	No. 310108046400
	Date	23/11/1438
	Owner	BaytaKAI-Hafiz Real Estate Company
	Recipient of the Report	Osool & Bakheet Investment Company
Valuation	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
	Date of Property Inspection	17/06/2025
Report	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Cost Approach – Income Approach
	Used Approaches and Methods	Income Approach – Cash Flow Method
	Basis of Value	Fair Value
Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
Reference No.	12806	
Report Type	Detailed Narrative	
Report Date	30/07/2025	
Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report		
Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following: Title Deed Building Permit
	Special Assumptions	
Report Preparer	Name	Ahmed Bdeir
	Membership Number	1220002914 ,Affiliated Member of Real Estate Branch
	Membership Category	Affiliated Member
	Contribution percentage	%20
Real Estate Valuer	Signature	
	Name	Abdulmalik Mansour Al-Johani
	Membership Number	1210003639
	Membership Category	Affiliated Member
Valuation Manager	Contribution percentage	%45
	Signature	
	Name	Asim Yasin Mohammed Ahmed Yasin
	Membership Number	1220001314
Valuation Reviewer	Membership Category	Fellow Member
	Contribution percentage	%15
	Signature	
	Name	Yasser Ibrahim Asaad
Managing Director (Authorized Signatory of the Report)	Membership Number	Fellow Member
	Membership Category	Fellow Member, MRICS ,1210000124
	Contribution percentage	%5
	Signature	
Valuation Result	Name	Mohammed Abdullah Massairi
	Membership Number	1210000543
	Membership Category	Fellow Member
	Contribution percentage	%15
Final Value Opinion	Signature	
	Numerically	57,329,000
Report Version	Currency	Saudi Riyal
	Written	Only fifty–seven million three hundred and twenty–nine thousand Saudi Riyal



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(17/06/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property consists of warehouses.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (retail, office, hospitality) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards.

Depreciation was calculated based on the building's remaining useful life and its current physical condition.

While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	Ownership of Khalifah Al-Abdullah & Partners	Length	262.5
Deed No.	310108046400	Deed Date	23/11/1438	South	36 m wide street	Length	262.5
Subdivision Parcel Number	30	Subdivisionplan ID	1343	East	36 m wide street	Length	206
Location on Google Maps	Location			West	Ownership of Mohammed Al-Salih Al-Nafi'	Length	206
Building Permit Information				Land Area		54,075m ²	
Permit Number	121/3/4/27	Issuance Date	04/12/1413	Total Built-Up Area		38,348.00m ²	
Permit Category	-	Building Regulation	-	Property Specifications		The property consists of warehouses	



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
------	----------------------

Property Category Residential Commercial Office Hospitality Agricultural Warehouses

Occupancy Status Vacant Occupied

Building Use Compliant with Permit and Zoning Regulations Non-Compliant with Permit and Zoning Regulations

Type of Construction Reinforced Concrete Load-Bearing Walls Steel Structure Other

General Condition of the Property New Used Requires Maintenance Dilapidated

Available Utilities in the Area Electricity Water Telephone Line Sewage





1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Residual Value Method:

This method is Known by this name because it refers to the amount remaining after deducting all Known or expected costs required to complete the development from the expected value of the project upon its completion, while taking into account the risks associated with executing the project. The resulting value is referred to as the residual value.

1.5.1.2 Proposed Project:

At this stage, the appropriate project that achieves the principle of the highest and best use of the land under study is proposed. The project must also be feasible for implementation by the relevant authorities and compliant with the regulations applicable to the property’s location.

Accordingly, a Warehouse Land project has been proposed. The project has been classified based on the following data:

- warehouse land plots with a total area of 36,230.25 m², an average plot size of 1,600 m², and a total of 23 land plots.

1.5.1.3 Project Development Costs:

At this stage, previous studies that determine the development costs for such projects are reviewed. Accordingly, the costs have been calculated as follows:

- Direct Costs:
 - The land development cost has been estimated at SAR 90.
- Indirect costs:
 - The cost of technical and legal affairs has been estimated at 1.5% of the total costs.
 - The contingency cost has been estimated at 5.00% of the total costs.
 - The developer’s profit has been estimated at 10.00% of the total costs.
 - The financing cost has been estimated at 4.2% of the total costs over a period of two (2) years with a financing rate of 50%.

1.5.1.4 Project Revenue Calculation:

At this stage, the revenues generated from the project after development are calculated by reviewing the (sales price per square meter for warehouse land). Accordingly, the revenues have been calculated as follows:

- The sales price per square meter for warehouse land is estimated at SAR 2,060.20/m².

Table of Comparables Used to Derive the Value of Residential Land:

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	1,688 m ²	3,319,313 SAR	1,967 SAR / m ²	2024-10-08
Second Comparable	Location	1,447 m ²	2,955,302 SAR	2,043 SAR / m ²	2024-08-28
Third Comparable	Location	1,688 m ²	3,712,500 SAR	2,200 SAR / m ²	2024-10-15

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Building price / m²: (SAR 960.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 30 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (21) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR3,001,643), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (5%).
- Operating Expenses: Operating expenses were estimated at 10% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 11.10%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 9.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	3.22%	AS valuar
Discount Rate	11.10%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	9.00%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos

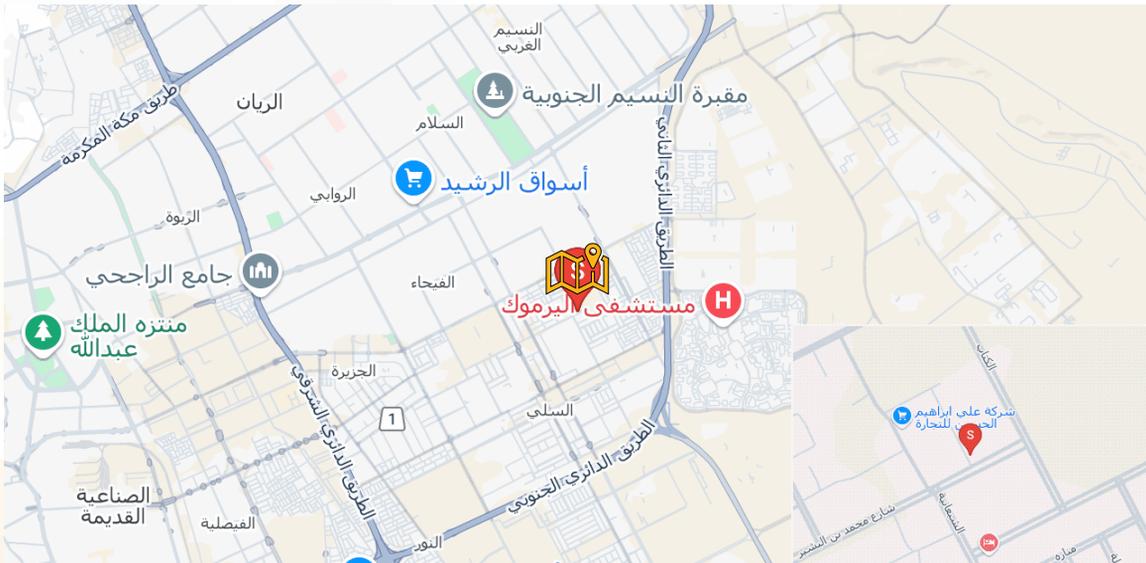
2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level

Overview of Riyadh City

Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.

Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.



Property Location

A Map Demonstrating the Property Boundaries at the City Level

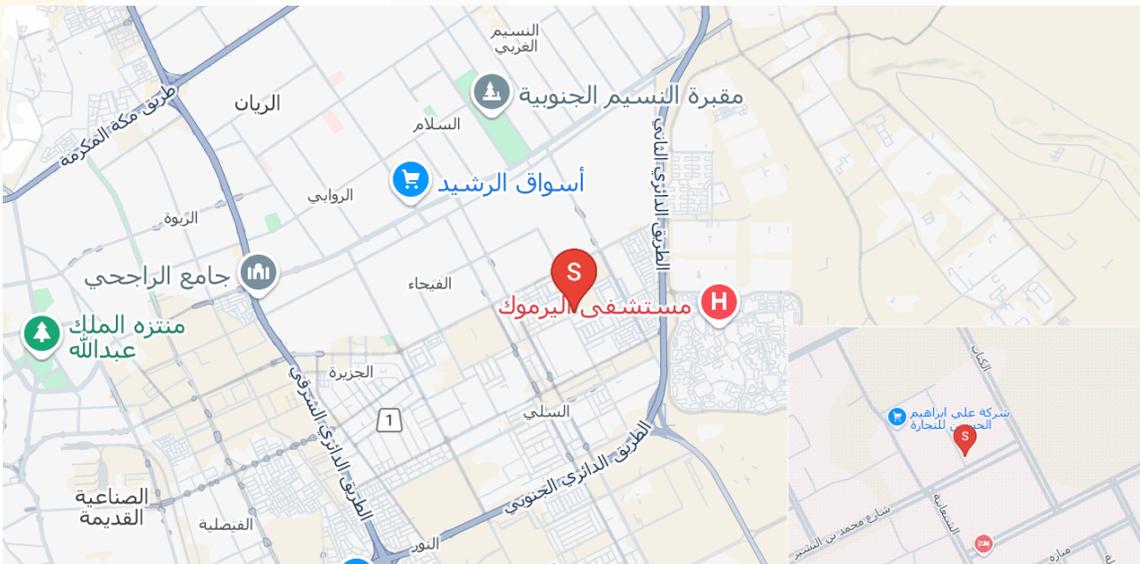
The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	9 Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	19 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	Al-Sulay District (also Known as the "Warehouse Area") in East Riyadh is one of the most prominent industrial and commercial zones in the city. It is distinguished by its specialization in storage and logistics activities, with widespread warehouses, showrooms, workshops, and light industries. The district enjoys a strategic location near Al-Kharj Road and Al-Ha'ir Road, providing easy access for transportation and shipping throughout the city and beyond.
Advantages	Although the general character of the district is industrial and commercial, the area includes some essential services such as mosques, fuel stations, and a few service offices. It also hosts a high concentration of companies operating in the fields of transportation, distribution, and storage. Al-Sulay District is considered one of the active business zones, with strong demand from investors and traders seeking locations for storing or distributing goods. This contributes to its market value as a strategic operational and commercial area in Riyadh.
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

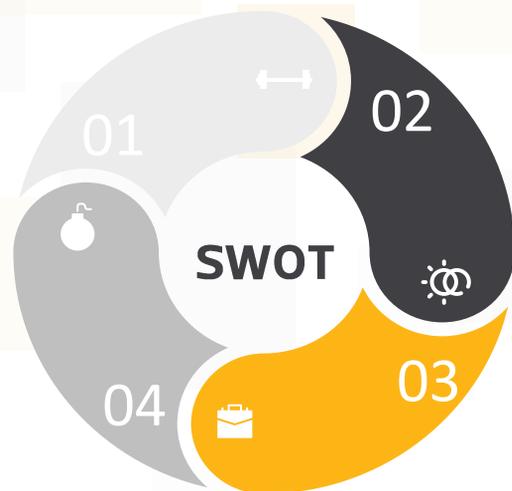


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located in Al-Salam district.
- The property has four facades.
- The exterior and interior designs of the building are modern and contemporary, serving as an attractive factor for tenants.
- It is equipped with appropriate security systems for industrial activities, including surveillance cameras, security gates, and a perimeter fence with checkpoint areas.
- There is a spacious loading and unloading area, along with designated parking for trucks and cars, which contributes to enhancing the property's operational efficiency.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project's competitiveness.

3. Opportunities:

- The site's proximity to Key transportation hubs, such as the Riyadh Dry Port (approximately 10 Km), Al-Kharj Road, and Al-Ha'ir Road, as well as its relative closeness to the city center (approximately 15 Km), enhances its attractiveness to companies and investors, especially those operating in the fields of transportation, storage, and logistics services.
- Al-Sulay district is witnessing growing demand for warehouses and operational units due to economic growth and the expansion of commercial and industrial activities in Riyadh. This makes the area a preferred destination for investors seeking strategic locations that efficiently support their operations.
- There is potential for collaboration with well-known brands to establish retail shops, restaurants, and cafés that would boost foot traffic. The project is located within upscale neighborhoods.
- The increasing government investments in infrastructure development in Riyadh further enhance the site's appeal for both commercial and residential real estate.
- The project's proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

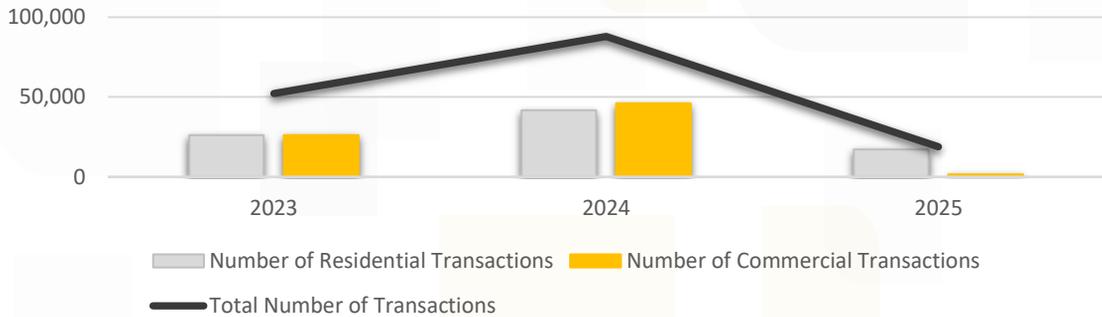
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project's investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

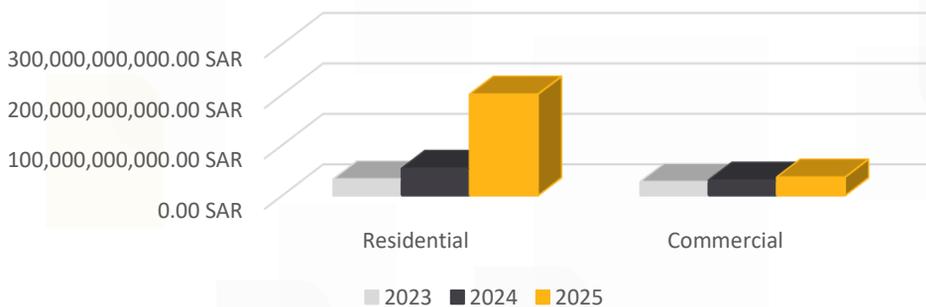
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Residual Value Method

3.1.1.1 (Land Value)

The residual value method was used to estimate the land value.

3.1.1.2 Residual Value Assumptions (Proposed Project):

Proposed Project Data				
Item	Unit	Value		
Land Area	M ²	54,075.00		
Developable Area	67.00%	36,230.25		
Areas Allocated for Public Services	33.00%	17,844.75		

Land Use Classification	Total Area	Land Area as a Percentage of Total Developable Area	Average Land Area	Number of Lands
Commercial Lands	36,230.25	100.00%	1600	23
Total	36,230.25	100.00%		23

3.1 Valuation

3.1.1.3 Residual Value Assumptions (Development Cost Estimation)

Project Development Costs	Unit	total
Master Plan Development Cost	90.00	4,866,750.00
Total Direct Project Costs		4,866,750.00
Developer Profit	10.00%	486,675.00
Technical and Professional Fees	1.50%	73,001.25
Contingency	5.00%	243,337.50
Financing Cost	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	227,520.56
Total Indirect Costs		1,030,534.31
Total Project Costs		5,897,284.31

3.1.1.4 Residual Value Assumptions (Revenue Calculation):

Revenue	Unit	Total
Industrial Lands	2,060.20	74,641,566.19
Total Revenue		74,641,566.19

3.1.1.5 Comparisons for Calculating the Land Price Per Square Meter:

A table showing warehouse land comparison data.

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	1,688 m ²	3,319,313 Saudi Riyal	1,967 SAR / m ²	2024-10-08
Second Comparable	Location	1,447 m ²	2,955,302 Saudi Riyal	2,043 SAR / m ²	2024-08-28
Third Comparable	Location	1,688 m ²	3,712,500 Saudi Riyal	2,200 SAR / m ²	2024-10-15

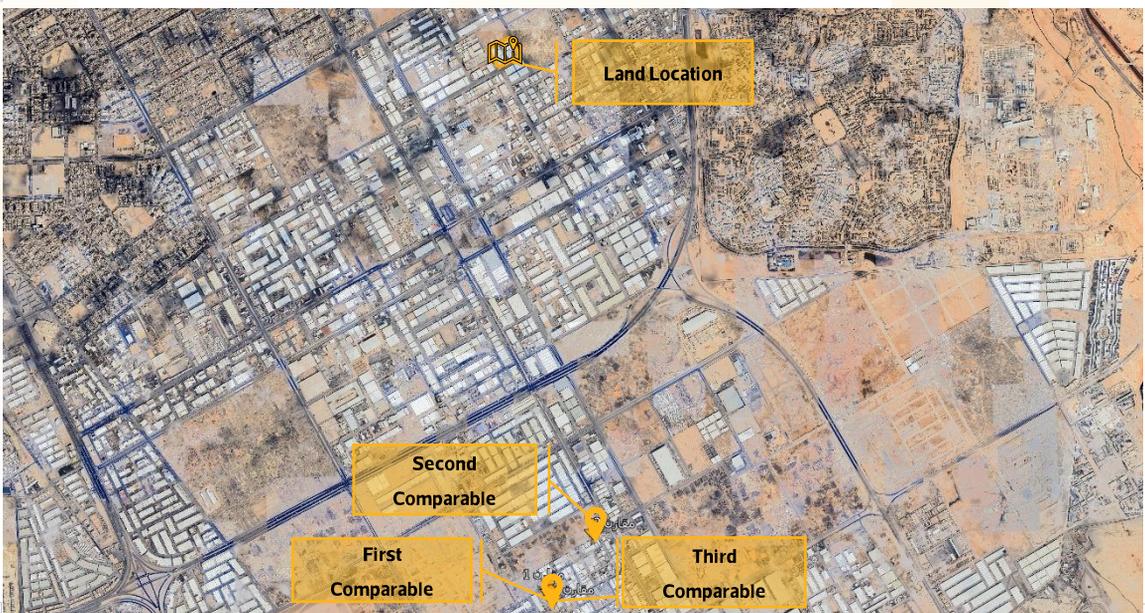


3.1 Valuation

3.1.3.6 Adjustment Table for Residential Comparison (Land Value):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	1,967 SAR/m ²		2,043 SAR/m ²		2,200 SAR/m ²	
Type of Comparable	-	Transaction		Transaction		Transaction	
Date	-	08-10-2024		28-08-2024		15-10-2024	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Industrial	Industrial	0.0 %	Industrial	0.0 %	Residential	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	1,967 SAR/m ²		2,043 SAR/m ²		2,200 SAR/m ²	
Location	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	1,600.0	1,687.5	0.3 %	1,446.6	-0.5 %	1,687.5	0.3 %
Adjustment Value / Adjustment Ratio	-	05 SAR/m ²	0.3 %	-11 SAR/m ²	-0.5 %	06 SAR/m ²	0.3 %
Price Per m ² After Adjustment	-	1,972 SAR/m ²		2,037 SAR/m ²		2,206 SAR/m ²	
Weighting Factors	-	40 %		30 %		30 %	
Weighted Average Value	-	2,060 SAR					

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



Aerial Map Demonstrating the Location of Comparables



3.1.1.8 Assumptions for Cash Flow Forecasts:

Project Period	11 Years
Discount Rate	10.10%
Exit Capitalization Rate	8.00%

3.1.1.9 Cash Flow Table:

		2.10%	3.15%
		0.00%	100.00%
		2025	2026
Costs	Total	0.50 Year	1.50 Year
Percentage of completion for direct costs	100%	100%	0%
Percentage of completion for indirect costs	100%	100%	0%
Total direct project costs	-4,866,750	-4,866,750	0
Total indirect costs	-1,030,534	-1,030,534	0
Total development cost	-5,897,284	-5,897,284	0
Revenues			
Industrial lands	76,992,776	0	76,992,776
Total	-5,897,284	0	76,992,776
Discount factor		0.95	0.87
Present value		-5,620,285.88	66,645,218.69

3.1.1.10 Residual Value Results for Land Valuation:

The following table shows the value of the land after deducting the cash flows, according to the cash flow tables shown in the appendix of this report.

KPI's	Total
Present value after discounting the period (discount rate) = 10.1%	SAR 61,024,933
Present value after deducting selling costs = 7.5%	SAR 56,767,379
Land value after rounding	SAR 56,767,000
Land area (m ²)	54,075
Price per square meter	1,049.79

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
54,075.00	1,049.79	56,767,379.36	

Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Ground Floor	38,348.00	960.00	36,814,080.00
Total Direct Cost	38,348.00		36,814,080.00

Indirect Costs		
Description	Rate	Value
Engineering and Professional Consultation Costs	0.0%	0.00
Administrative Costs	0.0%	0.00
Other Services Costs	0.0%	0.00
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	1,546,191.36
Total Indirect Costs		1,546,191.36

Total Building Cost Before Depreciation	38,360,271.36
Building Age	21
Useful Life	30
Depreciation Rate	70%
Actual Depreciation of the Building	70%
Building Value After Depreciation	11,508,081.41
Property Value Based on Cost Approach	68,275,460.77

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
First Floor	1.00	38,348.00	100%	38,348.00
Total		38,348.00		

3.1.3.2 (Property Income Data)

Warehouse Income							
Rate Increase %		0.00%	2.10%	2.10%	2.10%	2.10%	2.10%
Year		2025	2026	2027	2028	2029	2030
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year
Warehouse Area		38,348.0	38,348.0	38,348.0	38,348.0	38,348.0	38,348.0
Occupancy Rate		0.00%	65.00%	80.00%	90.00%	100.00%	100.00%
Average Rental Value		162	165	169	172	176	180
Total Rental Income		3,700,410.76	4,124,561.61	5,182,987.57	5,953,309.10	6,753,698.43	6,895,526.10
Vacancy and Credit Losses	5%	-185,020.54	-206,228.08	-259,149.38	-297,665.45	-337,684.92	-344,776.31
Maintenance and Operating Costs	10%	-351,539.02	-391,833.35	-492,383.82	-565,564.36	-641,601.35	-655,074.98
Net Income	85%	3,163,851.20	3,526,500.17	4,431,454.37	5,090,079.28	5,774,412.16	5,895,674.82

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	1 Years
Discount Rate	11.10%
Exit Capitalization Rate	9.00%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%
Year	2025	2026	2027	2028	2029	2030
	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year
Completion Percentage	0%	0%	0%	0%	0%	0%
Total Net Income	3,163,851	3,526,500	4,431,454	5,090,079	5,774,412	5,895,675
Terminal Value					65,507,498	
Total	3,163,851	3,526,500	4,431,454	5,090,079	71,281,910	
Annual Discount Factor	0.95	0.85	0.77	0.69	0.62	
Present Value	3,001,643	3,011,430	3,406,129	3,521,481	44,388,050	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate - 11.10%	57,328,733.17
Property Value	57,329,000.00

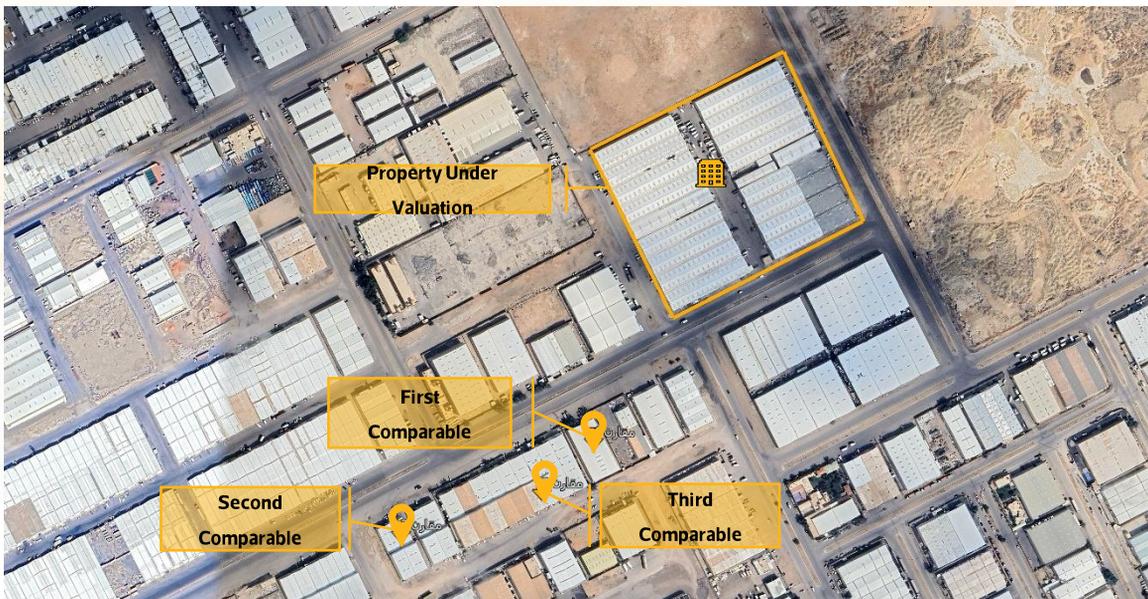
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Warehouses)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	200 SAR/m ²		226 SAR/m ²		233 SAR/m ²	
Type of Comparable	-	Contract		Contract		Contract	
Date	-	2025		2025		2025	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Industrial	Industrial	0.0 %	Industrial	0.0 %	Industrial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	200 SAR/m ²		226 SAR/m ²		233 SAR/m ²	
Finishing	Good	Excellent	-10.0%	Excellent	-10.0%	Excellent	-10.0%
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	2000.0	600.0	-11.7%	750.0	-8.3 %	600.0	-11.7%
Adjustment Value / Adjustment Ratio	-	-43 SAR/m ²	-21.7 %	-41 SAR/m ²	-18.3 %	-51 SAR/m ²	-21.7 %
Price Per m ² After Adjustment	-	157 SAR/m ²		185 SAR/m ²		183 SAR/m ²	
Weighting Factors	-	80 %		10 %		10 %	
Weighted Average Value	-			162 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	68,275,461	0%	0.00
Income Approach	57,328,733	100%	57,328,733.17
Average Value			57,328,733.17
Final Appraisal of the Property			57,329,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	57,329,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only fifty-seven million three hundred and twenty-nine thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers. Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 | A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٣٨/١١/٢٣ هـ
رقم الصك: ٣١٠١٠٨٠٤٦٤٠٠

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 27 من المخطط رقم 1351 الواقع في حي السلي بمدينة الرياض .
وحدودها وأطوالها كالتالي:
شمالاً: ملك خليفة العبدالله وشركة بطول: (262.5) متريين و اثنتين و ستون متر و خمسون سنتيمتر
جنوباً: شارع عرض 36م بطول: (262.5) متريين و اثنتين و ستون متر و خمسون سنتيمتر
شرقاً: شارع عرض 36م بطول: (206) متريين و ستة متر
غرباً: ملك محمد الصالح النافع بطول: (206) متريين و ستة متر
ومساحتها: (54075) أربعة و خمسون ألف و خمسة و سبعون متر مربعاً فقط
والمستند في افراعها على الصك الصادر من هذه الإدارة برقم 410108032342 في 6 / 2 / 1434 هـ
قد انتقلت ملكيتها ل: شركة بيتك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 26 / 10 /
1438 هـ ، بشن وقدره 75502675.27 خمسة و سبعون مليوناً و خمسمائة و اثنين ألفاً و ستمائة و
خمسة و سبعون ريال و سبعة و عشرون هلاله بقيمة 52851872.69 ريال عدد وحدات في صندوق المعنر
ريت برقم 5285187.3 وحدة منها مبلغ بشيك وقدره 22650802.58 ريال وعليه جرى التصديق
تحريراً في 23 / 11 / 1438 هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
نسخة مطابع الحكومة ٢٩٢١٥٩٠ (هذا النموذج مخصص للاستخدام بالمحاسب الآلي ويمنع تطويقه)
نموذج رقم (١٢-٣٠٠٠١٢)

نسخة رقمية
نسخة رقمية

صفحة رقم 1 من 1



4.1 A Copy of the Building Permit



End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Al-Salam School



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary		
Property Information	Property Name	Al-Salam School
	Property Type	Building
	Location	Al-Salam District, Riyadh, Saudi Arabia
	Type of Ownership	Freehold
Client Information	Deed Data	No. 410115062642
		Date 13/02/1442
		Owner BaytaK Al-Hafiz Real Estate Company
	Recipient of the Report	Osool & Bakheet Investment Company
Valuation	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
	Date of Property Inspection	08/07/2025
Report	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Cost Approach — Income Approach
	Used Approaches and Methods	Income Approach — Cash Flow Method
	Basis of Value	Fair Value
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.
	Reference No.	12812
	Report Type	Detailed Narrative
	Report Date	30/07/2025
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.



1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report		
Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following: Title Deed Building Permit
	Special Assumptions	
Valuers	Report Preparer	Name: Ahmed Bdeir Membership Number: 1220002914, Affiliated Member of Real Estate Branch Membership Category: Affiliated Member Contribution percentage: %20 Signature:
	Real Estate Valuer	Name: Abdulmalik Mansour Al-Johani Membership Number: 1210003639 Membership Category: Affiliated Member Contribution percentage: %45 Signature:
	Valuation Manager	Name: Asim Yasin Mohammed Ahmed Yasin Membership Number: 1220001314 Membership Category: Fellow Member Contribution percentage: %15 Signature:
	Valuation Reviewer	Name: Yasser Ibrahim Asaad Membership Number: Fellow Member Membership Category: Fellow Member, MRICS, 1210000124 Contribution percentage: %5 Signature:
	Managing Director (Authorized Signatory of the Report)	Name: Mohammed Abdullah Massairi Membership Number: 1210000543 Membership Category: Fellow Member Contribution percentage: %15 Signature:
Valuation Result	Final Value Opinion	Numerically: 53,910,000 Currency: Saudi Riyal Written: Only fifty-three million nine hundred and ten thousand Saudi Riyal
Report Version		Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(08/07/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property is an educational building and is up and actively operating.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

The cash flow model was prepared based on the school's projected operating revenues, taking into account capacity, tuition fees, and operating expenses. Annual growth rates for revenues and expenses were assumed based on educational market indicators and expected inflation rates from official sources.

Operating, maintenance, and management costs were included as percentages of total income, with reference to market data from similar educational institutions.

Use of the Residual Value Method as a Supporting Reference:

A residual value model was prepared to support the estimation of the value of the land under appraisal, in the event the school is vacated and the site redeveloped.

It was assumed that the land would be subdivided into residential plots, in accordance with the applicable building and planning regulations in the area. The market value of the hypothetical residential units was estimated, and development-related costs (including infrastructure, marketing, and developer's profit) were deducted. A percentage adjustment was also applied to reflect the difference between the price of residential land and that of educational facility land, based on actual transaction data from the real estate market. The result served to verify the reasonableness of the value derived from the income approach and was not used as the direct basis for the final valuation.

Discount Rate and Capitalization Rate:

The discount rate and terminal rate were determined through the analysis of comparable private school projects in terms of size, location, and profitability. The rate used reflects the level of risk associated with the educational sector and reliance on tuition fees as the primary revenue source.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

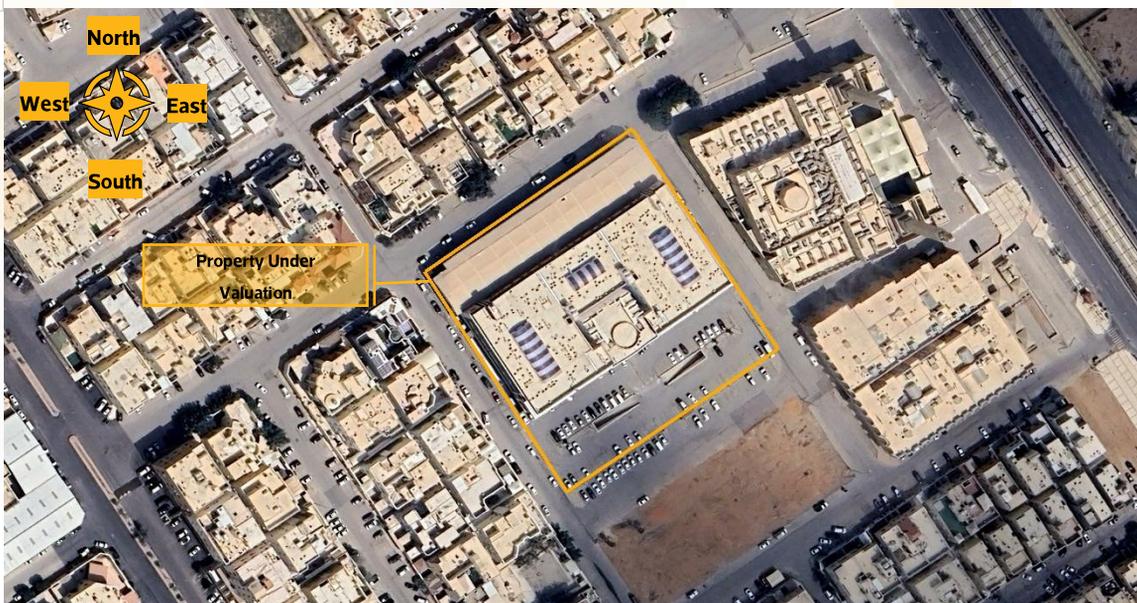
It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.

1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	20m wide street followed by Block 9.	Length	100
Deed No.	410115062642	Deed Date	.13/02/1442H	South	Parking lot followed by 15m wide street	Length	100
Subdivision Parcel Number	114-113- 112	Subdivisionplan ID	2207	East	15m wide street	Length	100
Location on Google Maps	Location			West	15m wide street followed by block 22.	Length	100
Building Permit Information				Land Area		10,000 m ²	
Permit Number	1441/3433	Issuance Date	26/01/1441H	Total Built-Up Area		18,311.60 m ²	
Permit Category	Modification of Building Plans	Building Regulation	-	Property Specifications		The property consists of a school.	





1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input checked="" type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>





1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Residual Value Method:

This method is Known by this name because it refers to the amount remaining after deducting all Known or expected costs required to complete the development from the expected value of the project upon its completion, while taking into account the risks associated with executing the project. The resulting value is referred to as the residual value.

1.5.1.2 Proposed Project:

At this stage, the appropriate project that achieves the principle of the highest and best use of the land under study is proposed. The project must also be feasible for implementation by the relevant authorities and compliant with the regulations applicable to the property’s location.

Accordingly, a Residential Land project has been proposed. The project has been classified based on the following data:

- Residential land plots with a total area of 10,000.00 m², an average plot size of 500 m², and a total of 20 land plots.

1.5.1.3 Project Development Costs:

At this stage, previous studies that determine the development costs for such projects are reviewed. Accordingly, the costs have been calculated as follows:

- Direct Costs:
 - The land development cost has been estimated at SAR 75.
- Indirect costs:
 - The cost of technical and legal affairs has been estimated at 1.5% of the total costs.
 - The contingency cost has been estimated at 5.00% of the total costs.
 - The developer’s profit has been estimated at 10.00% of the total costs.
 - The financing cost has been estimated at 4.2% of the total costs over a period of two (2) years with a financing rate of 50%.

1.5.1.4 Project Revenue Calculation:

At this stage, the revenues generated from the project after development are calculated by reviewing the (sales price per square meter for warehouse land). Accordingly, the revenues have been calculated as follows:

- The sales price per square meter for warehouse land is estimated at SAR 3,658.40/m².

Table of Comparables Used to Derive the Value of Residential Land:

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	313m ²	1,125,000 SAR	3,600 SAR / m ²	2024-08-04
Second Comparable	Location	500m ²	1,700,000 SAR	3,400 SAR / m ²	2024-10-15
Third Comparable	Location	500m ²	1,700,000 SAR	3,400 SAR / m ²	2024-07-22

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement price / m²: (SAR 3,000.00/m²)
- Ground floor price / m²: (SAR 3,000.00/m²)
- First floor price / m²: (SAR 3,000.00/m²)
- Upper annex floor price / m²: (SAR 3,000.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 45 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (5) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR2,438,206), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (5%).
- Operating Expenses: Operating expenses were estimated at 10% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.10%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.22%	AS valuar
Discount Rate	9.10%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.00%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level

Overview of Riyadh City

Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.

Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.



Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	15 Km	Facilities and Services	0 Km
Regional Roads	1 Km	King Khalid International Airport	27 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Salam district in Riyadh is considered one of the quiet, well-planned residential neighborhoods in the eastern part of the Saudi capital. It is distinguished by its prime location near several main roads, such as Khurais Road and Imam Al-Shafii Road, making it a convenient connection point to various areas of Riyadh. The district features a mix of residential villas and medium-sized units, and is known for its family-friendly character and the availability of essential services.</p>
Advantages	<p>Al-Salam district offers a number of schools, mosques, and health centers, in addition to public parks that give the area a relaxing atmosphere. The neighborhood also features markets and shopping complexes that meet the residents' daily needs. It enjoys a good level of safety and urban organization, making it a suitable choice for families seeking a stable residential environment at reasonable prices within the city limits. Al-Salam is also distinguished by its proximity to government and service offices, along with easy access to the city center (approximately 10 Km), which enhances its residential and investment appeal in the medium and long term.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

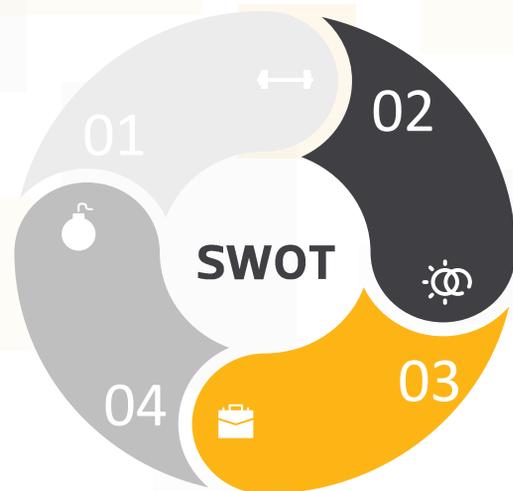


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located in Al-Salam district.
- The property has four facades.
- The exterior and interior designs of the building are modern and contemporary, serving as an attractive factor for tenants.
- It offers advanced security systems, including surveillance cameras, alarm systems, and 24/7 security services.
- Amenities such as parking spaces are available, enhancing convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its condition and address any technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- The site’s proximity to Key areas such as the airport (approximately 45 Km) and the city center (5 Km) makes it an attractive location for companies and investors.
- Proximity and accessibility to major attractions.
- The high demand for commercial and residential units in the area is driven by population growth and the increase in economic activities.
- The city center is only about 3 Km away.
- There is potential for collaboration with well-known brands to establish retail shops, restaurants, and cafés, enhancing visitor traffic.
- The project is located within upscale neighborhoods.
- Ongoing government investments in improving Riyadh’s infrastructure further boost the attractiveness of the site for both commercial and residential real estate.
- Its proximity to embassy districts and government facilities increases the demand for commercial offices and luxury residences.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

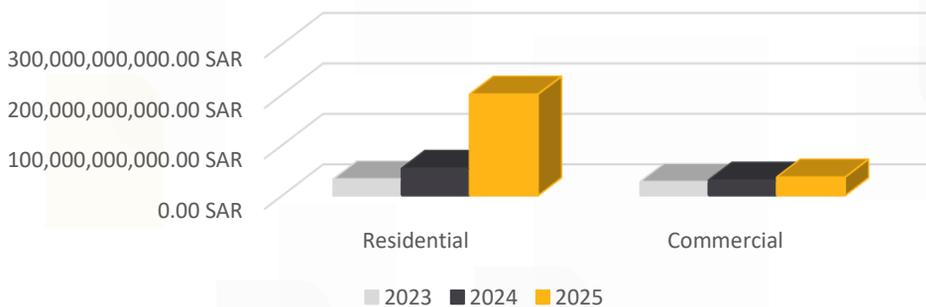
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





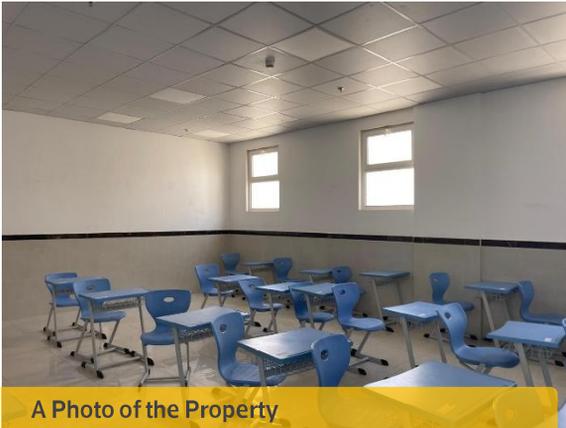
2.4 | Property Photos



A Photo of the Property



A Photo of the Property



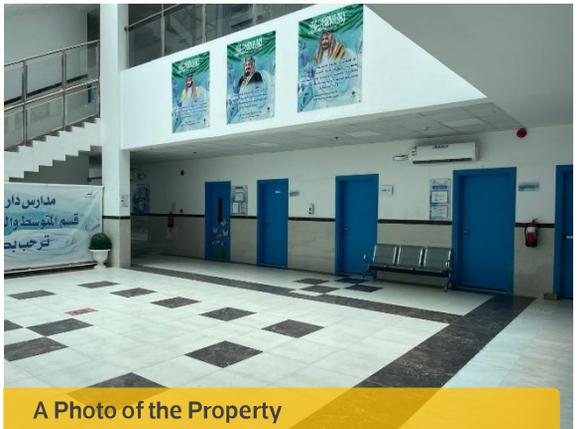
A Photo of the Property



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A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Residual Value Method

3.1.1.1 (Land Value)

The residual value method was used to estimate the land value.

3.1.1.2 Residual Value Assumptions (Proposed Project):

Proposed Project Data		
Item	Unit	Value
Land Area	M ²	10,000.00
Developable Area	100.00%	10,000.00
Areas Allocated for Public Services	0.00%	0.00

Land Use Classification	Total Area	Land Area as a Percentage of Total Developable Area	Average Land Area	Number of Lands
Residential Lands	10,000.00	100.00%	500	20
Total	10,000.00	100.00%		20

3.1 Valuation

3.1.1.3 Residual Value Assumptions (Development Cost Estimation)

Project Development Costs	Unit	total
Master Plan Development Cost	75.00	750,000.00
Total Direct Project Costs		750,000.00
Developer Profit	10.00%	75,000.00
Technical and Professional Fees	1.50%	11,250.00
Contingency	5.00%	37,500.00
Financing Cost	Financing Cost Rate: 4%	35,062.50
	Repayment Period: (2 years)	
	LTV (50%)	
Total Indirect Costs		158,812.50
Total Project Costs		908,812.50

3.1.1.4 Residual Value Assumptions (Revenue Calculation):

Revenue	Unit	Total
Residential Lands	3,658.40	36,584,000.00
Total Revenue		36,584,000.00

3.1.1.5 Comparisons for Calculating the Land Price Per Square Meter:

A table showing residential land comparison data.

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	313 m ²	1,125,000 Saudi Riyal	3,600 SAR / m ²	2024-08-04
Second Comparable	Location	500 m ²	1,700,000 Saudi Riyal	3,400 SAR / m ²	2024-10-15
Third Comparable	Location	500 m ²	1,700,000 Saudi Riyal	3,400 SAR / m ²	2024-07-22



3.1 Valuation

3.1.3.6 Adjustment Table for Residential Comparison (Land Value):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	3,600 SAR/m ²		3,400 SAR/m ²		3,400 SAR/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		04-08-2024		15-10-2024		22-07-2024	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Residential	Residential	0.0 %	Residential	0.0 %	Residential	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		3,600 SAR/m ²		3,400 SAR/m ²		3,400 SAR/m ²	
Location	Excellent	Very Good	5.0 %	Very Good	5.0 %	Very Good	5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	2	0.0 %	1	2.5 %	1	2.5 %
Area (m ²)	500.0	312.5	-3.0 %	500.0	0.0 %	500.0	0.0 %
Adjustment Value / Adjustment Ratio	-	72 SAR/m ²	2.0 %	255 SAR/m ²	7.5 %	255 SAR/m ²	7.5 %
Price Per m ² After Adjustment	-	3,672 SAR/m ²		3,655 SAR/m ²		3,672 SAR/m ²	
Weighting Factors	-	20 %		40 %		40 %	
Weighted Average Value	-			3,658 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.1.1.8 Assumptions for Cash Flow Forecasts:

Project Period	11 Years
Discount Rate	9.50%
Exit Capitalization Rate	7.00%

3.1.1.9 Cash Flow Table:

	Increase Rate %	2.10%	3.15%
	Sale Rate %	0.00%	100.00%
	Year	2025	2026
Costs	Total	0.50 Year	1.50 Year
Percentage of completion for direct costs	100%	100%	0%
Percentage of completion for indirect costs	100%	100%	0%
Total direct project costs	-750,000	-750,000	0
Total indirect costs	-158,813	-158,813	0
Total development cost	-5,897,284	-5,897,284	0
Revenues			
Residential lands	37,955,900	0	37,955,900
Total	-908,813	37,955,900	37,955,900
Discount factor		0.96	0.87
Present value		-868,494.82	33,125,169.94

3.1.1.10 Residual Value Results for Land Valuation:

The following table shows the value of the land after deducting the cash flows, according to the cash flow tables shown in the appendix of this report.

KPI's	Total		
Present value after discounting the period (discount rate) – 10.1%	SAR 61,024,933		
Present value after deducting selling costs – 7.5%	SAR 56,767,379		
Land value after rounding	SAR 56,767,000		
Land area (m ²)	54,075		
Price per square meter	1,049.79		
Differences in land uses in the city of Riyadh			
Description	Price per square meter of residential land	Price per square meter of facility land	Usage comparison ratio
Transactions from Al Sahafah District.	2,400.00	1,127.00	47%
Transactions from Al Malqa District.	5,500.00	2,871.00	52%
Transaction from Al Sulay District.	2,550.00	1,550.00	61%
Deriving the discount rate for the current use			53%

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area		Value / m ²	Total
10,000.00		1,400.86	14,008,634.21

Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	5,139.16	3,000.00	15,417,480.00
Ground floor	4,218.51	3,000.00	12,655,530.00
First floor	4,471.51	3,000.00	13,414,530.00
Second floor	4,407.75	3,000.00	13,223,250.00
Annex	74.67	3,000.00	224,010.00
Total direct cost	18,311.60		54,934,800.00

Indirect Costs		
Description	Rate	Value
Engineering and Professional Consultation Costs	0.0%	0.00
Administrative Costs	0.0%	0.00
Other Services Costs	0.0%	0.00
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	2,307,261.60
Total Indirect Costs		2,307,261.60

Total Building Cost Before Depreciation	57,242,061.60
Building Age	5
Useful Life	45
Depreciation Rate	11%
Actual Depreciation of the Building	11%
Building Value After Depreciation	50,881,832.53
Property Value Based on Cost Approach	64,890,466.74

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions

Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Buildings	2.00	18,311.60	55%	10,071.38
Total		18,311.60		10,071.38

3.1.3.2 (Property Income Data)

School Income	Rate Increase %												
	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	Year												
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Rental Area		10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4	10,071.4
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		428	437	446	456	465	475	485	495	505	516	527	538
Total Rental Income		2,978,630.10	4,401,631.83	4,494,066.10	4,588,441.49	4,684,798.76	4,783,179.53	4,883,626.30	4,986,182.45	5,090,892.28	5,197,801.02	5,306,954.84	5,418,400.90
Vacancy and Credit Losses	5%	-148,931.51	-220,081.59	-224,703.30	-229,422.07	-234,239.94	-239,158.98	-244,181.32	-249,309.12	-254,544.61	-259,890.05	-265,347.74	-270,920.04
Maintenance and Operating Costs	10%	-282,969.86	-418,155.02	-426,936.28	-435,901.94	-445,055.88	-454,402.06	-463,944.50	-473,687.33	-483,634.77	-493,791.10	-504,160.71	-514,748.09
Net Income	85%	2,546,728.74	3,763,395.21	3,842,426.51	3,923,117.47	4,005,502.94	4,089,618.50	4,175,500.49	4,263,386.00	4,352,712.90	4,444,119.87	4,537,446.39	4,632,732.77

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	9.10%
Exit Capitalization Rate	7.00%

3.1.3.4 Cash Flow Table

دخول الصفح													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income		2,546,729	3,763,395	3,842,427	3,923,117	4,005,503	4,089,618	4,175,500	4,263,186	4,352,713	4,444,120	4,537,446	4,632,733
Terminal Value												66,181,897	
Total		2,546,729	3,763,395	3,842,427	3,923,117	4,005,503	4,089,618	4,175,500	4,263,186	4,352,713	4,444,120	70,719,343	
Annual Discount Factor		0.96	0.88	0.80	0.74	0.68	0.62	0.57	0.52	0.48	0.44	0.40	
Present Value		2,438,206	3,302,499	3,090,606	2,892,309	2,706,735	2,533,067	2,370,542	2,218,445	2,076,107	1,942,901	28,338,596	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.10%	53,910,012.28
Property Value	53,910,000.00

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Stores)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	500 SAR/m ²		700 SAR/m ²		865 SAR/m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		500 SAR/m ²		700 SAR/m ²		865 SAR/m ²	
Location	Good	Excellent	-10.0%	Excellent	-10.0%	Excellent	-10.0%
Office Type	Office in a residential area	Office in commercial area	0.0 %	Office in commercial area	0.0 %	Office in commercial area	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	80.0	80.0	0.0 %	104.0	1.2 %	52.0	-2.7 %
Adjustment Value / Adjustment Ratio	-	-100 SAR/m ²	-20.0%	-202 SAR/m ²	-28.8%	-283 SAR/m ²	-32.7%
Price Per m ² After Adjustment	-	400 SAR/m ²		498 SAR/m ²		582 SAR/m ²	
Weighting Factors	-	80 %		10 %		10 %	
Weighted Average Value				428 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	64,890,467	0%	0.00
Income Approach	53,910,012	100%	53,910,012.28
Average Value		53,910,012.28	
Final Appraisal of the Property		53,910,000	

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	53,910,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only fifty-three million nine hundred and ten thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Genx Al-Rabie



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary		
Property Information	Property Name	Genx Al-Rabie
	Property Type	Building
	Location	Al-Rabie District, Riyadh, Saudi Arabia
	Type of Ownership	Freehold
Client Information	Deed Data	No. 914009010891
	Date	29/06/1442
	Owner	BaytaK Al-Hafiz Real Estate Company
	Recipient of the Report	Osool & Bakheet Investment Company
Valuation	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
	Date of Property Inspection	29/06/2025
Report	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Cost Approach — Income Approach
	Used Approaches and Methods	Income Approach — Cash Flow Method
	Basis of Value	Fair Value
Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
Reference No.	12800	
Report Type	Detailed Narrative	
Report Date	30/07/2025	
Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS 2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions

Assumptions

Special Assumptions

Name: Ahmed Bdeir
 Membership Number: 1220002914, Affiliated Member of Real Estate
 Branch: Branch
 Membership Category: Affiliated Member
 Contribution percentage: %20

Report Preparer

Signature: [Signature]
 Name: Abdulmalik Mansour Al-Johani

Real Estate Valuer

Membership Number: 1210003639
 Membership Category: Affiliated Member
 Contribution percentage: %45

Signature: [Signature]
 Name: Asim Yasin Mohammed Ahmed Yasin

Valuers

Valuation Manager

Membership Number: 1220001314
 Membership Category: Fellow Member
 Contribution percentage: %15

Signature: [Signature]
 Name: Yasser Ibrahim Asaad

Valuation Reviewer

Membership Number: 1210000124
 Membership Category: Fellow Member, MRICS
 Contribution percentage: %5

Signature: [Signature]
 Name: Mohammed Abdullah Massairi

Managing Director

(Authorized Signatory of the Report)

Membership Number: 1210000543
 Membership Category: Fellow Member
 Contribution percentage: %15

Signature: [Signature]

Valuation Result

Final Value Opinion

Numerically: 44,776,000
 Currency: Saudi Riyal

Written: Only forty-four million seven hundred and seven-t-six thousand Saudi Riyal

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: (Preparation of Financial Statements for the Mid-Year 2025 Budget)

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. Income Approach — Discounted Cash Flow Method (DCF)
2. Cost Approach — Depreciation Method

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: (29/06/2025)

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: (30/06/2025)

Report Date:

The report date is the date the valuation report was issued. The report was issued on: (30/07/2025)

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property is a hotel building and retail units.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

The cash flow model was prepared based on the different uses of the building, assuming that full income generation would begin from the second year.

The first-year data was provided by the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance ratios were adopted based on market data for similar properties.

Future occupancy rates for the (hotel, retail shops) uses were assumed according to the prevailing market conditions at the date of valuation.

Annual revenue growth rates were assumed based on real estate market indicators in Riyadh for the year 2025, in addition to expected inflation indicators from official sources.

Discount Rate and Capitalization Rate:

The discount rate and terminal rate were determined through the analysis of comparable private school projects in terms of size, location, and profitability. The rate used reflects the level of risk associated with the educational sector and reliance on tuition fees as the primary revenue source.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards.

Depreciation was calculated based on the building's remaining useful life and its current physical condition.

While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information

Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	15m wide street.	Length	60
Deed No.	914009010891	Deed Date	29/06/1442H	South	80m wide street.	Length	60
Subdivision Parcel Number	From 556 to 553	Subdivisionplan ID	2413	East	15m wide street	Length	65
Location on Google Maps	Location			West	Parcel No. 557 & 558	Length	65
Building Permit Information				Land Area		3,900 m ²	
Permit Number	1435/5496	Issuance Date	05/04/1435H	Total Built-Up Area		8,589.53 m ²	
Permit Category	Issuance	Building Regulation	-	Property Specifications		The property consists of a hotel and retail stores.	



A Photo Demonstrating the Boundaries of Property

1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input checked="" type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

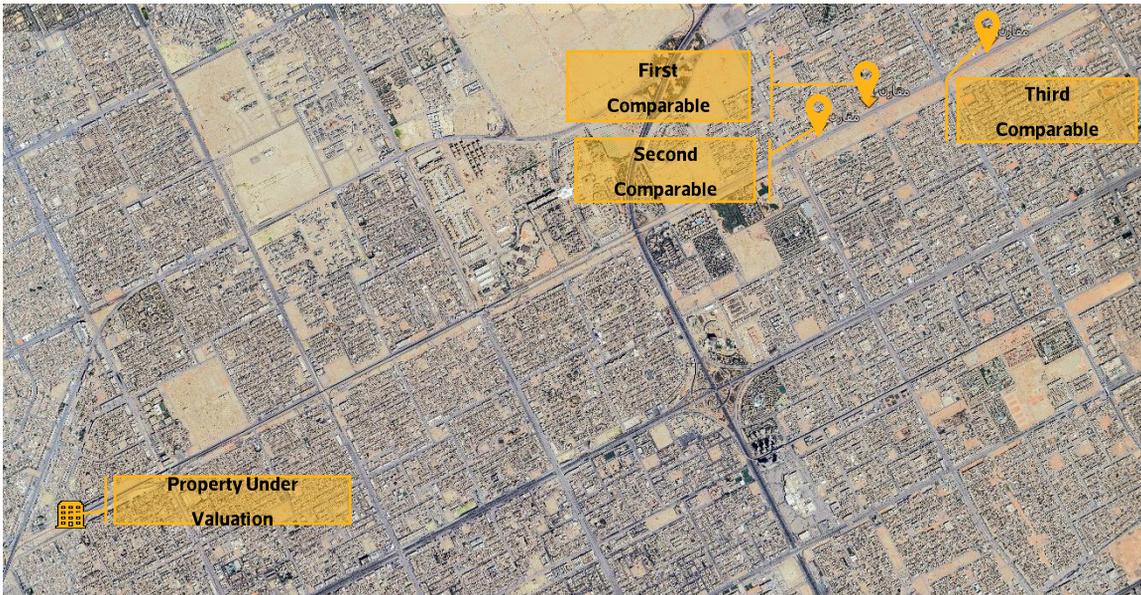
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	1,085 m ²	13,899,935 Saudi Riyal	12,811 SAR / m ²	2024-12-11
Second Comparable	Location	6,046 m ²	63,483,420 Saudi Riyal	6,064 SAR / m ²	2023-01-14
Third Comparable	Location	9,000 m ²	72,000,000 Saudi Riyal	8,000 SAR / m ²	2025-02-02

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 3,750.00/m²)
- Ground floor: (SAR 3,750.00/m²)
- First floor: (SAR 3,750.00/m²)
- Upper annex floor: (SAR 3,750.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 1.0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 40 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (9) years.



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR2,191,608), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 5% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.60%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.50%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied: $DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = \text{DC} - \text{G}$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.72%	AS valuar
Discount Rate	9.60%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.50%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



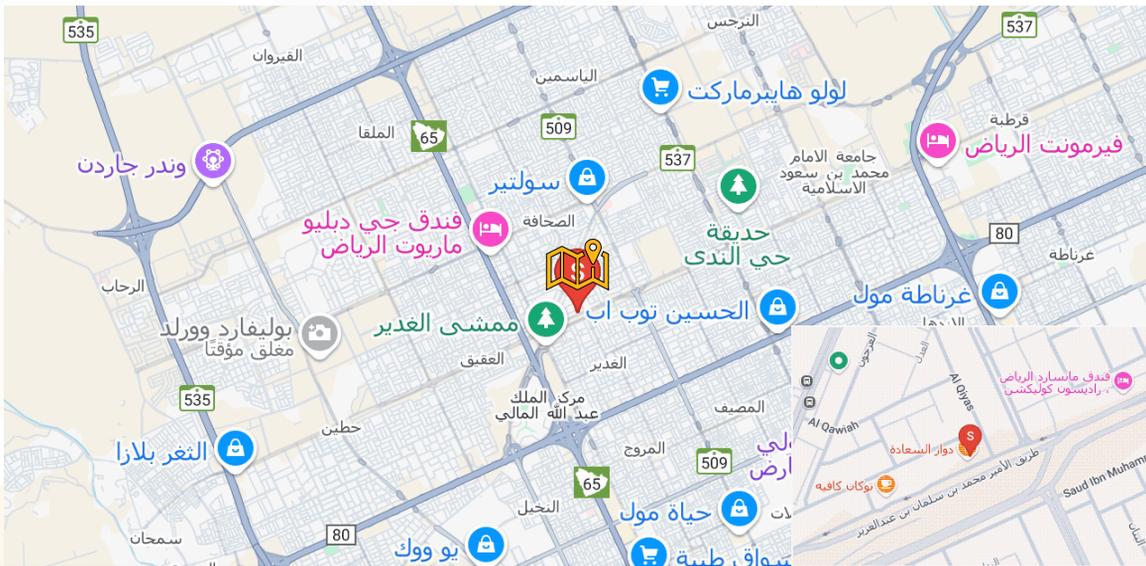
2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level

Overview of Riyadh City

Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.

Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.



Property Location

A Map Demonstrating the Property Boundaries at the City Level

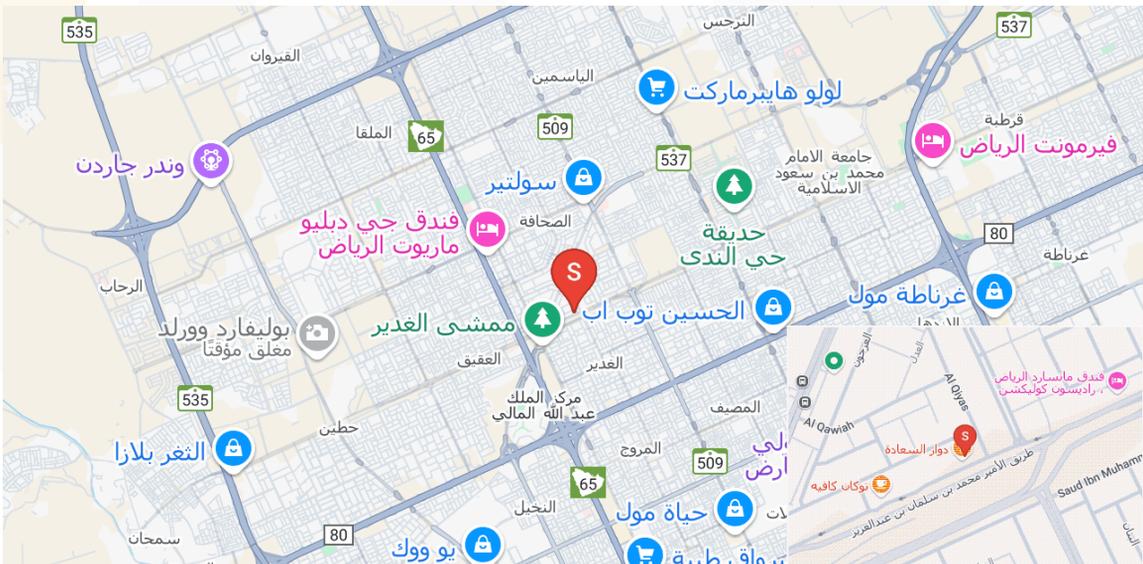
The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	9 Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	18 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	Al Rabiah District in Riyadh is considered one of the modern and distinguished neighborhoods in the north of the Saudi capital. It is characterized by its prime location near major roads such as King Abdulaziz Road and Anas bin Malik Road, making it a strategic connection point to various areas of Riyadh, especially upscale and newly developed northern neighborhoods. The district features a mix of modern residential villas and high-end housing units and is known for its well-organized urban planning and tranquility.
Advantages	Al Rabie District offers a number of private and international schools, health centers, and mosques, along with shopping complexes, well-known restaurants, and cafes that serve the neighborhood's residents and nearby areas. The district also features green spaces and small parks, giving it a comfortable and family-friendly atmosphere. Al Rabie is considered one of the high-value real estate areas due to its comprehensive modern living amenities, excellent infrastructure, and proximity to business and service centers, which reflect its quality of life and make it an attractive choice for both residence and real estate investment.
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

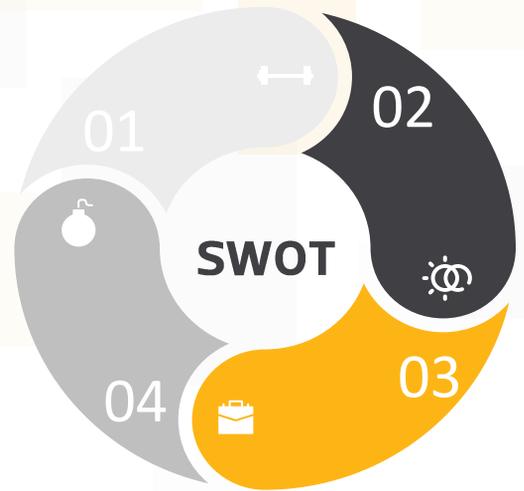


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in a strategic area of Riyadh in Al Rabie District, on Prince Mohammed Bin Salman Road, ensuring easy access from various parts of the city.
- The property features commercial frontage.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 45 Km) and the city center (approx. 5 Km), enhancing the property’s appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 Km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

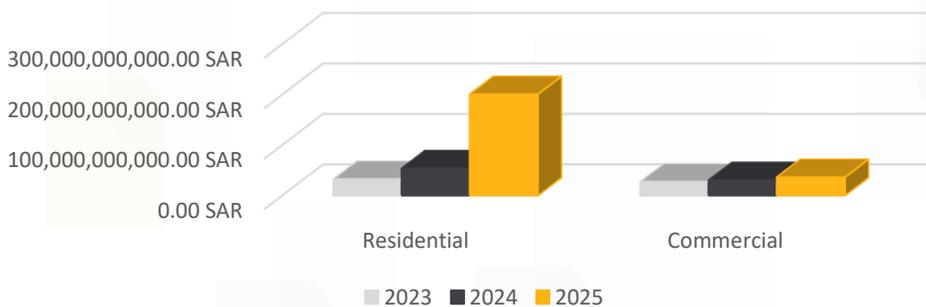
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value



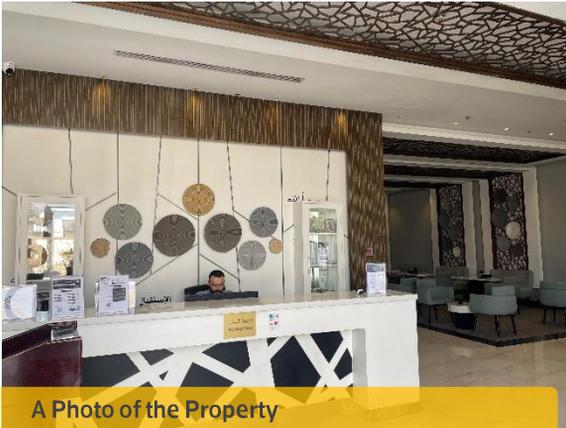
2.4 | Property Photos



A Photo of the Property



A Photo of the Property



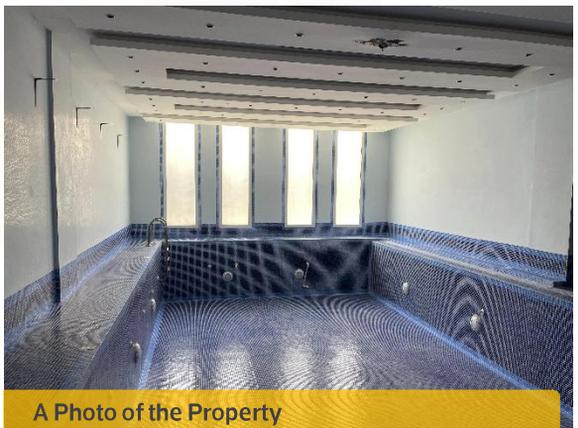
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Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR12,811/m ²		SAR10,500 /m ²		SAR8,000/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-12-11		2025-01-14		2025-05-02	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		SAR12,811/m ²		SAR10,500 /m ²		SAR8,000/m ²	
Location	Very Good	Excellent	-2.5 %	Excellent	-2.5 %	Excellent	-2.5 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	3	2	2.0 %	1	2.0 %	4	-2.5 %
Area (m ²)	3,900.0	1,085.0	-13.5 %	6,046.0	1.8 %	9,000.0	2.8 %
Adjustment Value / Adjustment Ratio	-	SAR -1,726 /m ²	-13.5 %	SAR134 /m ²	1.3 %	SAR -173 /m ²	-2.2 %
Price Per m ² After Adjustment	-	SAR11,085 /m ²		SAR10,634 /m ²		SAR7,927 /m ²	
Weighting Factors	-	20 %		60 %		20 %	
Weighted Average Value	-	SAR10,163					

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	3,900.00 m ²
Land Value / m ²	SAR10,162.65 /m ²
Land Value	SAR39,634,350.31

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
3,900.00	10,162.65	39,634,350.31	
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	3,014.83	3,750.00	11,305,612.50
Ground Floor	2,095.95	3,750.00	7,859,812.50
First Floor	2,319.30	3,750.00	8,697,375.00
Upper Annex Floor	1,159.45	3,750.00	4,347,937.50
Total Cost	8,589.53		32,210,737.50
Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	1,352,850.98	
Total Indirect Costs		1,352,850.98	
Total Building Cost Before Depreciation			33,563,588.48
Building Age		9	
Useful Life		40	
Depreciation Rate		23%	
Actual Depreciation of the Building		23%	
Building Value After Depreciation			26,011,781.07
Property Value Based on Cost Approach			65,646,131.38

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions						
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area	Average Unit Area	Number of Units
Basement	1.00	3,014.83	0%	0.00	1.00	3,014.83
Residential Ground Floor	1.00	1,004.11	75%	753.08	1.00	1,004.11
Commercial Ground Floor	1.00	1,091.84	75%	818.88	1.00	1,091.84
First Floor	1.00	2,319.30	75%	1,739.48	1.00	2,319.30
Upper Annex Floor	1.00	1,159.45	75%	869.59	1.00	1,159.45
Total		8,589.53		4,181.03		8,589.53

3.1.3.2 (Property Income Data)

Retail Stores Income													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Leasable Area	818.9	818.9	818.9	818.9	818.9	818.9	818.9	818.9	818.9	818.9	818.9	818.9	818.9
Occupancy Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value	1,336	1,364	1,393	1,422	1,452	1,483	1,514	1,546	1,578	1,611	1,645	1,680	
Total Rental Income	2,475,837.62	1,17,282.99	1,140,745.94	1,164,701.60	1,189,160.34	1,214,132.70	1,239,629.49	1,265,661.71	1,292,240.60	1,319,377.66	1,347,084.59	1,375,373.36	
Vacancy and Credit Losses	3%	-74,275.13	-33,518.49	-34,222.38	-34,941.05	-35,674.81	-36,423.98	-37,188.88	-37,969.85	-38,767.22	-39,581.33	-40,412.54	-41,261.20
Maintenance and Operating Costs	5%	-107,167.76	-54,188.23	-55,326.18	-56,488.03	-57,674.28	-58,885.44	-60,122.03	-61,384.59	-62,673.67	-63,989.82	-65,333.60	-66,705.61
Net Income	92%	2,294,394.73	1,029,576.28	1,051,197.38	1,073,272.53	1,095,811.25	1,118,823.29	1,142,318.57	1,166,307.26	1,190,799.72	1,215,806.51	1,241,338.45	1,267,406.56

Hotel Income													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Number of Units	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Number of days per year	365	365	365	366	365	365	365	365	365	365	365	365	366
Annual Occupancy Rate	0.00%	50.00%	50.00%	60.00%	65.00%	66.37%	67.39%	69.18%	70.63%	72.15%	73.67%	75.18%	
Average daily Rental Value	330	337	344	351	359	366	374	382	390	398	406	415	
Rate of rental value	0	168	189	211	233	243	253	264	275	287	299	312	
Rental value for available rooms	26,400.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	29,200.00	
Rental value for occupied rooms	0.00	16,000.00	16,000.00	17,568.00	17,568.00	18,080.00	18,378.58	19,765.53	20,256.37	20,625.25	21,018.38	21,500.00	22,012.26
Room income	0.00	4,919,178.00	5,524,738.81	6,170,402.42	6,806,331.80	7,095,199.32	7,396,326.68	7,731,538.11	8,037,464.23	8,338,382.25	8,734,077.66	9,129,809.73	
Food and beverages income	10%	0.00	491,917.80	552,472.88	617,040.24	680,633.18	709,519.93	739,632.67	773,158.81	803,746.42	837,858.22	873,417.77	912,580.97
Other income	3.0%	0.00	147,575.34	165,741.86	185,113.07	204,189.95	212,855.98	221,889.80	231,040.74	241,123.93	251,357.47	262,025.33	273,854.29
Lost income	0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total income	100%	0.00	5,568,673.14	6,241,943.56	6,972,544.74	7,691,154.93	8,017,575.24	8,357,849.75	8,736,434.66	9,082,334.58	9,467,707.64	9,869,620.75	10,316,684.99
Total profit	40.00%	0.00	2,223,468.46	2,497,177.42	2,789,071.90	3,076,461.97	3,307,030.09	3,343,139.66	3,494,573.86	3,632,933.83	3,787,194.18	3,947,848.30	4,136,674.00
Investor share	25.00%	0.00	-555,867.11	-624,294.36	-697,255.47	-765,175.49	-807,757.52	-835,784.59	-871,843.47	-908,233.46	-946,779.79	-986,902.08	-1,031,668.50
Net Operating Income (Owner's Share of Gross Profit)	100.00%	0.00	1,667,601.34	1,872,883.07	2,091,766.42	2,307,346.48	2,405,272.57	2,507,354.74	2,620,930.40	2,724,700.37	2,840,339.38	2,969,886.23	3,095,005.50

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11Years
Discount Rate	9.60%
Exit Capitalization Rate	7.50%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income		2,294,395	2,697,178	2,924,080	3,165,039	3,403,158	3,524,096	3,649,673	3,787,238	3,915,500	4,056,146	4,202,225	4,362,412
Terminal Value													58,165,494
Total		2,294,395	2,697,178	2,924,080	3,165,039	3,403,158	3,524,096	3,649,673	3,787,238	3,915,500	4,056,146	4,202,225	43,367,719
Annual Discount Factor		0.96	0.87	0.80	0.73	0.66	0.60	0.55	0.50	0.46	0.42	0.38	
Present Value		2,191,608	2,350,681	2,325,274	2,296,371	2,252,862	2,128,578	2,011,340	1,904,335	1,796,377	1,697,905	1,603,399	23,820,399

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.60%	44,775,670.89
Property Value	44,776,000.00

3.1 Valuation

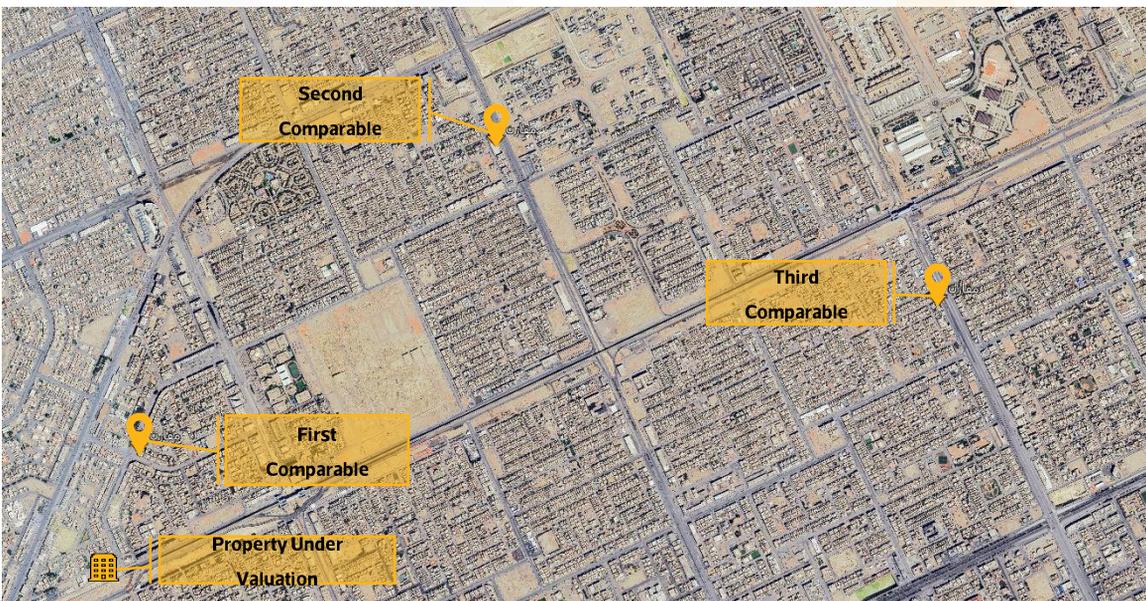
3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Table for Determining the Daily Rental Rate in Riyadh)

No.	Description			Seasonal Rental Value (Prices Excluding Taxes)
	Hotel Name	Hotel Rating	Location	Room Price
1	Innyar Hotel	3-star hotel	Location	320.00
2	Riyadh Inn Hotel	3-star hotel	Location	360.00
3	Boudl Al-Wadi Hotel	3-star hotel	Location	310.00
Average room price per day				330.00

Deriving the Average Daily Rental Rate in Riyadh – 3-Star Hotel				
Days of the year	365			
Description	Number of days	Average room price per day	Operation rate	Rental value
Room price	365	330 SAR	100%	120,450 SAR
Average room price through the year				120,450 SAR
				330.00 SAR / Night

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



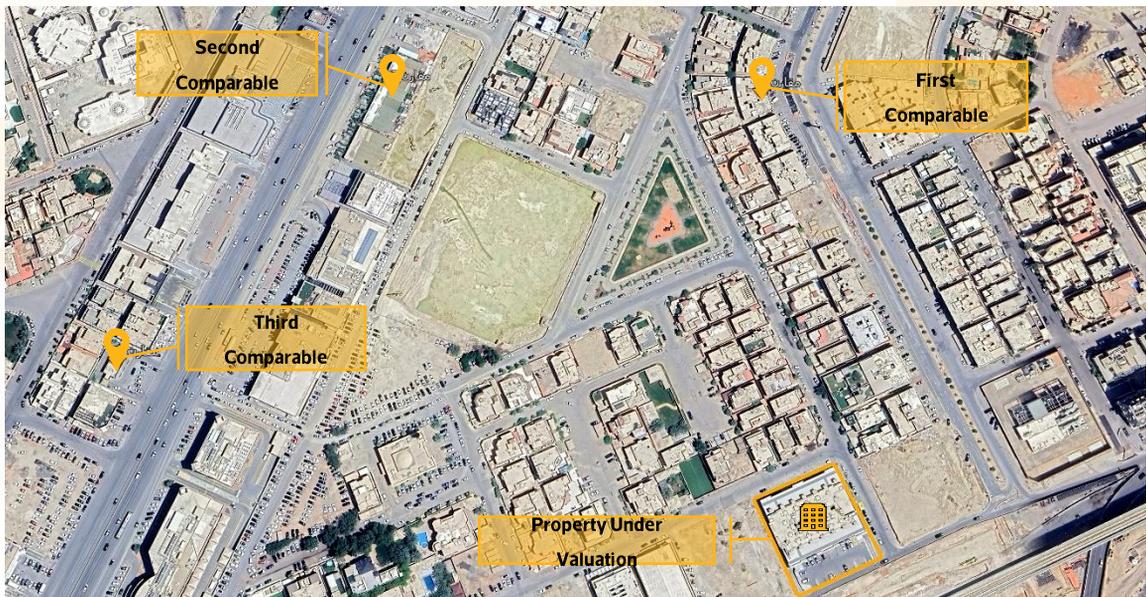
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.8 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	1,548 SAR/m ²		1,320 SAR/m ²		1,374 SAR/m ²	
Type of Comparable	-	Contract		Contract		Contract	
Date	-	2025		2025		2025	
Market Conditions	-	Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)	-	0		0		0	
Value Per Square Meter (After Adjustment)	-	1,548 SAR/m ²		1,320 SAR/m ²		1,374 SAR/m ²	
Finishing	Very Good	Excellent	-5.0 %	Excellent	-5.0 %	Excellent	-5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	136.0	100.0	-1.8 %	200.0	1.6 %	131.0	-0.2 %
Adjustment Value / Adjustment Ratio	-	-105 SAR/m ²	-6.8 %	-45 SAR/m ²	-3.4 %	-71 SAR/m ²	-5.2 %
Price Per m ² After Adjustment	-	1,442 SAR/m ²		1,275 SAR/m ²		1,303 SAR/m ²	
Weighting Factors	-	30 %		30 %		40 %	
Weighted Average Value	-			1,336 SAR			

3.1.3.9 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	65,646,131	0%	0.00
Income Approach	44,775,671	100%	44,775,671
Average Value			44,775,670.89
Final Appraisal of the Property			44,776,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	44,776,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only forty-four million seven hundred and seventy-six thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers. Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

رقم الصك: ٩١٤٠٠٩٠١٠٨٩١
تاريخ الصك: ١٤٤٢/٦/٢٩ هـ

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض 553 و قطعة الأرض 554 و قطعة الأرض 555 و قطعة الأرض 556 من البلك رقم 47 من المخطط رقم 2413 الواقع في حي الربيع بمدينة الرياض . وحدودها وأطوالها كالتالي:
شمالاً: شارع عرض 15م بطول: (60) ستون متر
جنوباً: شارع عرض 80م بطول: (60) ستون متر
شرقاً: شارع عرض 15م بطول: (65) خمسة و ستون متر
غرباً: قطعة رقم 557 و 558 بطول: (65) خمسة و ستون متراً
ومساحتها : (3900) ثلاثة آلاف و تسعمائة متر مربع فقط
المملوكة لـ/ شركة بيتك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 26 / 10 / 1438 هـ وتنتهي في 26 / 10 / 1443 هـ بالصك الصادر من كتابة العدل الأولى بالرياض برقم 910114038368 في 14 / 11 / 1438 هـ . قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم 1010000096 وتنتهي في 29 / 5 / 1443 هـ ضماناً لوفائه بـ/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم 1010000096 بمبلغ وقدره (22000000) اثنان وعشرون مليون ريال المجاز من الهيئة الشرعية برقم 1075 في 7 / 9 / 1436 هـ . على أن يتم سداد المديونية دفعة واحدة بتاريخ 11 / 02 / 2026 م وفي حالة عدم السداد فللمرتهن بيع العقار بالفيسة التي تنتهي عندها الرعيات واستيفاء مالي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في 29 / 6 / 1442 هـ .
وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من نياتها وسريتها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٠٠٣٠٠١٢)
نسخة مطابع الحكومة - ٢٩٢١٣٩٠ (هذا النموذج مخصص للاستخدام بالمحاسب الآلي ويمنع تكليفه)
صفحة رقم 1 من 1

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Al-NoKhbah Educational School



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Al- NoKhbah Educational School	
	Property Type	Building	
	Location	Al-Fahad District, Unaizah, Saudi Arabia	
	Type of Ownership	Freehold	
	Deed Data	No.	- 317816000400 - 317816000399 - 517803000632- 417821000829
		Date	81011057334 13/02/1442
	Owner	BaytaK Al-Hafiz Real Estate Company	
	Land Area	6,694m ²	
	Built-Up Area	10,522.37m ²	
	Recipient of the Report	Osool & Bakheet Investment Company	
Client Information	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	04/06/2025	
	Date of Valuation	30/06/2025	
Valuation	Adopted Valuation Approach	Cost Approach — Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
Report	Reference No.	12811	
	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions

Assumptions

Special Assumptions

Name Ahmed Bdeir

Membership Number 1220002914 ,Affiliated Member of Real Estate

Branch

Report Preparer

Membership Category Affiliated Member

Contribution percentage %20

Signature

Name Abdulmalik Mansour Al-Johani

Membership Number 1210003639

Real Estate Valuer

Membership Category Affiliated Member

Contribution percentage %45

Signature

Name Asim Yasin Mohammed Ahmed Yasin

Membership Number 1220001314

Valuation Manager

Membership Category Fellow Member

Contribution percentage %15

Signature

Name Yasser Ibrahim Asaad

Membership Number Fellow Member

Valuation Reviewer

Membership Category Fellow Member, MRICS ,1210000124

Contribution percentage %5

Signature

Name Mohammed Abdullah Massairi

Membership Number 1210000543

Managing Director

(Authorized

Signatory of the

Report)

Membership Category Fellow Member

Contribution percentage %15

Signature

Numerically 30,026,000

Currency Saudi Riyal

Valuation Result

Final Value Opinion

Written

Only thirty million and twenty-six thousand Saudi Riyal

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(04/06/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property is an educational building and is up and actively operating.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

The cash flow model was prepared based on the school's projected operating revenues, taking into account capacity, tuition fees, and operating expenses. Annual growth rates for revenues and expenses were assumed based on educational market indicators and expected inflation rates from official sources.

Operating, maintenance, and management costs were included as percentages of total income, with reference to market data from similar educational institutions.

Use of the Residual Value Method as a Supporting Reference:

A residual value model was prepared to support the estimation of the value of the land under appraisal, in the event that the school is vacated and the site is redeveloped.

It was assumed that the land would be re-subdivided into residential plots in accordance with the building and planning regulations applicable in the area.

The market value of the hypothetical residential plots was then estimated, and the costs associated with development (including infrastructure, marketing, and the developer's profit) were deducted.

Discount Rate and Capitalization Rate:

The discount rate and terminal rate were determined through the analysis of comparable private school projects in terms of size, location, and profitability. The rate used reflects the level of risk associated with the educational sector and reliance on tuition fees as the primary revenue source.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.

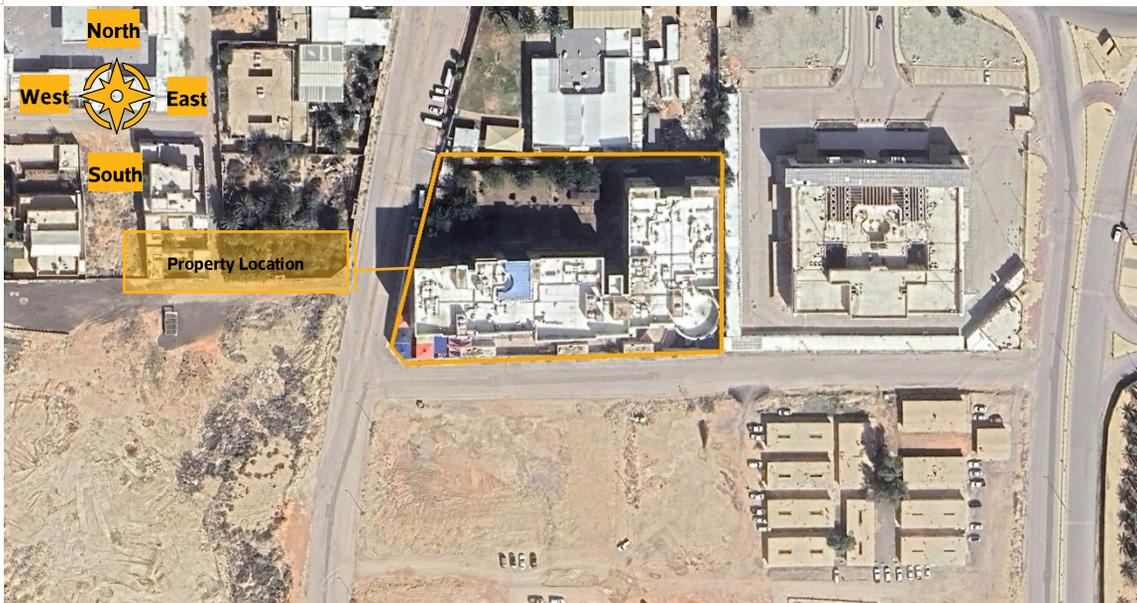


1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information

Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	As in the deed	Length	As in the deed
Deed No.	- 317816000399	Deed Date	29/06/1441H	South	As in the deed	Length	As in the deed
	- 317816000400						
	- 417821000829						
	- 517803000632						
Subdivision Parcel Number	1031 – 1029	Subdivision plan ID	1/ق/245	East	As in the deed	Length	As in the deed
	1036 - 1035						
Location on Google Maps		Location		West	As in the deed	Length	As in the deed
Building Permit Information							
Permit Number	150958	Issuance Date	24/09/1433H	Total Built-Up Area		10,522.37 m ²	
Permit Category	New	Building Regulation	-	Property Specifications		The property consists of a school.	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input checked="" type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

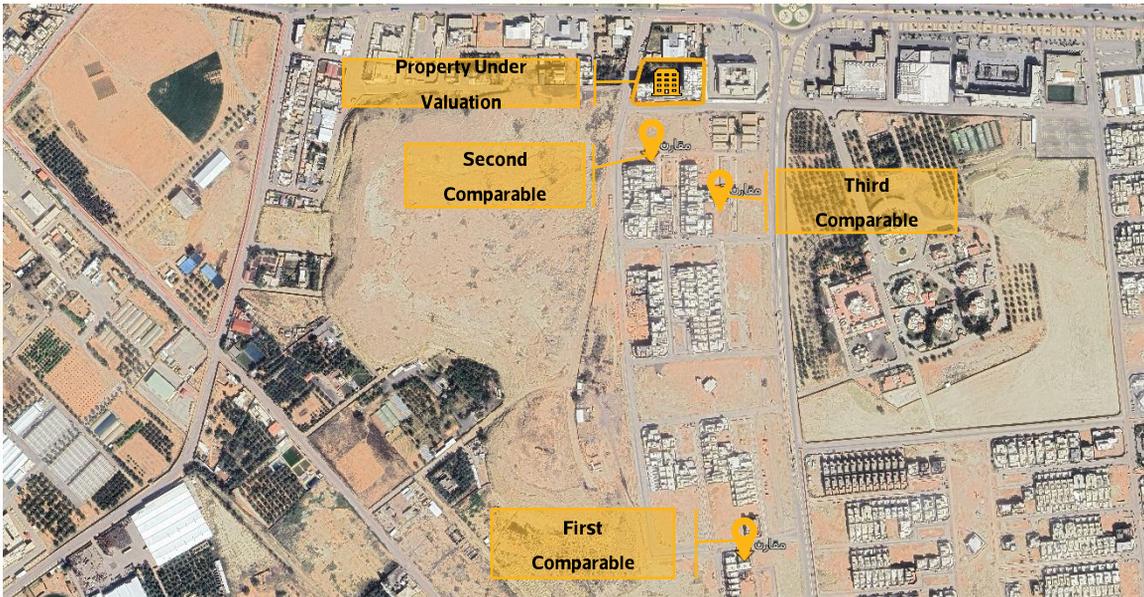
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	645 m ²	515,371 Saudi Riyal	799 SAR / m ²	2024-02-29
Second Comparable	Location	440 m ²	349,800 Saudi Riyal	795 SAR / m ²	2024-12-10
Third Comparable	Location	768 m ²	574,858 Saudi Riyal	749 SAR / m ²	2024-03-26

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Basement floor: (SAR 2,000.00/m²)
- Ground floor: (SAR 2,000.00/m²)
- Repeated floor: (SAR 2,000.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 40 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (7) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR2,078,628), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (0%).
- Operating Expenses: Operating expenses were estimated at 0% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.80%.
- Growth Rate: The annual growth rate was set at 10%.
- Capitalization Rate: The cap rate was set at 7.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.92%	AS valuar
Discount Rate	9.80%	
Growth Rate	2.80%	Saudi Center Bank
Exit Capitalization Rate	7.00%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Unayzah City	<p>It is one of the governorates of the Al-Qassim region in the Kingdom of Saudi Arabia, and is considered one of the oldest and most important cities in the region in terms of history and culture. Unayzah is located in the western part of Al-Qassim and is distinguished by its strategic location on the roads connecting it to several major cities such as Buraidah (the regional capital), Riyadh, and MaKkah.</p>



Property Location

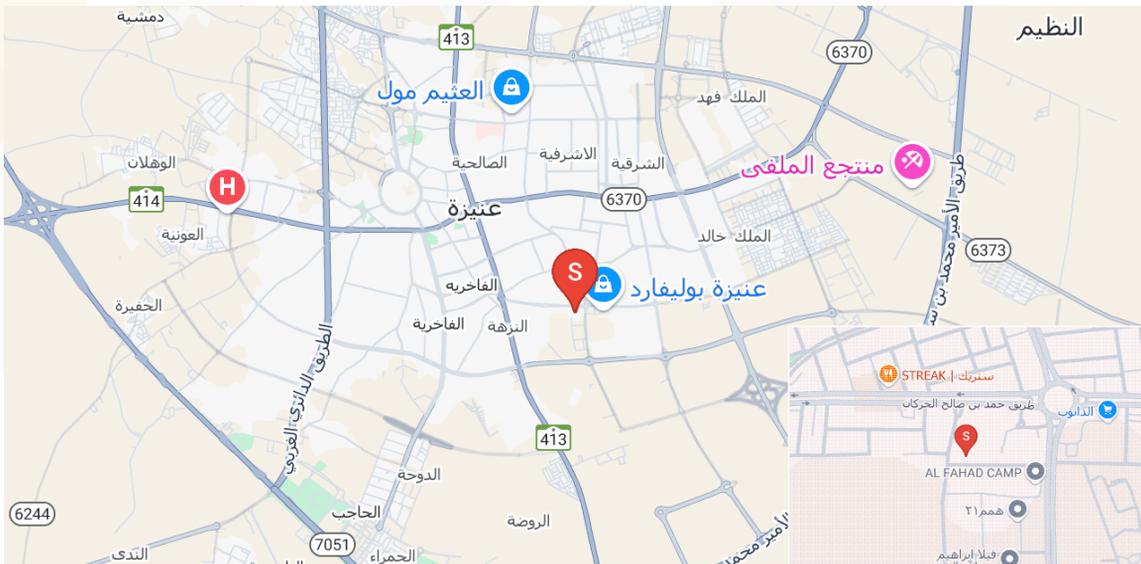
A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	3 Km	Facilities and Services	0 Km
Regional Roads	1 Km	Prince Naif Bin Abdulaziz International Airport	35 Km

2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Fahd District in Unaizah is considered one of the modern and well-developed residential neighborhoods in Unaizah, Al-Qassim region. It is distinguished by its prime location in the southern part of the city, close to several main roads such as Al-Madinah Al-Munawwarah Road and Prince Sultan Road, making it a convenient connection point to downtown Unaizah and the surrounding areas. The district is characterized by well-planned layouts and modern infrastructure, featuring a mix of residential villas and mid-sized housing units.</p>
Advantages	<p>The neighborhood enjoys a quiet atmosphere suitable for families, with essential services available such as schools, mosques, markets, and health centers, in addition to a number of public parks that enhance the quality of life. It also features various commercial and service facilities that meet residents' daily needs. Al-Fahd District is considered one of the promising neighborhoods in Unaizah for both living and investment, thanks to the recent development in the area, the growing demand for residential units, the suitable living environment, and its strategic location that provides easy access to various facilities across the city.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

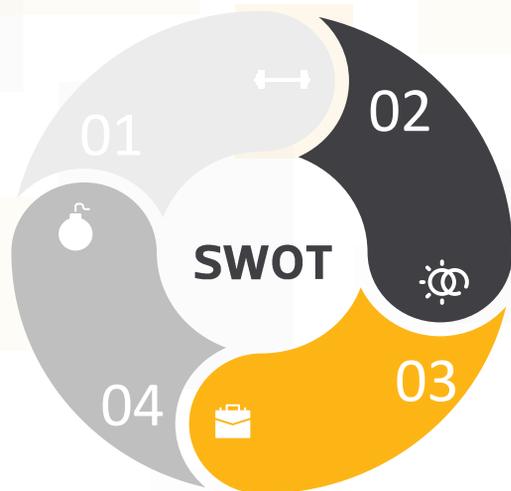


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a street in the Al-Fahd neighborhood in the city of Unaizah.
- The property is situated in a developed residential area.
- The building’s exterior and interior designs are modern and contemporary, making it attractive to tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Proximity to Key areas such as Al-Madinah Al-Munawarah Road (about 2 Km) and the center of Unaizah Governorate (about 5 Km) enhances accessibility from various parts of the city, making it an attractive point for students, parents, and educational institutions.
- The high demand for educational facilities in the area, driven by population growth and the increasing number of families in Al-Fahd District and neighboring developments, increases the feasibility of investing in an educational project such as a private or national school.
- The possibility of partnering with educational entities or well-known educational brands to establish a school that offers distinguished educational services, enhancing the project’s reputation and increasing its attractiveness.
- The growth of government investments in developing educational and service infrastructure in Unaizah contributes to improving the educational environment, making the area attractive for investment in the educational and service sectors.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.



2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	1,102	181	1,283
2024	624	176	800
2025	899	45	944

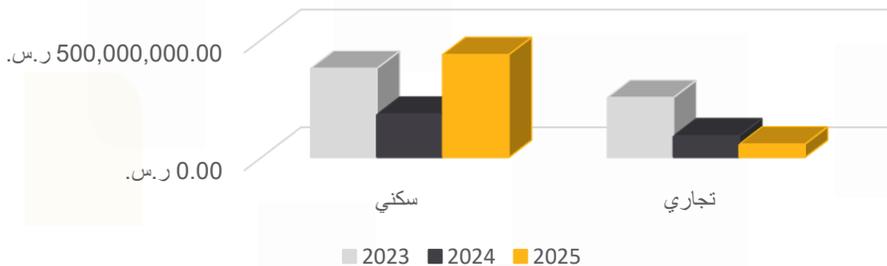
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	377,735,425.00 SAR	253,561,658.00 SAR	631,297,083.00 SAR
2024	182,890,223.00 SAR	91,215,241.00 SAR	274,105,464.00 SAR
2025	436,280,555.00 SAR	55,951,936.00 SAR	492,232,491.00 SAR

Transactions Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



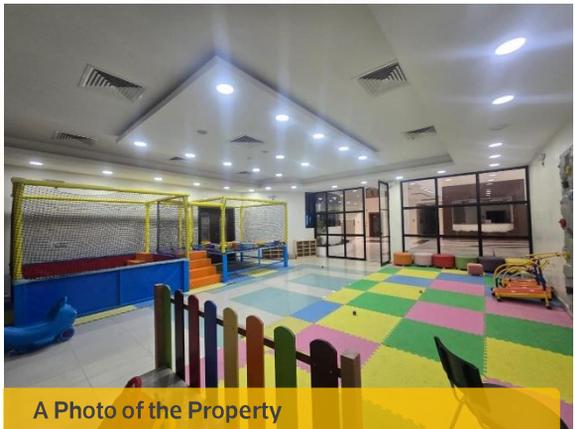
A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR 799/m ²		SAR 795/m ²		SAR 749/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-02-29		2024-12-10		2024-03-26	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Residential	Residential	0.0 %	Residential	0.0 %	Residential	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		SAR 799/m ²		SAR 795/m ²		SAR 749/m ²	
Location	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	1,800.0	645.0	-9.0 %	440.0	-15.5 %	767.5	-6.7 %
Adjustment Value / Adjustment Ratio	-	SAR -72/m ²	-9.0 %	SAR -123/m ²	-15.5 %	SAR -50/m ²	-6.7 %
Price Per m ² After Adjustment	-	SAR 727/m ²		SAR 672/m ²		SAR 699/m ²	
Weighting Factors	-	40 %		40 %		20 %	
Weighted Average Value	-	SAR 700					

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	1,800.00 m ²
Land Value / m ²	SAR 699.56 /m ²
Land Value	SAR 1,259,216.02

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
6,694.00	608.44	4,072,882.50	

Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Basement	735.18	2,000.00	1,470,360.00
Ground Floor	3,320.19	2,000.00	6,640,380.00
Repeated Floor	6,467.00	2,000.00	12,934,000.00
Total Cost	10,522.37		21,044,740.00

Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	883,879.08	
Total Indirect Costs		883,879.08	

Total Building Cost Before Depreciation	21,928,619.08
Building Age	7
Useful Life	40
Depreciation Rate	18%
Actual Depreciation of the Building	18%
Building Value After Depreciation	18,091,110.74
Property Value Based on Cost Approach	22,163,993.24

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	9.80%
Exit Capitalization Rate	7.00%

3.1.3.2 Cash Flow Table

School Income													
Rate Increase %	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income		2,178,101	2,178,101	2,178,101	2,178,101	2,395,911	2,395,911	2,395,911	2,395,911	2,395,911	2,635,502	2,635,502	2,635,502
Terminal Value													37,650,031
Total		2,178,101	2,178,101	2,178,101	2,178,101	2,395,911	2,395,911	2,395,911	2,395,911	2,395,911	2,635,502	40,285,533	
Annual Discount Factor		0.95	0.87	0.79	0.72	0.66	0.60	0.54	0.50	0.45	0.41	0.37	
Present Value		2,078,628	1,893,104	1,724,139	1,570,254	1,573,114	1,432,708	1,304,835	1,188,374	1,082,308	1,084,279	15,094,702	

3.1.3.3 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.80%	30,026,444.63
Property Value	30,026,000.00

3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	22,163,993	0%	0.00
Income Approach	30,026,445	100%	30,026,444.63
Average Value			30,026,444.63
Final Appraisal of the Property			30,026,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	30,026,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only thirty million twenty-six thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 | A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٤١/٦/٢٩ هـ
رقم الصك: ٣١٧٨١٦.٠٠٣٩٩

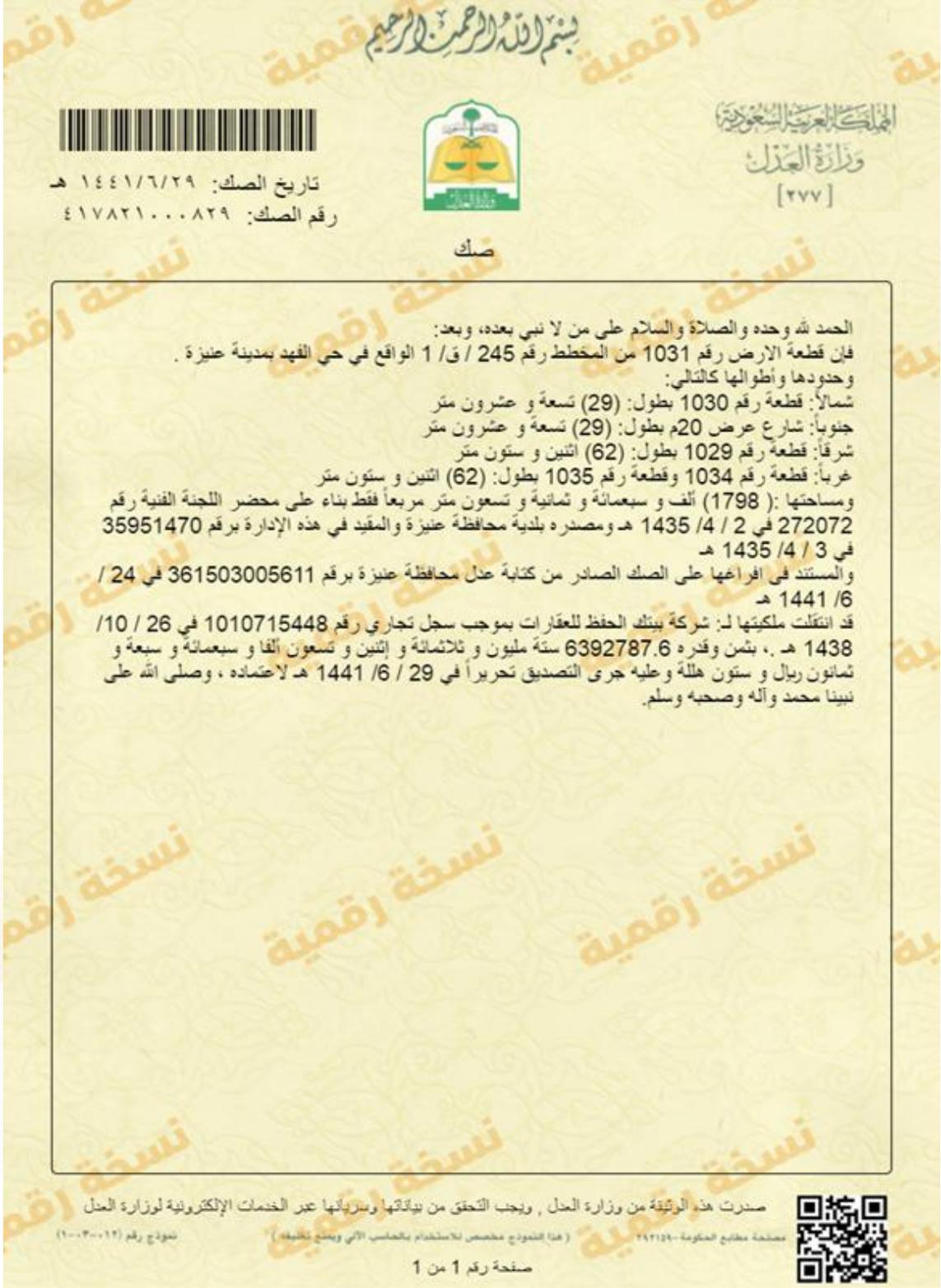
صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 1029 من المخطط رقم 245 / ق/ 1 الواقع في حي الفهد بمدينة عنيزة .
وحدودها وأطولها كالتالي:
شمالاً: قطعة رقم 1028 بطول: (29) تسعة و عشرون متر
جنوباً: شارع عرض 20م بطول: (29) تسعة و عشرون متر
شرقاً: مكتب إدارة المالك بطول: (62) اثنين و ستون متر
غرباً: قطعة رقم 1031 بطول: (62) اثنين و ستون متر
ومساحتها: (1798) ألف و سبعمائة و ثمانية و تسعون متر مربعاً فقط
والمستند في افراجها على الصك الصادر من كتابة عدل محافظة عنيزة برقم 961506006299 في 23 /
6 / 1441 هـ
قد انتقلت ملكيتها ل: شركة بنك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 26 / 10 /
1438 هـ ، بمس وقدره 6392787,6 ستة مليون و ثلاثمائة و اثنين و تسعون ألفا و سبعمائة و سبعة و
ثمانون ريال و ستون هللة و عليه جرى التصديق تحريراً في 29 / 6 / 1441 هـ لاعتماده ، وصلى الله على
نبينا محمد وآله وصحبه وسلم.

مصدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من نياتها ومسريتها عبر الخدمات الإلكترونية لوزارة العدل
(هذا النموذج مخصص للاستخدام بالمالس الأي ويصح توقيه)
نموذج رقم (١٢-١٣-١٤)

صفحة رقم 1 من 1

4.1 | A Copy of the Deed



4.1 | A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٤١/٦/٢٩ هـ
رقم الصك: ٣١٧٨١٦٠٠٠٤٠٠

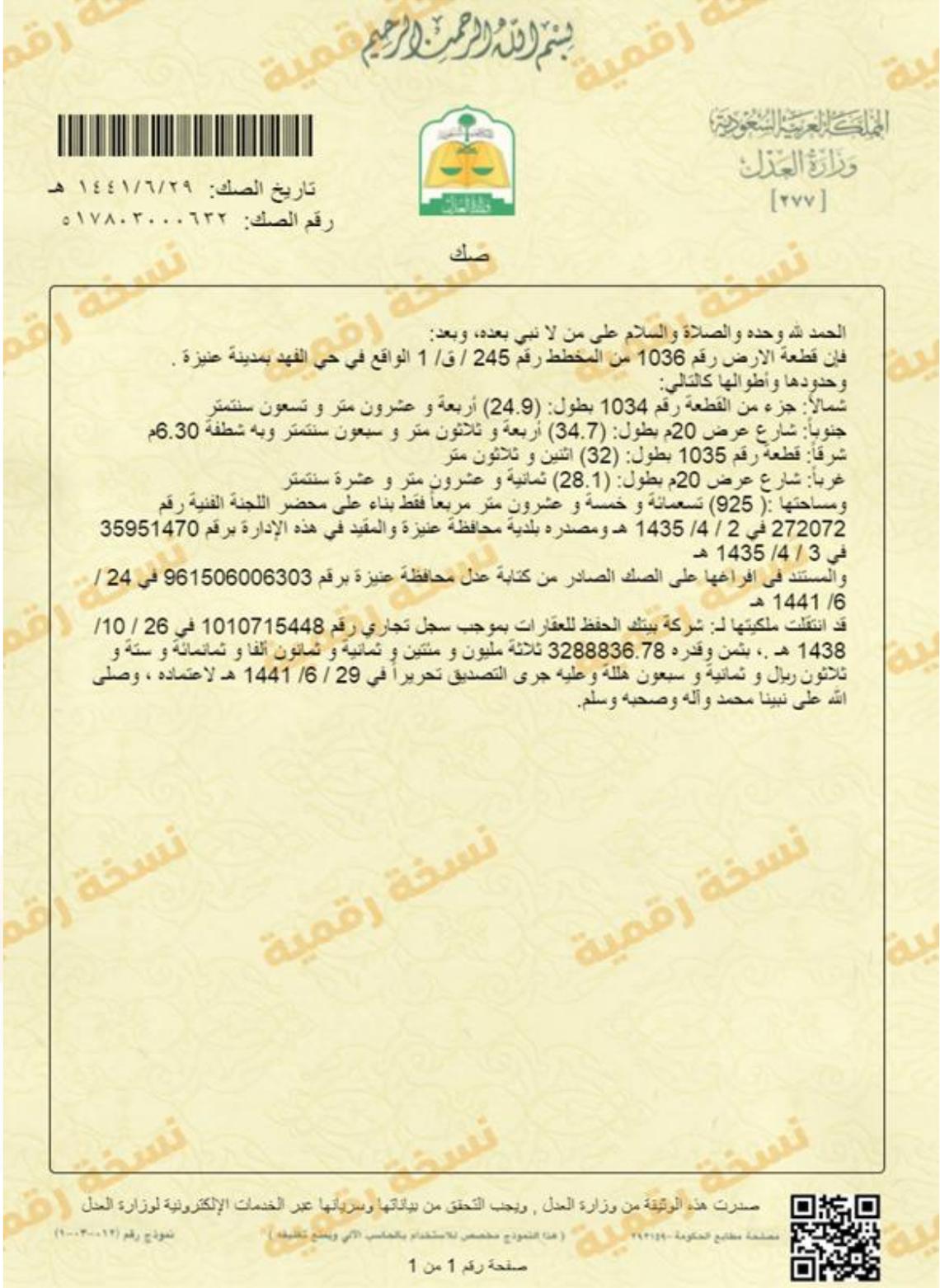
صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 1035 من المخطط رقم 245 / ق/ 1 الواقع في حي الفهد بمدينة عنيزة .
وحدودها وأطوالها كالتالي:
شمالاً: جزء من القطعة رقم 1034 بطول: (25) خمسة و عشرون متر
جنوباً: شارع عرض 20م بطول: (25) خمسة و عشرون متر
شرقاً: جزء من القطعة رقم 1031 بطول: (32) اثنين و ثلاثون متر
غرباً: قطعة رقم 1036 بطول: (32) اثنين و ثلاثون متر
ومساحتها: (800) ثمانمائة متر مربعاً فقط بناء على محضر اللجنة الفنية رقم 272072 في 4 / 2 / 1435 هـ ومصدره بلدية محافظة عنيزة والمقيد في هذه الإدارة برقم 35951470 في 3 / 4 / 1435 هـ والمستند في افرعها على الصك الصادر من كتابة عدل محافظة عنيزة برقم 461507004520 في 25 / 6 / 1441 هـ
قد انتقلت ملكيتها ل: شركة بيتك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 26 / 10 / 1438 هـ ، بسن وقدره 2844399.38 مليونان و ثمانمائة و أربعة و أربعون ألفا و ثلاثمائة و تسعة و تسعون ريال و ثمانية و ثلاثون هللة و عليه جرى التصديق تحريراً في 29 / 6 / 1441 هـ لاعتقاده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها ومساواتها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٢-٠٣-٢٠٠٤)
مصلحة مطابع الحكومة - ٢٩٦١٥٤ (هذا النموذج مخصص للاستخدام بالحاسبات الآلي ويمنع تكليفه)

صفحة رقم 1 من 1

4.1 | A Copy of the Deed



End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Hair Warehouse



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology



1.1 Executive Summary

Executive Summary		
Property Information	Property Name	Hair Warehouses
	Property Type	Warehouses
	Location	Al-Masani District, Riyadh, Saudi Arabia
	Type of Ownership	Freehold
	No.	910106051847
	Deed Data	Date: 21/11/1438
	Owner	BaytaKAI-Hafiz Real Estate Company
Client Information	Land Area	13,544.45m ²
	Built-Up Area	11,970.00m ²
	Recipient of the Report	Osool & Bakheet Investment Company
	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
	Date of Property Inspection	17/06/2025
Valuation	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Cost Approach — Income Approach
	Used Approaches and Methods	Income Approach — Cash Flow Method
	Basis of Value	Fair Value
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.
	Reference No.	12805
Report	Report Type	Detailed Narrative
	Report Date	30/07/2025
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.



1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report	
Assumptions	Assumptions The documents provided by the client have been assumed to be valid and include the following: Title Deed Building Permit
	Special Assumptions
Report Preparer	Name Ahmed Bdeir
	Membership Number 1220002914 ,Affiliated Member of Real Estate
	Branch Branch
	Membership Category Affiliated Member
Real Estate Valuer	Contribution percentage %20
	Signature
	Name Abdulmalik Mansour Al-Johani
	Membership Number 1210003639
Valuation Manager	Membership Category Affiliated Member
	Contribution percentage %45
	Signature
	Name Asim Yasin Mohammed Ahmed Yasin
Valuation Reviewer	Membership Number 1220001314
	Membership Category Fellow Member
	Contribution percentage %15
	Signature
Managing Director (Authorized Signatory of the Report)	Name Yasser Ibrahim Asaad
	Membership Number Fellow Member
	Membership Category Fellow Member, MRICS ,1210000124
	Contribution percentage %5
Valuation Result	Signature
	Name Mohammed Abdullah Massairi
	Membership Number 1210000543
	Membership Category Fellow Member
Final Value Opinion	Contribution percentage %15
	Signature
Report Version	Numerically 25,918,000
	Currency Saudi Riyal
	Written Only twenty-five million nine hundred and eighteen thousand Saudi Riyal



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(17/06/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property consists of warehouses.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (retail, office, hospitality) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards.

Depreciation was calculated based on the building's remaining useful life and its current physical condition.

While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.

1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Riyadh	Tenure	Freehold	North	Pedestrian walkway	Length	75
Deed No.	910106051847	Deed Date	21/11/1438	South	25 m wide street	Length	79.15
Subdivision Parcel Number	From 2788 to 2801	Subdivision plan ID	3085	East	20 m wide street	Length	165.03
Location on Google Maps	Location			West	20 m wide street	Length	186.8
Building Permit Information				Land Area		13,544.45 m ²	
Permit Number	1426/740	Issuance Date	06/02/1432	Total Built-Up Area		11,970.00 m ²	
Permit Category	Renewal	Building Regulation	-	Property Specifications		The property consists of warehouses	



1.4 Property Under Valuation

1.4.2 Description of Property Information

Property Information	
Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Warehouses <input checked="" type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input checked="" type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input type="checkbox"/> Requires Maintenance <input checked="" type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

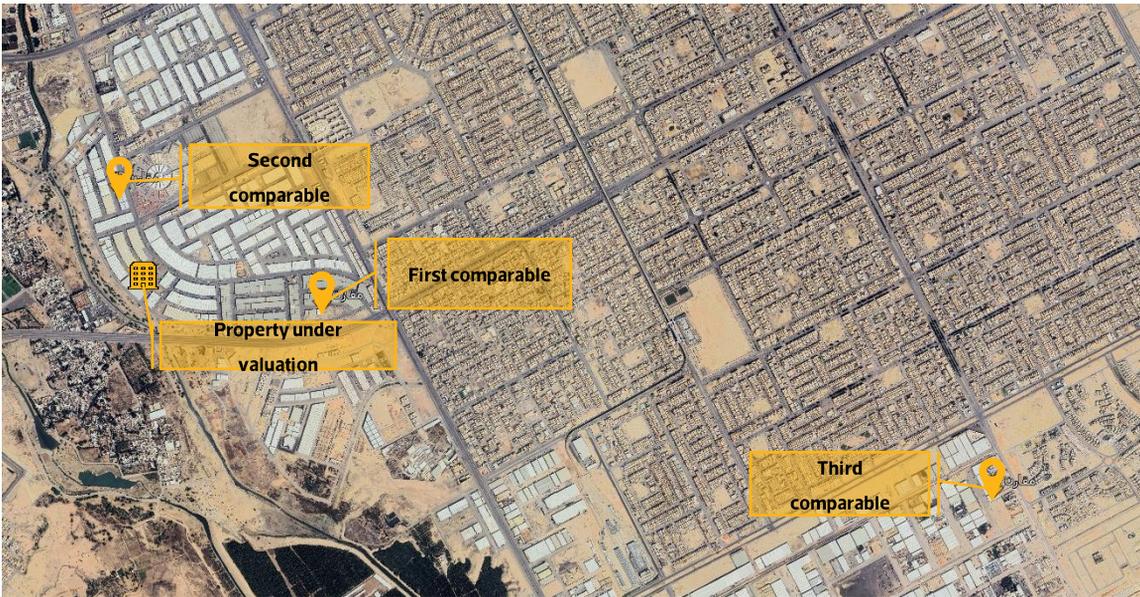
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price / m ²	Date
First Comparable	Location	2,556 m ²	4,217,999 Saudi Riyal	1,650 SAR / m ²	21-10-2024
Second Comparable	Location	7,775 m ²	18,495,916 Saudi Riyal	2,379 SAR / m ²	19-03-2024
Third Comparable	Location	4,250 m ²	7,225,000 Saudi Riyal	1,700 SAR / m ²	18-02-2024

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Building price / m²: (SAR 960.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 30 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (18) years.

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 1,293,029), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (5%).
- Operating Expenses: Operating expenses were estimated at 10% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 10.60%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 8.50%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	2.72%	AS valuar
Discount Rate	10.60%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	8.50%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos

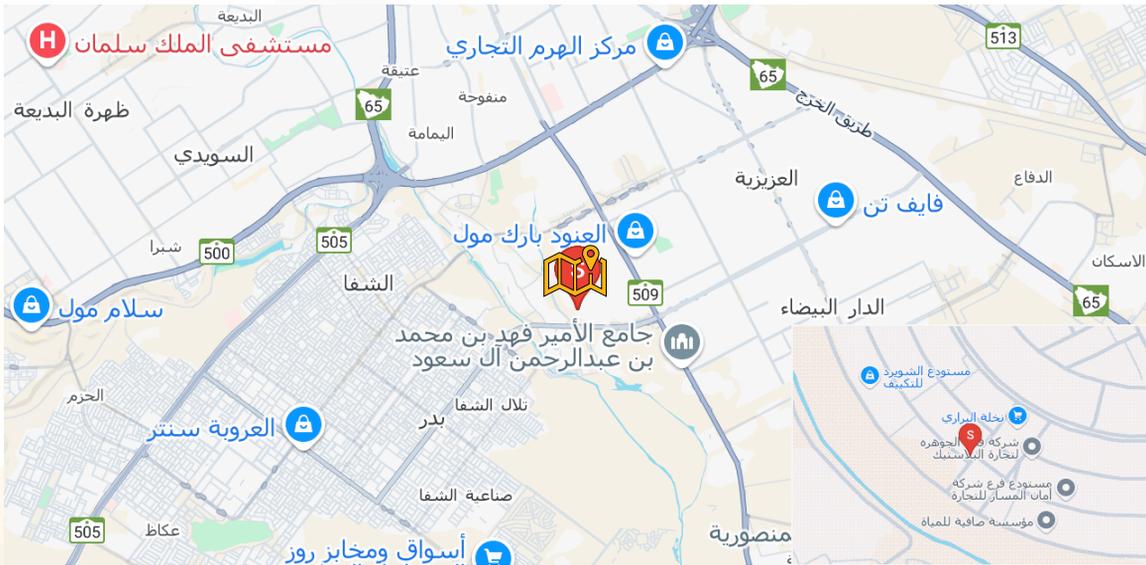
2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level

Overview of Riyadh City

Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.

Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.



Property Location

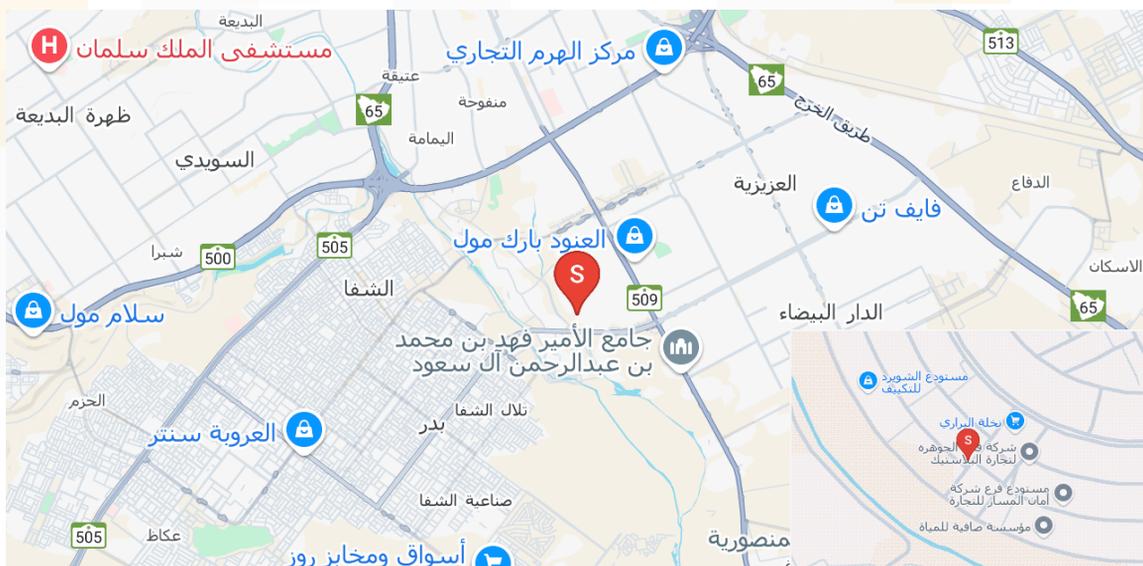
A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	17 Km	Facilities and Services	0 Km
Regional Roads	1 Km	King Khalid International Airport	41 Km

2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Masani district in Riyadh is considered one of the Key industrial areas in the southern part of the Saudi capital. It is distinguished by its strategic location near Al-Kharj Road and the Southern Ring Road, making it a central hub for connecting transportation networks and logistics services within and outside the city. The district hosts a large number of factories, warehouses, showrooms, and industrial workshops, giving it a clear commercial and industrial character that serves various production sectors.</p>
Advantages	<p>The district has suitable infrastructure for industrial activities, including wide roads designed for truck movement, and the provision of basic public services such as electricity, water, and industrial wastewater disposal. It also contains fuel stations, maintenance centers, and service offices that support workers in the industrial sector. Al-Masani District is considered one of the attractive areas for investors in the industrial and service sectors, due to the availability of suitable spaces and a supportive operational environment, in addition to its proximity to major distribution centers in Riyadh, which increases its economic value. Furthermore, the ongoing improvements in infrastructure and expansion of services in the area enhance its appeal as a strategic destination for business and industrial investment.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

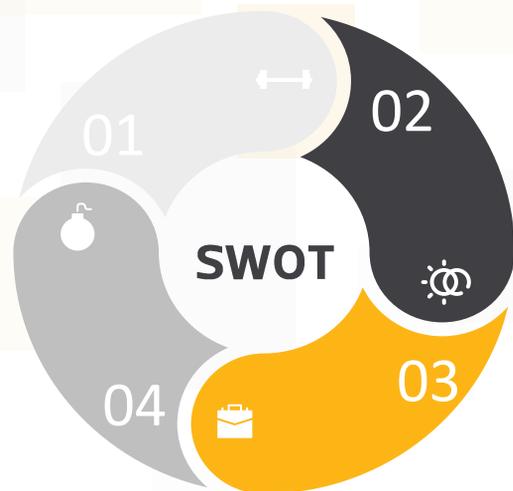


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located in Al-Masani district, Riyadh.
- The property has four facades.
- It is equipped with appropriate security systems for industrial activities, including surveillance cameras, security gates, and a perimeter fence with checkpoint areas.
- There is a spacious loading and unloading area, along with designated parking for trucks and cars, which contributes to enhancing the property’s operational efficiency.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Proximity of the site to Key areas such as the dry port (about 15 Km), the city center (about 20 Km), and Riyadh Airport (about 45 Km) makes it an attractive location for companies operating in transportation, distribution, and storage, enhancing the efficiency of logistics operations.
- High demand for warehouses and operational units in the area, driven by economic growth in the capital and the increase in industrial and commercial activities, particularly in southern Riyadh, makes investment in this property viable both operationally and in terms of return on investment.
- Potential collaboration with well-known logistics and commercial companies to use the warehouse as a distribution hub or service point, which would increase occupancy and boost the property’s market value.
- The project is located within an area zoned for industrial and commercial use, recognized as one of Riyadh’s prime zones for approved warehouses and factories, providing an efficient operational environment and high regulatory credibility.
- Proximity to major service and industrial facilities, such as exhibition centers, shipping offices, and logistics services, makes it a strategic choice for companies seeking to expand their operations in the capital.

4. Threats:

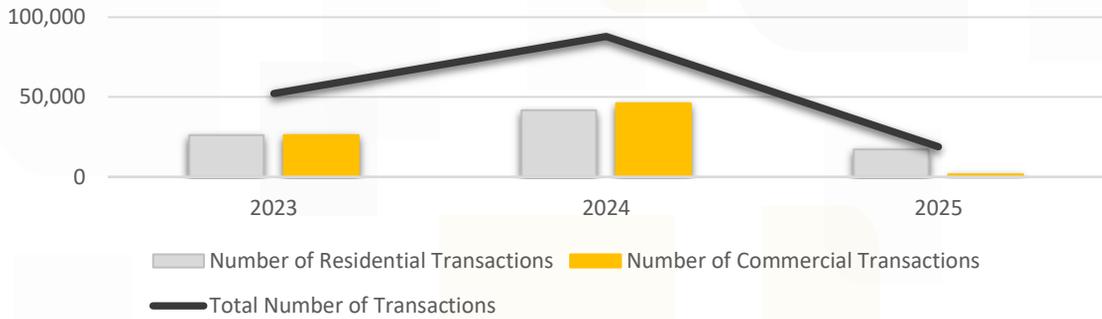
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

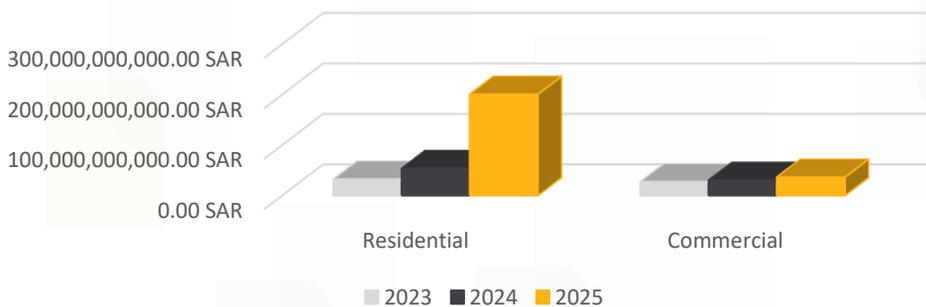
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



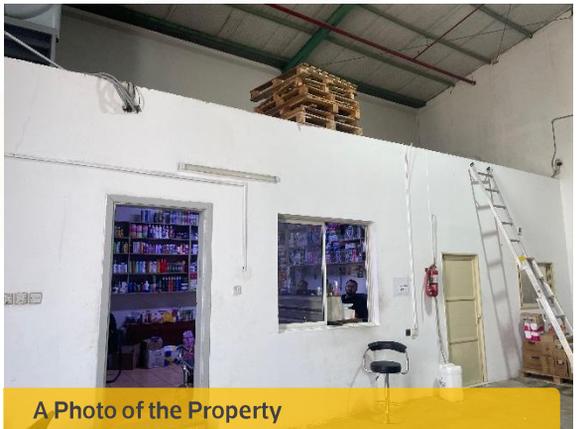
A Photo of the Property



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Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR 1,650 /m ²		SAR 2,379 /m ²		SAR 1,700 /m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-10-21		2025-03-19		2024-02-18	
Market Conditions		Relative Reduction	2.8 %	Same Conditions	0.0 %	Relative Reduction	2.8 %
Land Use	Industrial	Industrial	0.0 %	Industrial	0.0 %	Industrial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		46.2		0		47.6	
Value Per Square Meter (After Adjustment)		SAR 1,696 /m ²		SAR 2,379 /m ²		SAR 1,748 /m ²	
Location	Excellent	Very Good	5.0 %	Excellent	0.0 %	Very Good	5.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	4	1	5.0 %	1	5.0 %	1	5.0 %
Area (m ²)	13,544.5	2,556.4	-12.9 %	7,774.7	-2.2 %	4,250.0	-6.6 %
Adjustment Value / Adjustment Ratio	-	SAR -49 /m ²	-2.9 %	SAR 66 /m ²	2.8 %	SAR 60 /m ²	3.4 %
Price Per m ² After Adjustment	-	SAR 1,647 /m ²		SAR 2,445 /m ²		SAR 1,808 /m ²	
Weighting Factors	-	80 %		10 %		10 %	
Weighted Average Value	-	SAR 1,743					

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	13,544.45 m ²
Land Value / m ²	SAR 1,742.94 /m ²
Land Value	SAR 23,607,228.27

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
13,544.45	1,742.94	23,607,228.27	
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Ground floor	11,970.00	960.00	11,491,200.00
Total cost	11,970.00		11,491,200.00
Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	482,630.40	
Total Indirect Costs		482,630.40	
Total Building Cost Before Depreciation			11,973,830.40
Building Age		18	
Useful Life		30	
Depreciation Rate		60%	
Actual Depreciation of the Building		60%	
Building Value After Depreciation		4,789,532.16	
Property Value Based on Cost Approach			28,396,760.43

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
First floor	1.00	11,970.00	100%	11,970.00
Total		11,970.00		

3.1.3.2 (Property Income Data)

Warehouse Income	Rate Increase %												
	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Warehouse Area		11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0	11,970.0
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		211	215	220	224	229	234	239	244	249	254	259	265
Total Rental Income		1,595,324.10	2,574,581.86	2,628,648.08	2,683,849.69	2,740,270.53	2,797,754.96	2,856,507.81	2,916,494.47	2,977,740.86	3,040,273.42	3,104,119.16	3,169,305.66
Vacancy and Credit Losses	5%	-79,766.21	-128,729.09	-131,432.40	-134,192.48	-137,010.53	-139,887.75	-142,825.39	-145,824.72	-148,887.04	-152,013.67	-155,205.96	-158,465.28
Maintenance and Operating Costs	10%	-155,724.06	-244,585.28	-249,721.57	-254,965.72	-260,320.00	-265,786.72	-271,368.24	-277,066.97	-282,885.38	-288,825.97	-294,891.32	-301,084.04
Net Income	85%	1,359,833.84	2,201,267.49	2,247,494.11	2,294,659.49	2,342,880.01	2,392,080.49	2,442,314.18	2,493,602.77	2,545,968.43	2,599,433.77	2,654,021.88	2,709,756.34

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	10.60%
Exit Capitalization Rate	8.50%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Net Income	1,359,834	2,201,267	2,247,494	2,294,691	2,342,880	2,392,080	2,442,314	2,493,603	2,545,968	2,599,434	2,654,022	2,709,756
Terminal Value												31,879,486
Total	1,359,834	2,201,267	2,247,494	2,294,691	2,342,880	2,392,080	2,442,314	2,493,603	2,545,968	2,599,434	34,533,508	
Annual Discount Factor	0.95	0.86	0.78	0.70	0.64	0.57	0.52	0.47	0.42	0.38	0.35	
Present Value	1,293,029	1,892,518	1,747,072	1,612,803	1,488,854	1,374,430	1,268,800	1,171,288	1,081,271	998,171	11,989,798	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 10.60%	25,918,034.24
Property Value	25,918,000.00

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	213 SAR/m ²		196 SAR/m ²		220 SAR/m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Industrial	Industrial	0.0 %	Industrial	0.0 %	Industrial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		213 SAR/m ²		196 SAR/m ²		220 SAR/m ²	
Finishing	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	600.0	750.0	1.0 %	425.0	-2.1 %	924.0	1.8 %
Adjustment Value / Adjustment Ratio	-	02 SAR/m ²	1.0 %	-04 SAR/m ²	-2.1 %	04 SAR/m ²	1.8 %
Price Per m ² After Adjustment	-	215 SAR/m ²		192 SAR/m ²		224 SAR/m ²	
Weighting Factors	-	40 %		30 %		30 %	
Weighted Average Value	-			211 SAR			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	28,396,760	0%	0.00
Income Approach	25,918,034	100%	25,918,034.24
Average Value			25,918,034.24
Final Appraisal of the Property			25,918,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	25,918,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only twenty-five million nine hundred and eighteen thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers. Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 | A Copy of the Deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الهياكل العقارية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٣٨/١١/٢١ هـ
رقم الصك: ٩١٠١٠٦٠٥١٨٤٧

صك

الحمد لله وحده والصلوة والسلام على من لا نبي بعده، وبعد:

فإن قطعة الأرض 2788 و قطعة الأرض 2789 و قطعة الأرض 2790 و قطعة الأرض 2791 و قطعة الأرض 2792 و قطعة الأرض 2793 و قطعة الأرض 2794 و قطعة الأرض 2795 و قطعة الأرض 2796 و قطعة الأرض 2797 و قطعة الأرض 2798 و قطعة الأرض 2799 و قطعة الأرض 2800 و قطعة الأرض 2801 من المخطط رقم 3085 الواقع في حي المصانع بمدينة الرياض . و حدودها وأطوالها كالتالي:

شمالاً: مسر مشاة بطول: (75) خمسة و سبعون متر
جنوباً: شارع عرض 25م بطول: (65) خمسة و ستون متر + 7.09م + 7.06م
شرقاً: شارع عرض 20م بطول: (165.03) مائة و خمسة و ستون متر و ثلاثة سنتيمتر
غرباً: شارع عرض 20م بطول: (186.8) مائة و ستة و ثمانون متر و ثمانون سنتيمتر
ومساحتها: (13,544.45) ثلاثة عشر ألفاً و خمسمائة و أربعة و أربعون متر مربعاً و خمسة و أربعون سنتمراً مربعاً فقط مقام عليها ثمانية و عشرون 28 مستودع
والمستند في افراغها على الصك الصادر من هذه الإدارة برقم 31012101118 في 10 / 10 / 1430 هـ

قد انتقلت ملكيتها ل: شركة بنيتك الحفظ للعقارات بموجب سجل تجاري رقم 1010715448 في 26 / 10 / 1438 هـ ، بنس وقدره 27281887.81 سبعة و عشرون مليوناً و مئتين و واحد و ثمانون ألفاً و ثمانمائة و سبعة و ثمانون ريال و واحد و ثمانون هلة علماً بأن جزء من المبلغ يمثل قيمة وحدات استثمارية في صندوق المعذر ريت بمبلغ 19097321.47 ريال حسب موافقة الغرفة التجارية و عليه جرى التصديق تحريراً في 21 / 11 / 1438 هـ لاعتماده ، و صلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من نياتها وميزانها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٠٠٣٠٠١٢)
هذه النموذج مطبوع مخصص للاستخدام بالماكينات الآلي ويمنع تعديله
مصلحة مطابع الحكومة - ٢٩٢١٥٩

صفحة رقم 1 من 1

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Twolan Hotel Suites



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Towlan Hotel Suites	
	Property Type	Building	
	Location	Al-Olaya District, Khobar, Saudi Arabia	
	Type of Ownership	Freehold	
	Deed Data	No.	917819000735
		Date	06/01/1441
		Owner	BaytaK Al-Hafiz Real Estate Company
	Land Area	10,709.16 m ²	
Built-Up Area	6,275.88 m ²		
Client Information	Recipient of the Report	Osool & Bakheet Investment Company	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	04/06/2025	
Valuation	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Cost Approach — Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12810	
Report	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions

Assumptions

Special Assumptions

Name Ahmed Bdeir

Membership Number 1220002914 ,Affiliated Member of Real Estate

Report Preparer

Branch

Membership Category Affiliated Member

Contribution percentage %20

Signature

Name Abdulmalik Mansour Al-Johani

Membership Number 1210003639

Real Estate Valuer

Membership Category Affiliated Member

Contribution percentage %45

Signature

Name Asim Yasin Mohammed Ahmed Yasin

Membership Number 1220001314

Valuation Manager

Membership Category Fellow Member

Contribution percentage %15

Signature

Name Yasser Ibrahim Asaad

Membership Number Fellow Member

Valuation Reviewer

Membership Category Fellow Member, MRICS ,1210000124

Contribution percentage %5

Signature

Name Mohammed Abdullah Massairi

Membership Number 1210000543

Managing Director

(Authorized

Signatory of the

Report)

Membership Category Fellow Member

Contribution percentage %15

Signature

Numerically 30,505,000

Currency Saudi Riyal

Valuation Result

Final Value Opinion

Only thirty million five hundred and five thousand Saudi Riyal

Written

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(04/06/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property is a serviced apartments.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (serviced apartments) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

Use of the Cost Approach as a Supporting Reference:

The current reinstatement cost of the property was estimated based on local construction standards.

Depreciation was calculated based on the building's remaining useful life and its current physical condition.

While the value derived from the cost approach was not used in the final valuation outcome, it served as a reasonableness check to support the results obtained through the income approach.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	Khobar	Tenure	Freehold	North	Parcel 53 & 55	Length	50
Deed No.	917819000735	Deed Date	06/01/1441H	South	30m wide street	Length	50
Subdivision Parcel Number	56 & 54	Subdivision plan ID	2/349	East	8m wide walkway	Length	35
Location on Google Maps	Location			West	Parcel no. 58	Length	35
Building Permit Information				Land Area		1,750m ²	
Permit Number	00347	Issuance Date	-	Total Built-Up Area		6,275.88m ²	
Permit Category	New building	Building Regulation	-	Property Specifications		The property consists of apartments	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.1 Cost Approach:

1.60 The Cost Approach provides an indication of value based on the economic principle that a buyer would not pay more for an asset than the cost to acquire an asset of equivalent utility, whether through purchase or construction, unless there are factors related to time, inconvenience, risk, or other considerations.

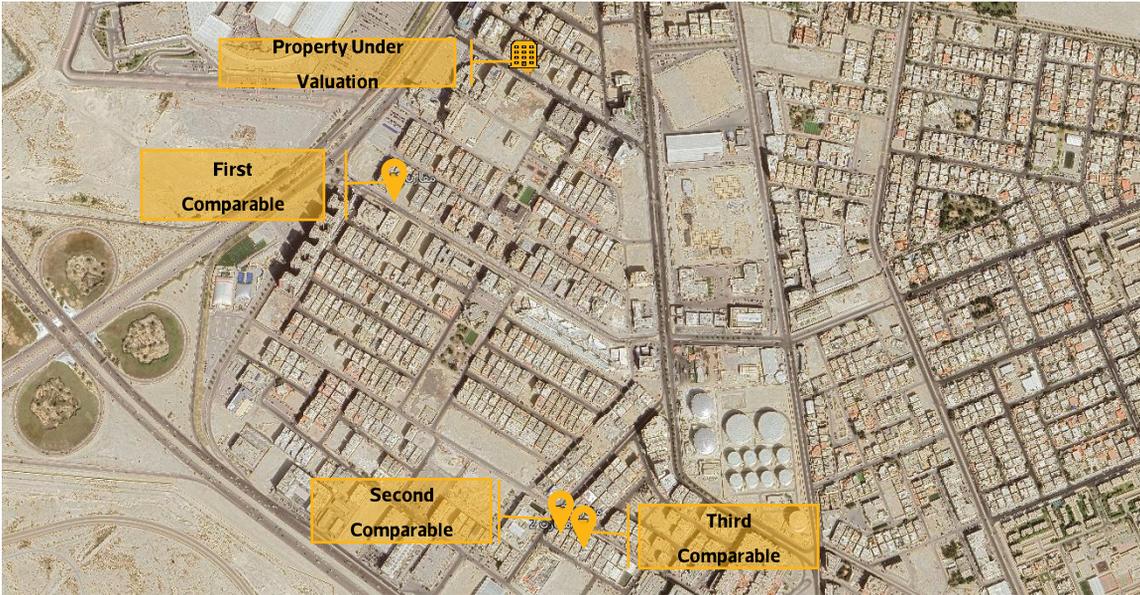
The approach estimates value by calculating the current cost to replace or reproduce the asset, then deducting physical depreciation and all other forms of obsolescence.

1.5.1.2 Land Value:

The comparative method is used to estimate the land value by collecting data on recently sold comparable properties within the search area of the subject property. Several comparable transactions were identified, as presented in the following table.

Comparables	Location	Area	Offer Value	Price /m ²	Date
First Comparable	Location	1,500 m ²	7,125,000 Saudi Riyal	4,750 SAR / m ²	2024-12-23
Second Comparable	Location	630 m ²	2,799,720 Saudi Riyal	4,444 SAR / m ²	2023-10-30
Third Comparable	Location	1,231 m ²	4,999,225 Saudi Riyal	4,062 SAR / m ²	2024-02-18

1.5.1.3 Aerial Map Demonstrating Comparable Properties' Locations



Aerial Map Demonstrating Comparable Properties' Locations

1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.3 Cost Approach Methods:

In general, there are three methods under the Cost Approach:

- Replacement Cost Method: This method estimates value by calculating the cost of replacing the asset with another of equivalent utility.
- Reproduction Cost Method: This method estimates value by calculating the cost of reproducing an exact replica of the subject asset.
- Summation Method (or Component Approach): This method calculates the asset's value by adding together the separate values of its individual components.

1.5.1.4 Method Used and Its Application Mechanism:

Replacement Cost Method

Replacement cost refers to the cost of acquiring an asset that provides similar utility to the subject asset, rather than replicating its exact physical characteristics.

Replacement cost is typically adjusted for physical deterioration and all relevant forms of obsolescence. After these adjustments, the result is commonly referred to as Depreciated Replacement Cost.

The main steps in the Replacement Cost Method are as follows:

- Calculate all costs that would be incurred by a typical market participant seeking to construct or acquire an asset offering similar utility.
- Identify and assess any depreciation or obsolescence, whether physical, functional, or external, affecting the subject asset.
- Deduct the total depreciation from the gross replacement cost to arrive at the value of the subject asset.

1.5.1.5 Sources of Information for Building Cost Estimation:

The indicative pricing guide provided by the Valuation Advisory Center was reviewed, along with several reports issued by specialized firms in the same field, such as JLL and Colliers. Based on this information, the building cost value was determined as follows:

- Ground floor: (SAR 2,500.00/m²)
- Repeated floors: (SAR 2,500.00/m²)
- Upper annex floor: (SAR 2,450.00/m²)

These rates were used to calculate the direct construction cost of the buildings.

Indirect building costs were estimated as follows:

- A rate of 0% of total costs was allocated for other service costs (e.g., transportation and delivery).
- A rate of 4.2% was applied to 50% of the total cost to account for financing expenses.
- A rate of 0% was assumed for contractor profit and risk.

1.5.1.6 Depreciation or Obsolescence Value Calculation:

There are three main types of depreciation or obsolescence:

- Physical Depreciation: Loss of utility due to the physical deterioration of the asset or its components as a result of aging and usage.
- Functional Obsolescence: Loss of utility resulting from the asset's inadequacy compared to alternative assets in aspects such as outdated design, specifications, or technology.
- Economic (External) Obsolescence: Loss of utility caused by external economic or locational factors beyond the asset itself.

Accordingly, and based on the nature of the property, the observed depreciation is attributed to physical depreciation due to usage, and was calculated as follows:

- The useful life of the building was estimated at 45 years, based on relevant industry reports and building life studies.
- Depreciation was deducted based on the actual age of the property, which is estimated at (13) years.



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 1,312,328), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 11 years.
- Discount Rate: The discount rate was set at 9.60%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.50%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.72%	AS valuar
Discount Rate	9.60%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.50%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Khobar City	<p>Al Khobar is a Saudi city located in the Eastern Province on the coast of the Arabian Gulf and is considered one of the most prominent modern cities in the Kingdom. It is renowned for its strategic location and proximity to Dammam and Dhahran, featuring advanced urban planning and modern infrastructure. Al Khobar is an important economic and tourist hub, hosting numerous major companies, international hotels, and upscale shopping centers. Its waterfront is one of its most notable landmarks, offering an attractive environment for residents and visitors alike due to its beauty and organization.</p>



Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	10 Km	Facilities and Services	10 Km
Regional Roads	1.1Km	King Fahad International Airport	50 Km

2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a prime commercial street in the city of Al Khobar.
- The property is situated on a commercial frontage.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.

2. Weaknesses:

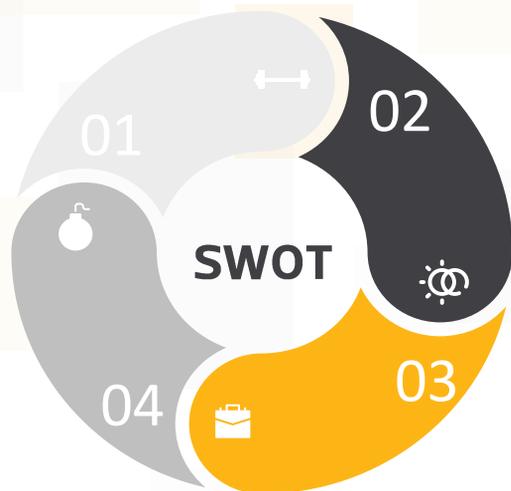
- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Proximity of the Al Olaya district in Al Khobar to Key areas such as King Fahd International Airport (approximately 45 Km) and downtown Al Khobar (approximately 5 Km) makes it one of the most attractive locations for companies and investors. The district’s location near the Corniche and major commercial and entertainment centers further enhances its position as a preferred destination for both living and business, increasing its appeal for real estate and commercial investment in the area.
- The high demand for commercial and residential units in the area is driven by population growth and the rise in economic activities. Downtown is only about 3 Km away. There is potential for collaboration with well-known brands to establish retail stores, restaurants, and cafés that boost visitor traffic. The project is situated within upscale neighborhoods.
- The growth of government investments in infrastructure development in Al Khobar increases the site’s attractiveness for both commercial and residential properties. The proximity of Al Olaya district to consulates and major government institutions contributes to the demand for high-end commercial offices and luxury residential units, as many diplomats and business professionals prefer to live and work in areas that offer a high level of services and infrastructure. This enhances the district’s investment value and makes it a distinguished choice for investors seeking strategic locations in the Eastern Province.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.



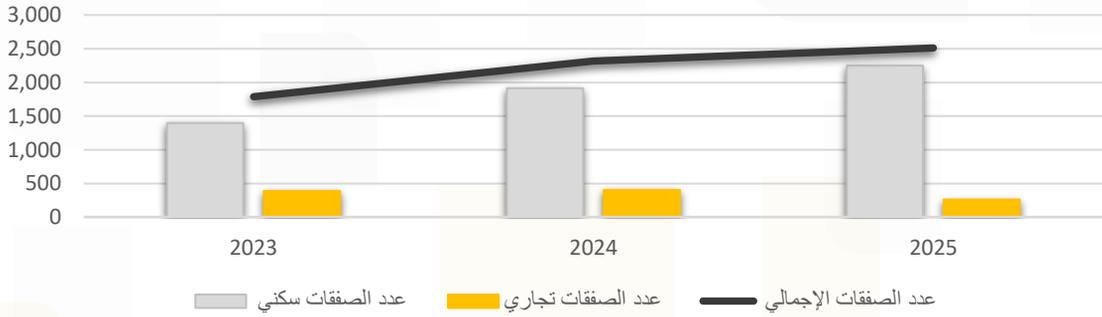


2.3 Market Analysis and Economic Indicators

Number of Transactions in Khobar City:

Year	Residential	Commercial	Total
2023	1,399	390	1,789
2024	1,913	405	2,318
2025	2,249	261	2,510

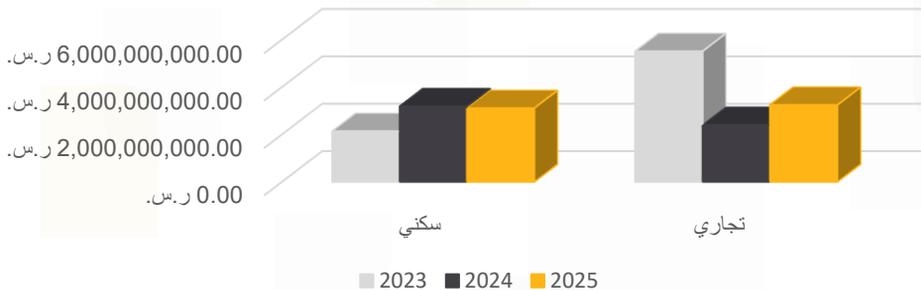
Number of Transaction



Value of Transaction in Khobar City:

Year	Residential	Commercial	Total
2023	2,139,583,097.00 SAR	5,514,543,799.00 SAR	7,654,126,896.00 SAR
2024	3,187,017,168.00 SAR	2,401,000,340.00 SAR	5,588,017,508.00 SAR
2025	3,112,025,293.00 SAR	3,245,368,747.00 SAR	6,357,394,040.00 SAR

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



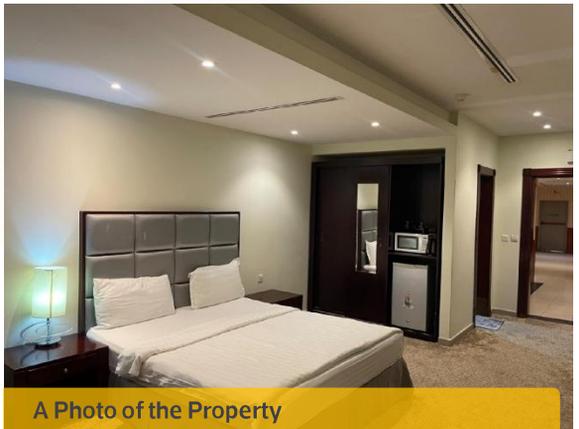
A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.1 Cost Approach – Depreciation Method

3.1.1.1 Land Value (Comparative Adjustment Table):

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	SAR4,750 /m ²		SAR 4,444/m ²		SAR 4,062/m ²	
Type of Comparable		Transaction		Transaction		Transaction	
Date		2024-12-23		2024-10-30		2024-02-18	
Market Conditions		Relative Reduction 2.8 %		Relative Reduction 2.8 %		Same Conditions 0.0 %	
Land Use	Residential Commercial	Residential Commercial	0.0 %	Residential Commercial	0.0 %	Residential Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		133		124.432		0	
Value Per Square Meter (After Adjustment)		SAR4,883 /m ²		SAR 4,568/m ²		SAR 4,062/m ²	
Location	Excellent	Very Good	7.0 %	Very Good	7.0 %	Very Good	7.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	1	5.0 %	1	5.0 %	1	5.0 %
Area (m ²)	1,750.0	1,500.0	-0.5 %	630.0	-5.3 %	1,230.7	-1.3 %
Adjustment Value / Adjustment Ratio	-	SAR562/m ²	11.5 %	SAR305/m ²	6.7 %	SAR436/m ²	10.7 %
Price Per m ² After Adjustment	-	SAR5,445/m ²		SAR 4,873/m ²		SAR 4,498/m ²	
Weighting Factors	-	40 %		30 %		30 %	
Weighted Average Value	-			SAR 9,989			

Description	Value
Explanation	The weighting process among the comparable was conducted based on how closely the specifications of the comparable align with the property under study to determine the value per square meter.
Land Area	1,750.00 m ²
Land Value / m ²	SAR 4,989.12 /m ²
Land Value	SAR 8,730,966.43

3.1 Valuation

3.1.2 Cost Approach – Depreciation Method

3.1.2.1 (Building Value Calculation)

The following table illustrates the calculation of the building’s construction cost value:

Land Value			
Land Area	Value / m ²	Total	
1,750.00	4,989.12	8,730,966.43	
Direct Cost			
Description	Area / Quantity	Value / m ²	Total
Ground Floor	1,163.57	2,500.00	2,908,925.00
First Floor	1,136.07	2,500.00	2,840,175.00
Second floor	1,136.07	2,500.00	2,840,175.00
Third floor	1,136.07	2,500.00	2,840,175.00
Fourth floor	1,136.07	2,500.00	2,840,175.00
Annex	568.03	2,500.00	1,420,075.00
Total direct cost	6,275.88		15,689,700.00
Indirect Costs			
Description	Rate	Value	
Engineering and Professional Consultation Costs	0.0%	0.00	
Administrative Costs	0.0%	0.00	
Other Services Costs	0.0%	0.00	
Financing Costs	Financing Cost Rate: 4% Repayment Period: (2 years) LTV (50%)	658,967.40	
Total Indirect Costs		658,967.40	
Total Building Cost Before Depreciation			16,348,667.40
Building Age		13	
Useful Life		45	
Depreciation Rate		29%	
Actual Depreciation of the Building		29%	
Building Value After Depreciation			11,625,719.04
Property Value Based on Cost Approach			20,356,685.47

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Ground Floor	1.00	1,163.57	0%	0.00
First Floor	1.00	1,136.07	80%	908.86
Second floor	1.00	1,136.07	80%	908.86
Third floor	1.00	1,136.07	80%	908.86
Fourth floor	1.00	1,136.07	80%	908.86
Annex	0.50	568.03	80%	454.42
Total		6,275.88		

3.1.3.2 (Property Income Data)

One Room Apartment													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Number of Units		28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		34.005	34.719	35.448	36.193	36.953	37.729	38.521	39.330	40.156	40.999	41.860	42.739
Total Rental Income		1,576,908.22	972,134.94	992,549.77	1,013,393.32	1,034,674.58	1,056,402.74	1,078,587.20	1,101,237.53	1,124,363.52	1,147,975.16	1,172,082.63	1,196,696.37
Vacancy and Credit Losses	3%	-47,307.25	-29,764.05	-29,776.49	-30,401.80	-31,040.24	-31,692.08	-32,357.62	-33,037.13	-33,730.91	-34,439.25	-35,162.48	-35,900.89
Maintenance and Operating Costs	7%	-155,724.06	-66,007.96	-67,394.13	-68,809.41	-70,254.40	-71,729.75	-73,236.07	-74,774.03	-76,344.28	-77,947.51	-79,584.41	-81,253.68
Net Income	90%	1,373,876.91	876,962.93	895,379.15	914,182.11	933,379.94	952,980.92	972,993.52	993,426.38	1,014,288.33	1,035,588.39	1,057,335.74	1,079,539.79

Two Room Apartment													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Number of Unit		24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		42,680	43,576	44,491	45,426	46,380	47,354	48,348	49,363	50,400	51,458	52,539	53,642
Total Rental Income		0.00	1,045,830.72	1,067,793.17	1,090,216.82	1,113,111.37	1,136,486.71	1,160,352.93	1,184,720.35	1,209,599.47	1,235,001.06	1,260,936.08	1,287,415.74
Vacancy and Credit Losses	3%		-31,374.92	-32,033.79	-32,706.50	-33,393.34	-34,094.60	-34,810.59	-35,541.61	-36,287.98	-37,050.03	-37,828.08	-38,622.47
Maintenance and Operating Costs	7%		-71,011.91	-72,503.16	-74,025.72	-75,580.26	-77,167.45	-78,787.96	-80,442.51	-82,131.80	-83,856.57	-85,617.56	-87,415.53
Net Income	90%	0.00	943,443.89	963,256.21	983,484.59	1,004,137.77	1,025,224.66	1,046,754.38	1,068,736.22	1,091,179.69	1,114,094.46	1,137,490.44	1,161,377.74

1BR + 1 Living room Apartment													
Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Number of Units		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Occupancy Rate		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Rental Value		42,680	43,576	44,491	45,426	46,380	47,354	48,348	49,363	50,400	51,458	52,539	53,642
Total Rental Income			522,915.36	533,896.58	545,708.41	558,355.69	568,243.36	580,176.47	592,260.17	604,799.74	617,900.53	630,468.04	643,707.87
Vacancy and Credit Losses	3%		-15,687.46	-16,016.90	-16,353.25	-16,696.67	-17,047.30	-17,405.29	-17,770.81	-18,143.99	-18,525.02	-18,914.04	-19,311.24
Maintenance and Operating Costs	7%		-35,505.95	-36,251.58	-37,012.86	-37,790.13	-38,583.72	-39,393.98	-40,221.26	-41,065.90	-41,928.29	-42,808.78	-43,707.76
Net Income	90%	0.00	471,721.95	481,628.11	491,742.30	502,068.89	512,612.33	523,377.19	534,368.11	545,589.84	557,047.23	568,745.22	580,688.87

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11Years
Discount Rate	9.60%
Exit Capitalization Rate	7.50%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	%	0.50 Year	1.50 Year	2.50 Year	3.50 Year	4.50 Year	5.50 Year	6.50 Year	7.50 Year	8.50 Year	9.50 Year	10.50 Year	11.50 Year
Completion Percentage		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Total Net Income		1,373,877	2,292,129	2,340,263	2,389,409	2,439,587	2,490,818	2,543,125	2,596,531	2,651,058	2,706,730	2,763,571	2,821,606
Terminal Value													37,621,419
Total		1,373,877	2,292,129	2,340,263	2,389,409	2,439,587	2,490,818	2,543,125	2,596,531	2,651,058	2,706,730	2,763,571	40,384,990
Annual Discount Factor		0.96	0.87	0.80	0.73	0.66	0.60	0.55	0.50	0.46	0.42	0.38	
Present Value		1,312,328	1,997,667	1,860,966	1,733,619	1,614,986	1,504,471	1,401,519	1,305,613	1,216,269	1,133,039	1,054,431	15,424,431

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 9.60%	30,504,907.96
Property Value	30,505,000.00

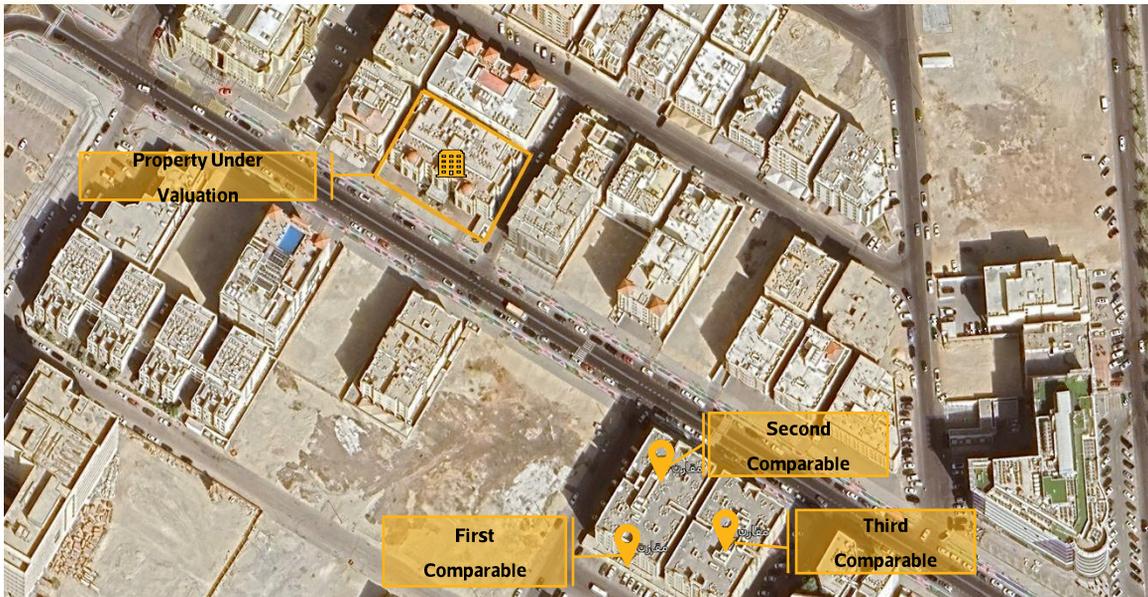
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for the 1-Room Apartment)

Adjustment Table for the 1-Room Apartment							
Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
Property Price	-	34,788		34,788		39,000	
Time Factor Adjustment	2025	2025	0.00%	2025	0.00%	2025	0.00%
Market Condition Adjustment	-	Contract	0.00%	Contract	0.00%	Contract	0.00%
The property value after cumulative sequence rates	-	34,788		34,788		39,000	
Built-Up area for the property under valuation	25	26	-1	26	-1	25	0
Construction price per square meter	-	1,338		1,338		1,560	
Difference value in cash	-	-1,338.00		-1,338.00		0.00	
Number of swimming pools	0	0	0.00	0	0.00	0	0.00
Number of elevators	0	0	0.00	0	0.00	0	0.00
Property value after cash adjustment	-	33,450		33,450		39,000	
Number of facades	1	1	0.00%	1	0.00%	1	0.00%
Finishing level	Excellent	Excellent	0.00%	Excellent	0.00%	Excellent	0.00%
Property age	0	0	0.00%	0	0.00%	0	0.00%
Total ratios of relative adjustment	-	0.00%		0.00%		0.00%	
Value of relative adjustments	-	0.00		0.00		0.00	
Property value after relative adjustment	-	33,450		33,450		39,000	
Contribution percentage of the comparable property	-	50%		40%		10%	
Property Value	-			34,005.00			

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



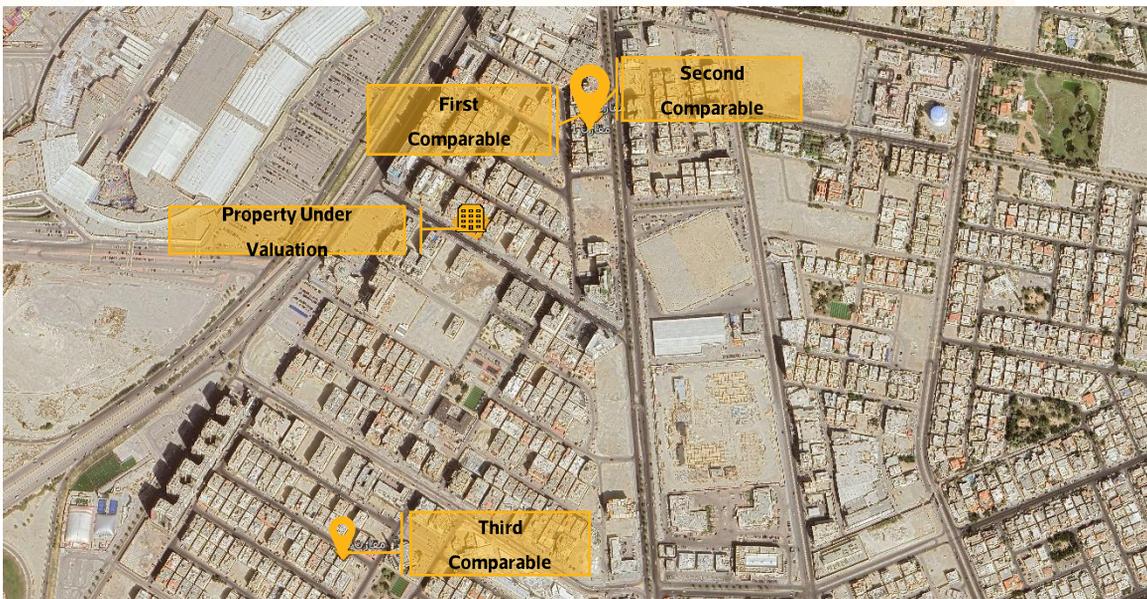
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.8 (Sources of income – Adjustment table for residential units in the remaining portion of the property)

Adjustment Table for the 2-Room Apartment)							
Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
Property Price	-	42,000		48,800		42,000	
Time Factor Adjustment	2025	2025	0.00%	2025	0.00%	2025	0.00%
Market Condition Adjustment	-	مقد	0.00%	مقد	0.00%	مقد	0.00%
The property value after cumulative sequence rates	-	42,000		48,800		42,000	
Built-Up area for the property under valuation	40	40	0	40	0	40	0
Construction price per square meter	-	1,050		1,220		1,050	
Difference value in cash	-	0.00		0.00		0.00	
Number of swimming pools	0	0	0.00	0	0.00	0	0.00
Number of elevators	0	0	0.00	0	0.00	0	0.00
Property value after cash adjustment	-	42,000		48,800		42,000	
Number of facades	1	1	0.00%	1	0.00%	1	0.00%
Finishing level	Excellent	Excellent	0.00%	Excellent	0.00%	Excellent	0.00%
Property age	0	0	0.00%	0	0.00%	0	0.00%
Total ratios of relative adjustment	-	0.00%		0.00%		0.00%	
Value of relative adjustments	-	0.00		0.00		0.00	
Property value after relative adjustment	-	42,000		48,800		42,000	
Contribution percentage of the comparable property	-	50%		10%		40%	
Property Value	-			42,680.00			

3.1.3.9 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

Weighted Average Calculation of the Methods Used in the Property Valuation			
Calculation Method	Value	Weighted Average Ratio	Average Value
Cost Approach	20,356,685	0%	0.00
Income Approach	30,504,908	100%	30,504,907.96
Average Value			30,504,907.96
Final Appraisal of the Property			30,505,000

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	30,505,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only thirty million five hundred and five thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

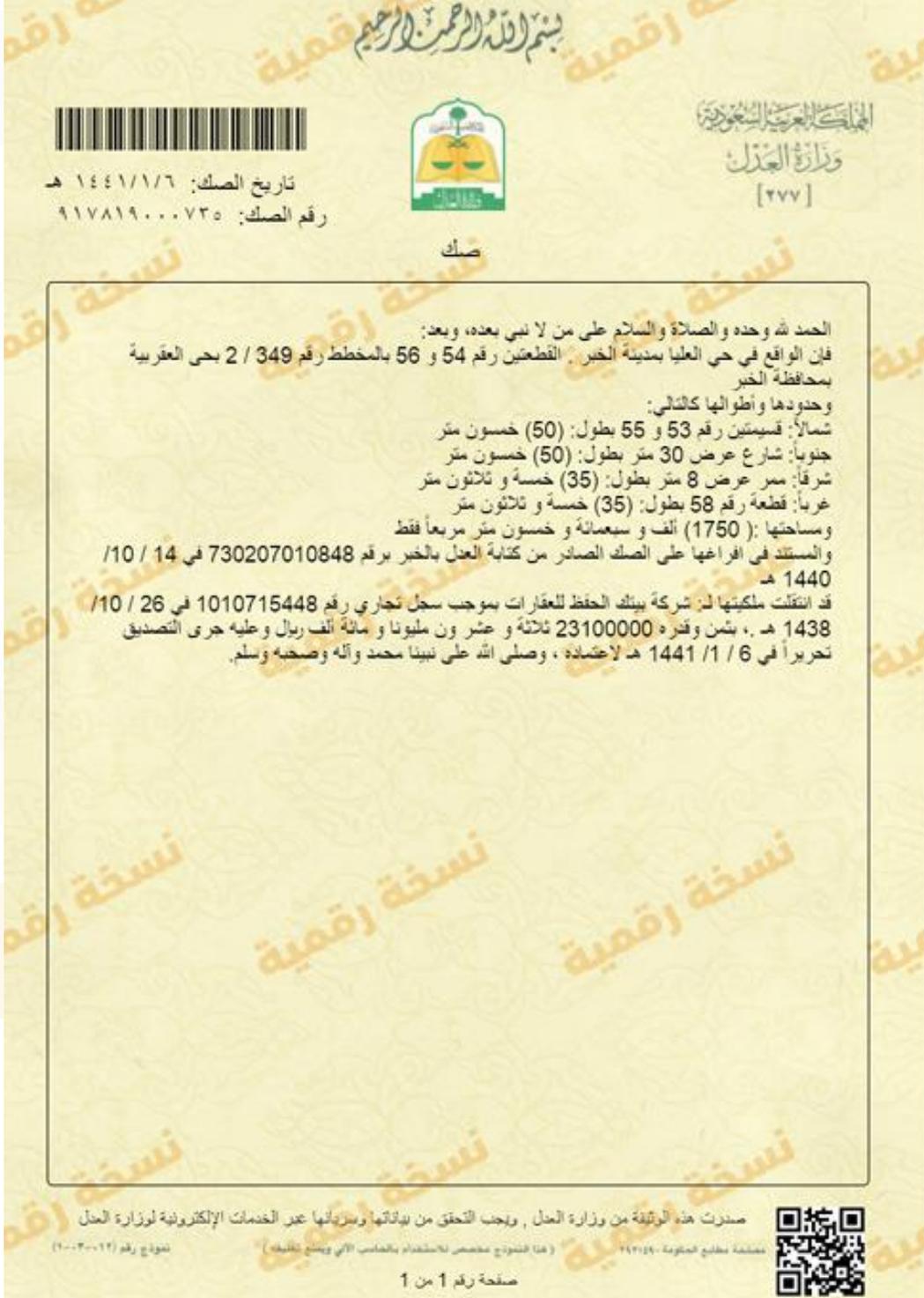
Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 A Copy of the Deed





4.1 A Copy of the Building Permit



المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إمارة المنطقة الشرقية بلدية الخبر
وحدة إنشاء

رسم البرخصة : ٢٢٧ / ٢٢٧
تاريخها : ٤٧٣٨ - ٤٧٣٨
صلاحياتها : ثلاث سنوات
نوعها : بناء جديد

الأسم : شاعر بن ابراهيم الاخير و ابراهيم محمد الاخير
رقم المنطقة : ١٤٥٧٨
المدينة : الخبر
المخطط : ٣٤٩/٢
العمارة : الحربية
تعدد الارض : ١

الصفحة : ٥٤١١
تاريخها : ٢٧٩٠٢٠٢٠٢٩

المساحة الكلية : ١٧٥٠٠٠ متر مربع
تعدد البلك :

رقم القطعة	رقم البلك	رمز الاستخدام	رقم مسد البلك	نوع مسد البلك	تاريخه
٥٤٠٠٠٤	٥٠٠٠٤	(١١٥)	٣/١٤٤/١١	مسك	٤٢٦٦/٠٣/١٥
٥٤٠٠٠٦	٥٠٠٠٦	(١١٥)	٣/١٤٤/١١	مسك	٤٢٦٦/٠٣/١٥

تكون الوجهات باللون الابيض فقط

يأشتر صاحب البرخصة بوضع لوحة من الحديد لا تقل مساحتها عن (١٠٠ سم^٢) مسونج بوسا اسم صاحب المشروع واسم الماول القديم واسم الماولين الاخرين

المنطقة				الجهة			
شمال / شرق	شمال / غرب	جنوب / شرق	جنوب / غرب	شمال	جنوب	شرق	غرب
شمال	شمال	جنوب	جنوب	الأبعاد	الأبعاد	الأبعاد	الأبعاد
٢,٠٠٠	٢,٠٠٠	٢,٠٠٠	٢,٠٠٠	٥٠,٠٠٠ م	٥٠,٠٠٠ م	٣٥,٠٠٠ م	٣٥,٠٠٠ م
ارتفاع	ارتفاع	ارتفاع	ارتفاع	السرور	السرور	السرور	السرور
٢,٠٠٠	٢,٠٠٠	٢,٠٠٠	٢,٠٠٠	***	***	***	***

سكنات البناء :

الوصف	عدد الوحدات	المساحة م ^٢	الاستخدام
ارض مسك	٦٤ وحدة	١١٣٦,٠٧ م ^٢	م. سيارات
ارض	شايح	٢٧,٥٠ م ^٢	ع. مكيفو
ارض	اربعة عشر وم	١١٣٦,٠٧ م ^٢	سكني
دور اول	اربعة عشر وم	١١٣٦,٠٧ م ^٢	سكني
دور ثاني	اربعة عشر وم	١١٣٦,٠٧ م ^٢	سكني
دور ثالث	اربعة عشر وم	١١٣٦,٠٧ م ^٢	سكني
دور رابع	شايح	٥٦٨,٠٣ م ^٢	اسفل سكت
ارض		٢٥٠,٠٠ م ^٢	
سور		١١٤,٥٠ م ^٢	

المساحة الكلية : ١١٣٦,٠٧ م^٢
مساحة الارض : ٢٧,٥٠ م^٢
مساحة البناء : ١١٣٦,٠٧ م^٢
مساحة السور : ١١٤,٥٠ م^٢
مساحة السور : ٢٥٠,٠٠ م^٢

تاريخها : ١٤٩٩٥٤
رقمها : ٢٢٧ / ٢٢٧

هذا المخطط يبين حدود المنطقة المخططة - ١٤٣٤/٢/١٥
المساحة الكلية : ١١٣٦,٠٧ م^٢
مساحة الارض : ٢٧,٥٠ م^٢
مساحة البناء : ١١٣٦,٠٧ م^٢
مساحة السور : ١١٤,٥٠ م^٢
مساحة السور : ٢٥٠,٠٠ م^٢

المهندس المعماري : م. / م. / م.
م. / م. / م.
م. / م. / م.

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Qudus Leasehold



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary		
Property Information	Property Name	Qudus Leasehold
	Property Type	Building
	Location	Al Qudus District, Riyadh, Saudi Arabia
	Type of Ownership	-
	No.	-
	Deed Data	-
	Date	-
Client Information	Owner	-
	Land Area	-
	Built-Up Area	895.5m ²
	Recipient of the Report	Osool & Bakheet Investment Company
	Other Users of the Report	-
	Purpose of Valuation	Financial Statements
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget
Valuation	Date of Property Inspection	01/07/2025
	Date of Valuation	30/06/2025
	Adopted Valuation Approach	Income Approach
	Used Approaches and Methods	Income Approach — Cash Flow Method
	Basis of Value	Fair Value
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.
Report	Reference No.	12807
	Report Type	Detailed Narrative
	Report Date	30/07/2025
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.



1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Executive Summary of the Report			
Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following:	
	Special Assumptions	Building Permit	
Report Preparer	Name	Ahmed Bdeir	
	Membership Number	1220002914 ,Affiliated Member of Real Estate	
	Branch	Affiliated Member	
	Membership Category	Affiliated Member	
Real Estate Valuer	Contribution percentage	%20	
	Signature		
	Name	Abdulmalik Mansour Al-Johani	
	Membership Number	1210003639	
Valuation Manager	Membership Category	Affiliated Member	
	Contribution percentage	%45	
	Signature		
	Name	Asim Yasin Mohammed Ahmed Yasin	
Valuation Reviewer	Membership Number	1220001314	
	Membership Category	Fellow Member	
	Contribution percentage	%15	
	Signature		
Managing Director (Authorized Signatory of the Report)	Name	Yasser Ibrahim Asaad	
	Membership Number	Fellow Member	
	Membership Category	Fellow Member, MRICS ,1210000124	
	Contribution percentage	%5	
Valuation Result	Signature		
	Name	Mohammed Abdullah Massairi	
	Membership Number	1210000543	
	Membership Category	Fellow Member	
Final Value Opinion	Contribution percentage	%15	
	Signature		
Report Version	Numerically	605,000.00	
	Currency	Saudi Riyal	
		Written	sixty million five hundred thousand



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(01/07/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property consists of commercial building with retail units on the ground floor and administrative offices on the upper floors.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (commercial, retail, office) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information				Boundaries and Dimensions			
Issuing Notary	-	Tenure	-	North	60m wide street	Length	27
Deed No.	-	Deed Date	-	South	Parcel No. 1464	Length	30
Subdivision Parcel Number	1473	Subdivisionplan ID	2304	East	Parcel No. 1/1473	Length	30
Location on Google Maps	Location			West	15m wide street	Length	27
Building Permit Information				Land Area		m ²	
Permit Number	1432/7340	Issuance Date	15/03/1433	Total Built-Up Area		895.5 m ²	
Permit Category	Issuance	Building Regulation	-	Property Specifications		The property comprises a retail units.	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
------	----------------------

Property Category Residential Commercial Office Hospitality Agricultural Other: Multi-use

Occupancy Status Vacant Occupied

Building Use Compliant with Permit and Zoning Regulations Non-Compliant with Permit and Zoning Regulations

Type of Construction Reinforced Concrete Load-Bearing Walls Steel Structure Other

General Condition of the Property New Used Requires Maintenance Dilapidated

Available Utilities in the Area Electricity Water Telephone Line Sewage



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR291,136.40), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 2 years.
- Discount Rate: The discount rate was set at 10.40%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 8.30%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	2.52%	AS valuar
Discount Rate	10.40%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	8.30%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos

2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
<p>Overview of Riyadh City</p>	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>



Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	10 Km	Facilities and Services	0 Km
Regional Roads	0 Km	King Khalid International Airport	30 Km



2.2 | Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Quds District in Riyadh is considered one of the vibrant, fully serviced residential neighborhoods in the eastern part of the Saudi capital. It is distinguished by its strategic location near several major thoroughfares, such as King Abdullah Road and Sheikh Jaber Al-Sabah Road, making it a Key connecting point between the eastern and northern parts of Riyadh. The district features well-planned layouts and a variety of housing types, offering a mix of residential villas and mid-sized units that cater to different segments of the community.</p>
Advantages	<p>The neighborhood is Known for its moderate commercial activity and relative tranquility. It offers all essential services, such as schools, mosques, and health centers, in addition to several shopping complexes, restaurants, and cafés that meet residents' daily needs. The neighborhood also features parks and green spaces, creating a comfortable environment suitable for families. Al-Quds District is witnessing continuous growth in residential demand due to its central location and the availability of all daily living necessities, along with good infrastructure and proximity to universities and medical centers. These factors enhance its residential and investment value in the medium and long term.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

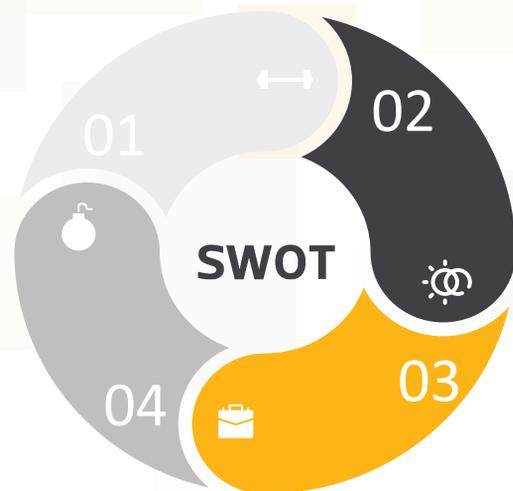


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial road which is King Abdullah Road, which increase it's accessibility from any where in riyadh.
- The property is on a commercial frontage.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project's competitiveness.

3. Opportunities:

- Strategic location near Key landmarks, such as King Khalid International Airport (approx. 35 km) and the city center (approx. 10 km), enhancing the property's appeal to companies and investors.
- Increased demand for commercial and residential units in the area (approx. 3 km), driven by population growth and expanding economic activities.
- Possibility of partnering with well-known brands to establish commercial shops, restaurants, and cafés that enhance visitor traffic. The project is located within prestigious neighborhoods.
- Government investments are growing in improving Riyadh's infrastructure, which increases the site's attractiveness for commercial and residential real estate.
- The project's proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

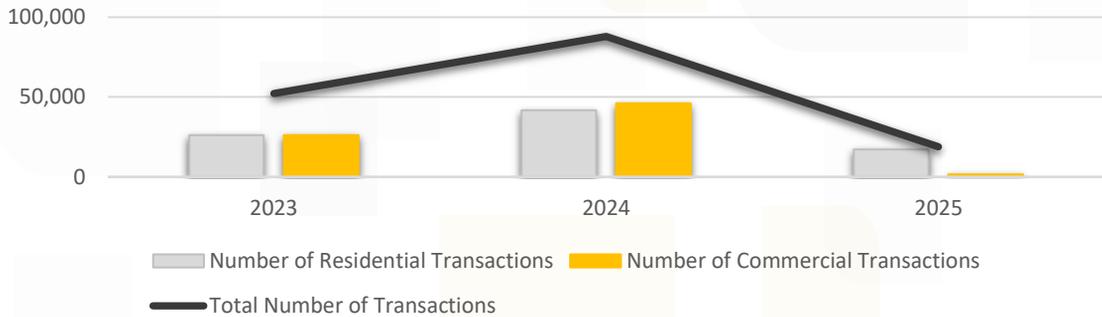
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project's investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

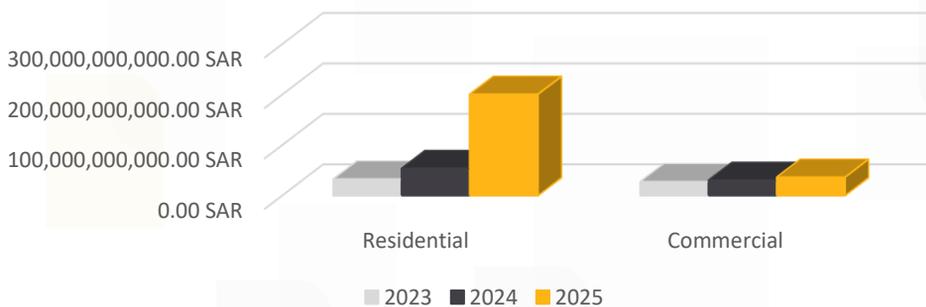
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions

Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Ground floor	1.00	535.00	85%	454.75
Mezzanine	1.00	142.84	100%	142.84
Annex	1.00	176.00	90%	158.40
Total		853.84		755.99

3.1.3.2 (Property Income Data)

Retail Units Income				
Rate Increase %		0.00%	2.10%	2.10%
Year		08/07/25	31/12/26	31/12/27
	%	سنة 0.50	سنة 1.50	سنة 2.50
Leasable Area		747.4	747.4	747.4
Occupancy Rate		48.50%	100.00%	100.00%
Average Rental Value		822	840	857
Total Rental Income		322,731.85	627,444.86	640,621.20
Vacancy and Credit Losses	3%	-9,681.96	-18,823.35	-19,218.64
Maintenance and Operating Costs	7%	-21,913.49	-42,603.51	-43,498.18
Net Income	90%	291,136.40	566,018.01	577,904.39
Office Income				
Rate Increase %		0.00%	2.10%	2.10%
Year		08/07/25	31/12/26	31/12/27
	%	سنة 0.50	سنة 1.50	سنة 2.50
Leasable Area		158.4	158.4	158.4
Occupancy Rate		0.00%	100.00%	100.00%
Average Rental Value		518	529	540
Total Rental Income		0.00	83,848.74	85,609.57
Vacancy and Credit Losses	3%	0.00	-2,515.46	-2,568.29
Maintenance and Operating Costs	7%	0.00	-5,693.33	-5,812.89
Net Income	90%	0.00	75,639.95	77,228.39

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	10.40%
Exit Capitalization Rate	8.30%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	100.00%	
Year	08/07/25	31/12/26	31/12/27	
	%	سنة 0.50	سنة 1.50	سنة 2.50
Completion Percentage	0%	0%	0%	
Total Net Income	291,136	641,658	655,133	
Terminal Value	-169,750	-350,000	-350,000	
Total	121,386	291,658	305,133	
Annual Discount Factor	0.95	0.86	0.78	
Present Value	115,526	251,425	238,257	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
Leasehold Value	605,208.93
Final Leasehold Value	605,000.00

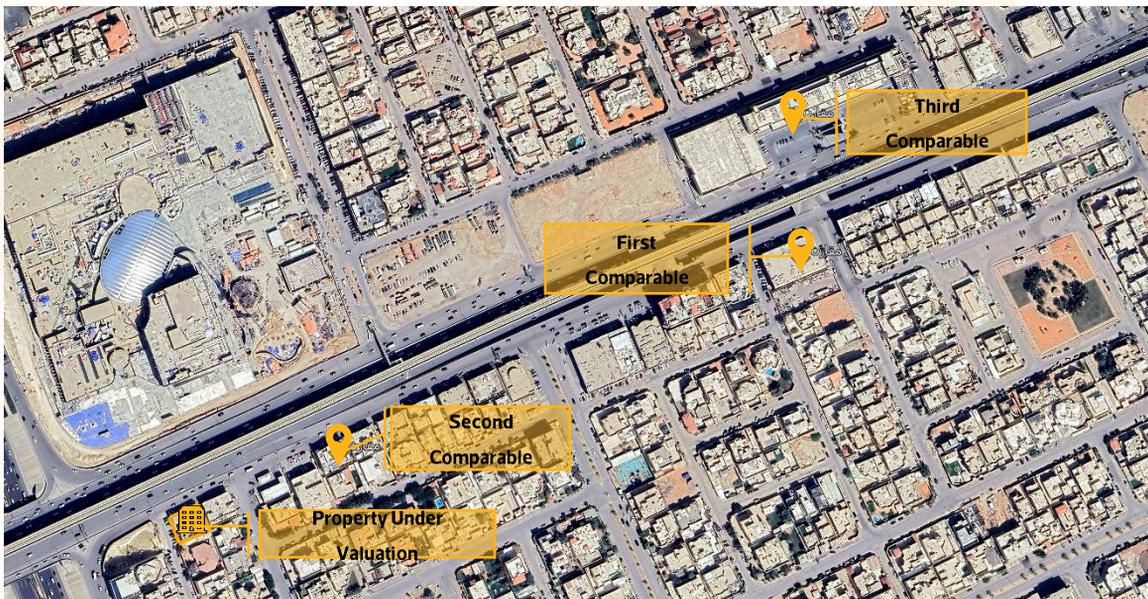
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under	First Comparable		Second Comparable		Third Comparable	
	Valuation	Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	848 SAR / m ²		953 SAR / m ²		912 SAR / m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		848 SAR / m ²		953 SAR / m ²		912 SAR / m ²	
Finishing	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	1	5.0 %	1	5.0 %	1	5.0 %
Area (m ²)	597.6	330.0	-6.3 %	148.0	-20.2 %	174.0	-16.5 %
Adjustment Value / Adjustment Ratio	-	-11 SAR / m ²	-1.3 %	-145 SAR / m ²	-15.2 %	-105 SAR / m ²	-11.5 %
Price Per m ² After Adjustment	-	837 SAR / m ²		807 SAR / m ²		807 SAR / m ²	
Weighting Factors	-	50 %		25 %		25 %	
Weighted Average Value	-	822 ر.س					

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



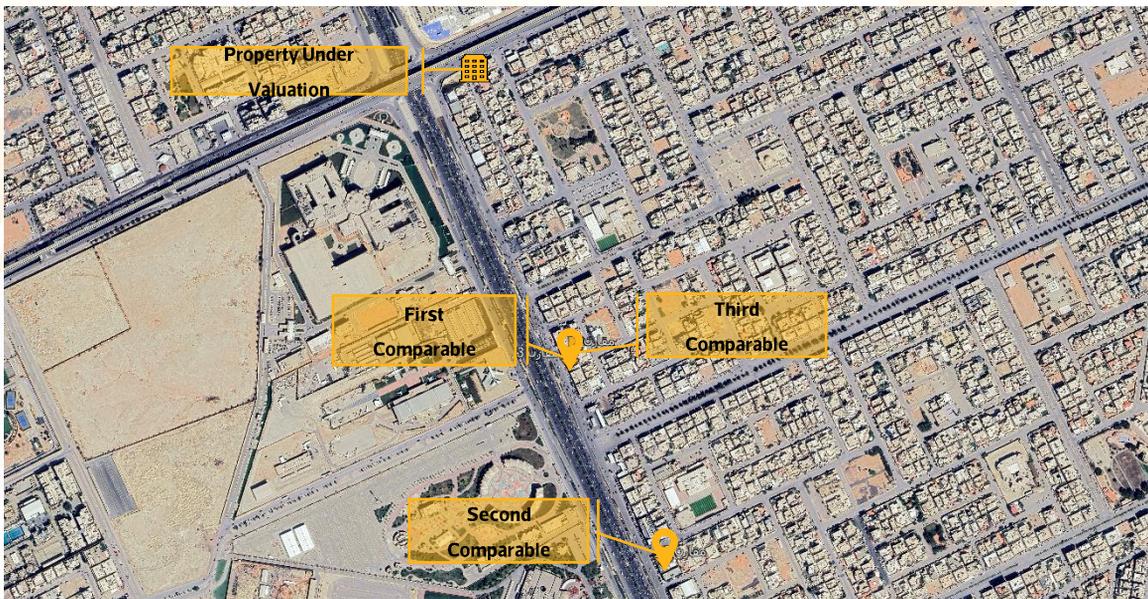
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.8 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	400 SAR/m ²		493 SAR/m ²		550 SAR/m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		400 SAR/m ²		493 SAR/m ²		555 SAR/m ²	
Finishing	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	1	5.0 %	1	5.0 %	1	5.0 %
Area (m ²)	158.4	100.0	-2.9 %	91.3	-3.7 %	100.0	-2.9 %
Adjustment Value / Adjustment Ratio	-	08 SAR/m ²	2.1 %	07 SAR/m ²	1.3 %	11 SAR/m ²	2.1 %
Price Per m ² After Adjustment	-	408 SAR/m ²		500 SAR/m ²		561 SAR/m ²	
Weighting Factors	-	20 %		20 %		60 %	
Weighted Average Value	-			518 SAR			

3.1.3.9 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

KPI's	Project
Leasehold value	605,208.93
Final leasehold value	605,000.00

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	605,000.00
Currency	Saudi Riyal
Valuers Opinion (Written)	sixty million five hundred thousand

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Wadi Laban

Leasehold



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Wadi Laban Leasehold	
	Property Type	Building	
	Location	Dahrat Laban District, Riyadh, Saudi Arabia	
	Type of Ownership	-	
	Deed Data	No.	-
		Date	-
		Owner	-
Land Area	- m ²		
Built-Up Area	1,695.50m ²		
Client Information	Recipient of the Report	Osool & Bakheet Investment Company	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
Valuation	Date of Property Inspection	01/07/2025	
	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Cost Approach — Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12808	
	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
Report	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

Building Permit

Assumptions

Special Assumptions

Report Preparer

Real Estate Valuer

Valuers

Valuation Manager

Valuation Reviewer

Managing Director
(Authorized Signatory of the Report)

Valuation Result

Assumptions

Special Assumptions

Report Preparer

Real Estate Valuer

Valuation Manager

Valuation Reviewer

Managing Director
(Authorized Signatory of the Report)

Final Value Opinion

Name Ahmed Bdeir

Membership Number 1220002914 ,Affiliated Member of Real Estate

Branch

Membership Category Affiliated Member

Contribution percentage %20

Signature

Name Abdulmalik Mansour Al-Johani

Membership Number 1210003639

Membership Category Affiliated Member

Contribution percentage %45

Signature

Name Asim Yasin Mohammed Ahmed Yasin

Membership Number 1220001314

Membership Category Fellow Member

Contribution percentage %15

Signature

Name Yasser Ibrahim Asaad

Membership Number Fellow Member

Membership Category Fellow Member, MRICS ,1210000124

Contribution percentage %5

Signature

Name Mohammed Abdullah Massairi

Membership Number 1210000543

Membership Category Fellow Member

Contribution percentage %15

Signature

Numerically 602,000

Currency Saudi Riyal

Written Only six hundred and two thousand Saudi Riyal

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(01/07/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property consists of commercial building with retail units on the ground floor and residential apartments on the upper floors.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (commercial, residential) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Operating, maintenance, and management costs were also included based on market averages for similar commercial properties.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information			Boundaries and Dimensions				
Issuing Notary	-	Tenure	-	North	Parcel No. 7946	Length	20
Deed No.	-	Deed Date	-	South	60m wide street	Length	27
Subdivision Parcel Number	7948	Subdivision plan ID	2351	East	20m wide street	Length	27
Location on Google Maps	Location		West	Parcel No. 7949	Length	30	
Building Permit Information			Land Area		m ²		
Permit Number	1433 /11344	Issuance Date	1433	Total Built-Up Area		1,695.5 m ²	
Permit Category	Issuance	Building Regulation	-	Property Specifications		The property comprises a commercial residential building.	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 167,687), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%). And estimated at (5%) for the retail stores and residential part.
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 2 years.
- Discount Rate: The discount rate was set at 9.10%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.22%	AS valuar
Discount Rate	9.10%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.00%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level

Overview of Riyadh City	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>
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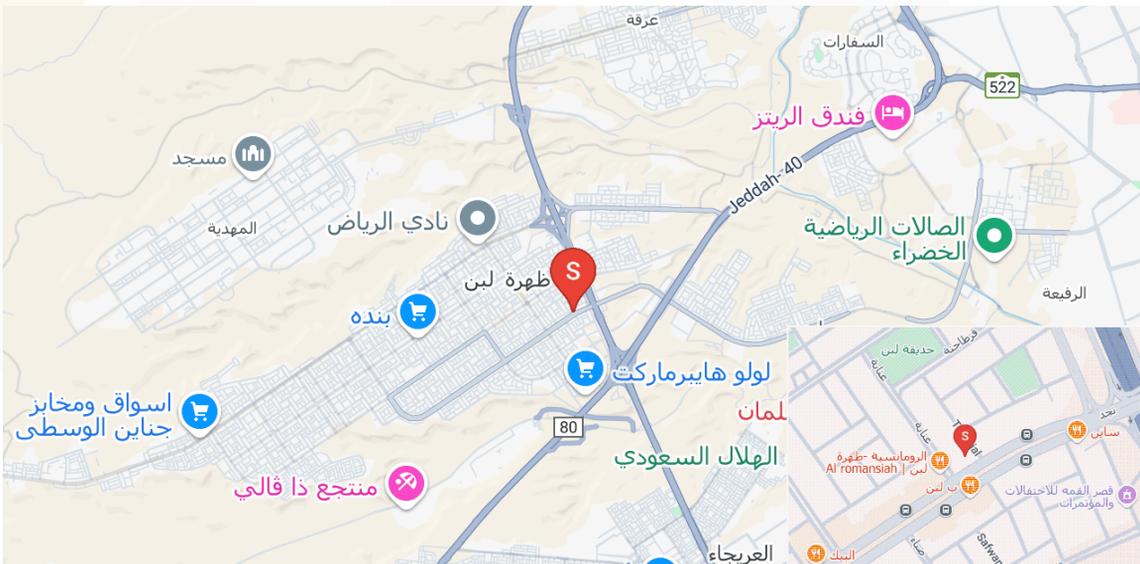
Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point			
Attraction Point	Distance	Attraction Point	Distance
City Center	14 Km	Facilities and Services	0 Km
Regional Roads	1.5 Km	King Khalid International Airport	40 Km

2.2 | Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	Dhahra Laban neighborhood in Riyadh is considered one of the developing and distinctive residential areas in the western part of the Saudi capital. It is characterized by its strategic location near main roads such as King Abdullah Road and the Western Ring Road, making it an important connecting point between western Riyadh and its other districts. The neighborhood includes a mix of residential villas and medium-sized housing units and is known for its diverse housing options and availability of basic services. The area enjoys good infrastructure and ongoing development plans, and it is known for its calmness and family-friendly environment. There are also several schools, mosques, and health centers available, in addition to commercial markets, restaurants, and cafes that meet the daily needs of residents, making it a suitable choice for families seeking to live in a well-rounded environment with a western location.
Advantages	Dhahra Laban neighborhood enjoys a strategic location close to major thoroughfares such as Mecca Road and King Saud Road, which facilitates access to most neighborhoods in Riyadh and enhances urban growth movement in the area. The neighborhood includes comprehensive services with the availability of residential and commercial land, reflecting the neighborhood's development and the gradual increase in its investment value in line with the urban expansion trends in Riyadh.
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

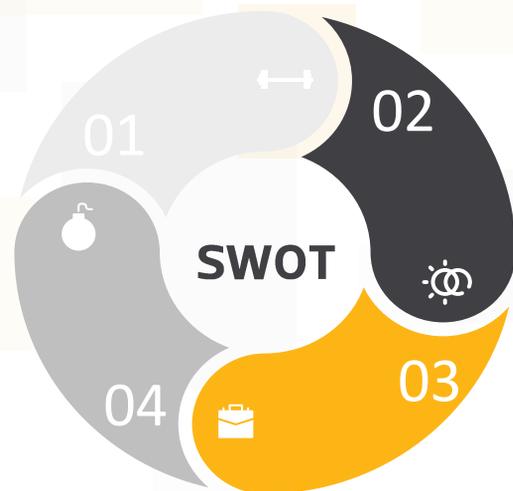


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in Dahrat Laban
- The property is on two a commercial frontages.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- The location benefits from its proximity to vital areas such as Mecca Road and the Western Ring Road, in addition to being near downtown Riyadh (about 15 Km) and King Khalid International Airport (about 45 Km), making it an attractive point for companies and investors seeking commercial and residential sites that serve a wide segment of the population in western Riyadh.
- There is high demand for commercial and residential units in the area due to population growth and increased economic activities. The city center is approximately 3 Km away.
- There is potential for collaboration with well-known brands to establish shops, restaurants, and cafes that boost visitor traffic. The project is located within upscale neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

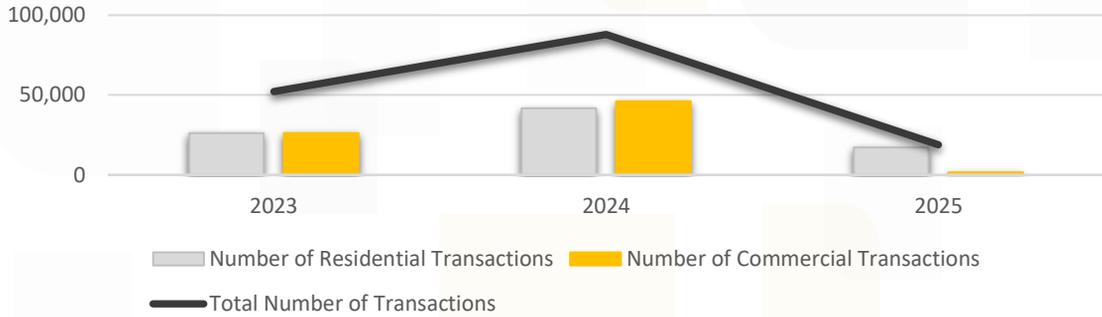
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

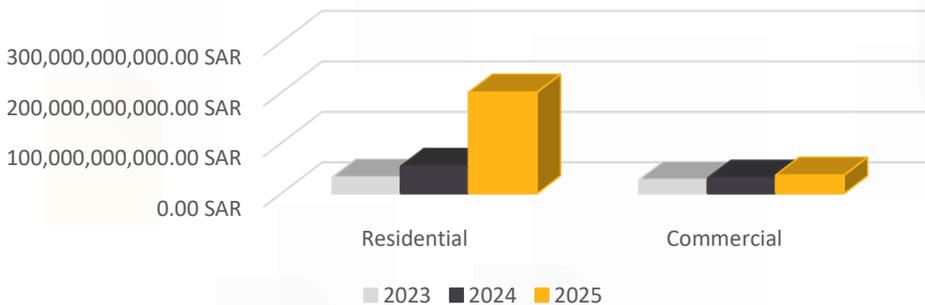
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Ground floor	1.00	574.91	80%	459.93
Mezzanine	1.00	261.99	100%	261.99
First floor	1.00	573.78	0%	0.00
Annex floor	1.00	284.82	0%	0.00
Total		1,695.50		721.92

3.1.3.2 (Property Income Data)

Retail unit income				
Rate Increase %		0.00%	2.10%	2.10%
Year		2025	2026	2027
	%	0.50 Year	1.50 Year	2.50 Year
Leasable Area		721.9	721.9	721.9
Occupancy Rate		48.50%	100.00%	24.10%
Average Rental Value		660	674	688
Total Rental Income		301,685.61	486,650.66	119,745.75
Vacancy and Credit Losses	3%	-9,050.57	-14,599.52	-3,592.37
Maintenance and Operating Costs	7.00%	-20,484.45	-33,043.58	-8,130.74
Net Income	90%	272,150.59	439,007.56	108,022.64
Apartments income				
Rate Increase %		0.00%	2.10%	2.10%
Year		2025	2026	2027
	%	0.50 Year	1.50 Year	2.50 Year
Number of units		6.0	6.0	6.0
Occupancy Rate		0.00%	100.00%	24.10%
Average Rental Value		30,250	30,885	31,534
Total Rental Income		0.00	185,311.50	45,597.93
Vacancy and Credit Losses	5%	0.00	-9,265.58	-2,279.90
Maintenance and Operating Costs	7%	0.00	-12,323.21	-3,032.26
Net Income	88%	0.00	163,722.71	40,285.77

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	11 Years
Discount Rate	9.10%
Exit Capitalization Rate	7.00%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	
Year	2025	2026	2027	
	%	0.50 Year	1.50 Year	2.50 Year
Completion Percentage	0%	0%	0%	
Total Net Income	272,151	602,730	148,308	
Terminal Value	-97,000	-200,000	-48,200	
Total	175,151	402,730	100,108	
Annual Discount Factor	0.96	0.88	0.80	
Present Value	167,687	353,409	80,521	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
Leasehold Value	601,616.47
Final Leasehold Value	602,000.00

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under	First Comparable		Second Comparable		Third Comparable	
	Valuation	Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	852 SAR / m ²		833 SAR / m ²		625 SAR / m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		852 SAR / m ²		833 SAR / m ²		625 SAR / m ²	
Finishing	Excellent	Excellent	0.0 %	Excellent	0.0 %	Excellent	0.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	1	1	0.0 %	1	0.0 %	1	0.0 %
Area (m ²)	200.0	88.0	-6.4 %	60.0	-11.7 %	40.0	-20.0 %
Adjustment Value / Adjustment Ratio	-	-54 SAR / m ²	-6.4 %	97- SAR / m ²	-11.7 %	-125 SAR / m ²	-20.0 %
Price Per m ² After Adjustment	-	798 SAR / m ²		736 SAR / m ²		500 SAR / m ²	
Weighting Factors	-	30 %		30 %		40 %	
Weighted Average Value	-	660 SAR					

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.8 (Sources of Property Income – Adjustment Table for the Residential Apartments)

Adjustment Table for the Apartments)							
Criteria	Property Under Valuation	First Comparable		Second Comparable		Third Comparable	
Property Price	-	29,000		25,000		26,000	
Time Factor Adjustment	2025	2025	0.00%	2025	0.00%	2025	0.00%
Market Condition Adjustment	-	Contract	0.00%	Contract	0.00%	Contract	0.00%
The property value after cumulative sequence rates	-	29,000		25,000		26,000	
Built-Up area for the property under valuation	133	135	-2	110	23	120	13
Construction price per square meter	-	1,500		1,500		1,500	
Difference value in cash	-	-3,000.00		34,500.00		19,500.00	
Number of swimming pools	0	0	0.00	0	0.00	0	0.00
Number of elevators	0	0	0.00	0	0.00	0	0.00
Property value after cash adjustment	-	26,000		59,500		45,500	
Number of facades	1	1	0.00%	1	0.00%	1	0.00%
Finishing level	Very Good	Very Good	0.00%	Excellent	-10.00%	Excellent	-10.00%
Property age	0	0	0.00%	0	0.00%	0	0.00%
Total ratios of relative adjustment	-	0.00%		-10.00%		-10.00%	
Value of relative adjustments	-	0.00		-5,950.00		-4,550.00	
Property value after relative adjustment	-	26,000		53,550		40,950	
Contribution percentage of the comparable property	-	80%		10%		10%	
Property Value	-			30,250.00			
Final Property Value	-			30,000			

3.1.3.9 Aerial Map Demonstrating the Location of Comparables:



Aerial Map Demonstrating the Location of Comparables

3.2 Preliminary Value Results

KPI's	Project
Leasehold value	601,616.47
Final leasehold value	602,000.00

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	602,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only six hundred and two thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Dabbab Leasehold



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Dabbab Leasehold	
	Property Type	Building	
	Location	Al-Murabba District, Riyadh, Saudi Arabia	
	Type of Ownership	-	
	Deed Data	No.	-
		Date	-
		Owner	-
Land Area	- m ²		
Built-Up Area	2,359.98 m ²		
Client Information	Recipient of the Report	Osool & Bakheet Investment Company	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	01/07/2025	
Valuation	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Income Approach	
	Used Approaches and Methods	Income Approach — Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12809	
Report	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report		
Assumptions	Assumptions	The documents provided by the client have been assumed to be valid and include the following: Building Permit
	Special Assumptions	
Valuers	Report Preparer	Name: Ahmed Bdeir Membership Number: 1220002914, Affiliated Member of Real Estate Branch Membership Category: Affiliated Member Contribution percentage: %20 Signature:
	Real Estate Valuer	Name: Abdulmalik Mansour Al-Johani Membership Number: 1210003639 Membership Category: Affiliated Member Contribution percentage: %45 Signature:
	Valuation Manager	Name: Asim Yasin Mohammed Ahmed Yasin Membership Number: 1220001314 Membership Category: Fellow Member Contribution percentage: %15 Signature:
	Valuation Reviewer	Name: Yasser Ibrahim Asaad Membership Number: Fellow Member Membership Category: Fellow Member, MRICS, 1210000124 Contribution percentage: %5 Signature:
Valuation Result	Managing Director (Authorized Signatory of the Report)	Name: Mohammed Abdullah Massairi Membership Number: 1210000543 Membership Category: Fellow Member Contribution percentage: %15 Signature:
	Final Value Opinion	Numerically: 1,785,000.00 Currency: Saudi Riyal Written: one hundred seventy-eight million five hundred thousand
	Report Version	Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: (Preparation of Financial Statements for the Mid-Year 2025 Budget)

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. Income Approach — Discounted Cash Flow Method (DCF)
2. Cost Approach — Depreciation Method

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: (01/07/2025)

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: (30/06/2025)

Report Date:

The report date is the date the valuation report was issued. The report was issued on: (30/07/2025)

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property. The property consists of commercial building with retail units on the ground floor and administrative offices on the upper floors.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

First-year figures were obtained from the client, particularly regarding operating and maintenance costs.

For the subsequent years, operating and maintenance rates were derived from market data for comparable properties.

Occupancy rates for each use type (commercial, administrative) were projected based on prevailing market conditions as of the valuation date.

Annual revenue growth rates were assumed based on 2025 real estate market indicators in Riyadh, along with expected inflation trends from official sources.

Operating, maintenance, and management costs were also included based on market averages for similar commercial properties.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

These rates were determined through analysis of comparable projects, taking into account occupancy levels, tenant profiles, and existing lease agreements.

General Assumptions:

It was assumed that the property is free from any legal or structural defects that could impair its income-generating capacity.

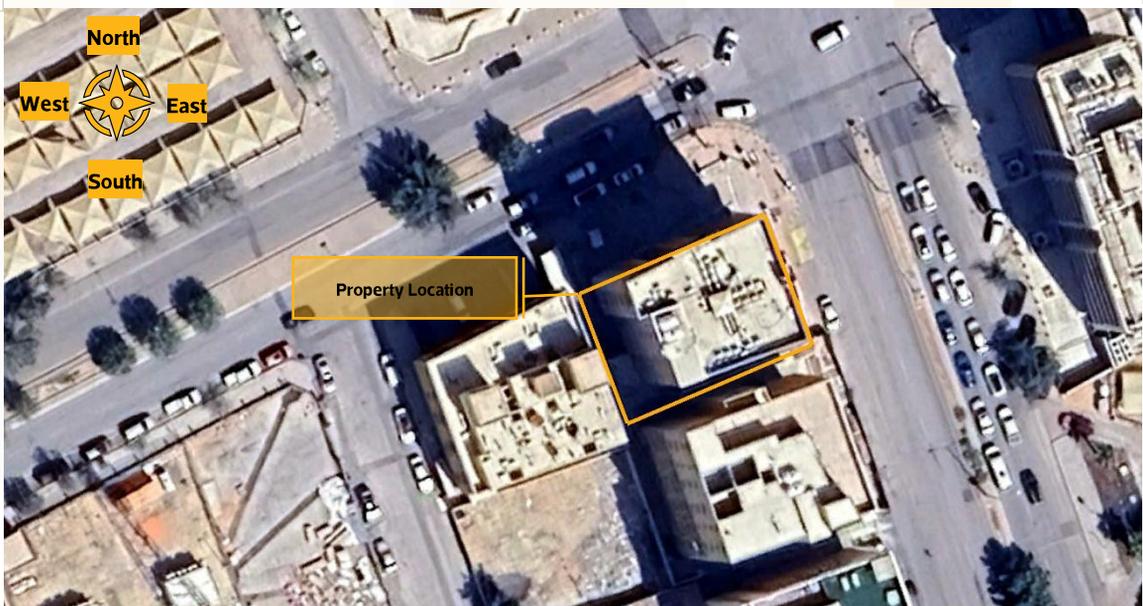
It was also assumed that the existing lease agreements will continue (unless otherwise stated), with potential for renewal under market terms.

The market approach was not applied due to the difficulty in identifying accurate comparables for a mixed-use property of this size and composition.

1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information							
Deed Information			Boundaries and Dimensions				
Issuing Notary	-	Tenure	-	North	30m wide street	Length	30.2
Deed No.	-	Deed Date	-	South	Nighbor	Length	27.7
Subdivision Parcel Number	-	Subdivisionplan ID	-	East	30m wide street	Length	30
Location on Google Maps	Location		West	Nighbor	Length	24.4	
Building Permit Information			Land Area		m ²		
Permit Number	1432/13056	Issuance Date	1432/07/14	Total Built-Up Area		2,359.98m ²	
Permit Category	Modification on building plan	Building Regulation	-	Property Specifications		The property comprises a administrative commercial building.	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Office <input checked="" type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 83,122), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (3%).
- Operating Expenses: Operating expenses were estimated at 7% of total income.
- Cash Flow Forecast Period: The forecast period was set at 7 years.
- Discount Rate: The discount rate was set at 9.10%.
- Growth Rate: The annual growth rate was set at 2.10%.
- Capitalization Rate: The cap rate was set at 7.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied: $DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = \text{DC} - \text{G}$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	1.22%	AS valuar
Discount Rate	9.10%	
Growth Rate	2.10%	Saudi Center Bank
Exit Capitalization Rate	7.00%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



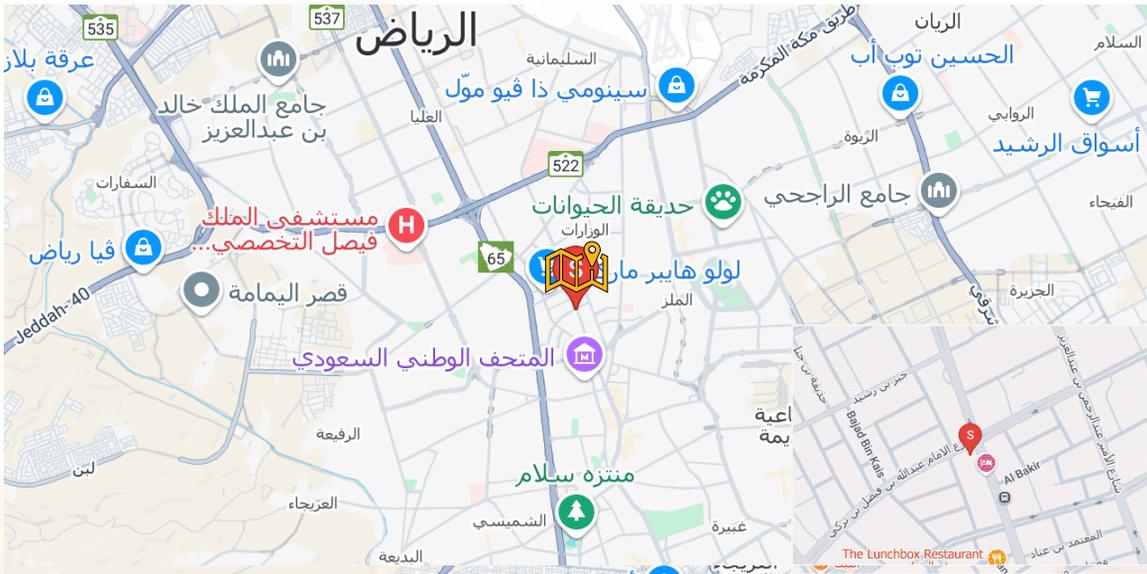
2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level

Overview of Riyadh City

Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.

Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.



Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point

Attraction Point	Distance	Attraction Point	Distance
City Center	5 Km	Facilities and Services	0 Km
Regional Roads	1.9 Km	King Khalid International Airport	35 Km



2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Dhabbab neighborhood in Riyadh is considered one of the vibrant and distinctive areas in the heart of the Saudi capital. It is characterized by its strategic location in the city center, stretching along the famous Dhabbab Road, near government departments, financial centers, and major hospitals, making it an important connecting point between various Riyadh districts. The neighborhood includes a mix of administrative buildings, hotels, and residential apartments, and is known for its active commercial character with a large number of companies and offices, alongside upscale restaurants and cafes. It also enjoys proximity to main roads such as King Fahd Road and Mecca Road, which contributes to easy mobility and quick access to the city's Key Landmarks.</p>
Advantages	<p>AlDhabbab District in Riyadh enjoys a strategic location close to major main roads such as King Khalid Road and Mecca Road, which facilitates mobility and quick access to most neighborhoods in Riyadh. The neighborhood is distinguished by its calmness and privacy, along with a sense of security. It also features widespread green spaces and small parks that give the area a comfortable atmosphere for families. Additionally, it includes comprehensive services such as schools, hospitals, and markets, and is home to several embassies and upscale hotels, reflecting the area's sophistication, high level of services, and increasing its investment value.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> 5%

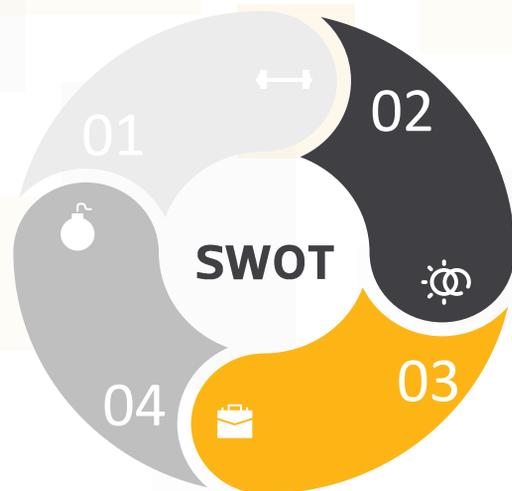


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- The project is located on a main commercial street in Dhabbab
- The property is on two a commercial frontages.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- The location of the Al-Dhubab neighborhood in Riyadh is close to vital areas such as downtown (about 3 Km) and King Khalid International Airport (about 40 Km). Additionally, its direct connection to major arteries like King Fahd Road and Mecca Road makes it a key attraction point for companies and investors, especially in the commercial and administrative sectors.
- There is high demand for commercial and residential units in the area due to population growth and increased economic activities. The city center is approximately 3 Km away.
- There is potential for collaboration with well-known brands to establish shops, restaurants, and cafes that enhance visitor traffic. The project is located within upscale neighborhoods.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

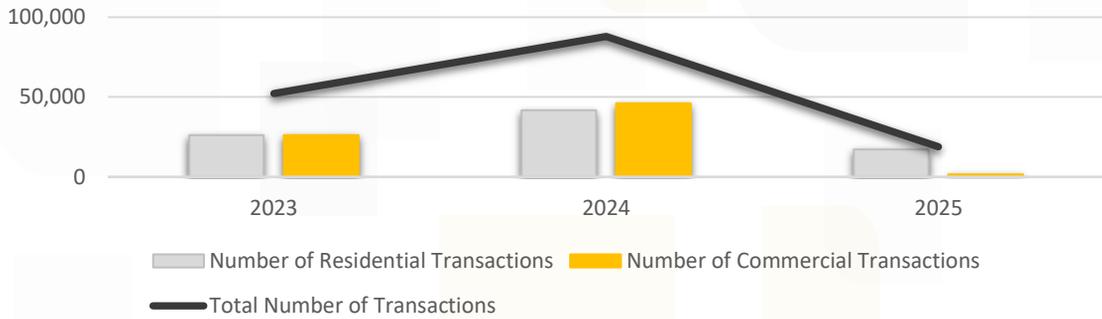
- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.

2.3 Market Analysis and Economic Indicators

Number of Transactions in Riyadh City:

Year	Residential	Commercial	Total
2023	26,123	26,099	52,222
2024	41,742	46,038	87,780
2025	17,154	1,653	18,807

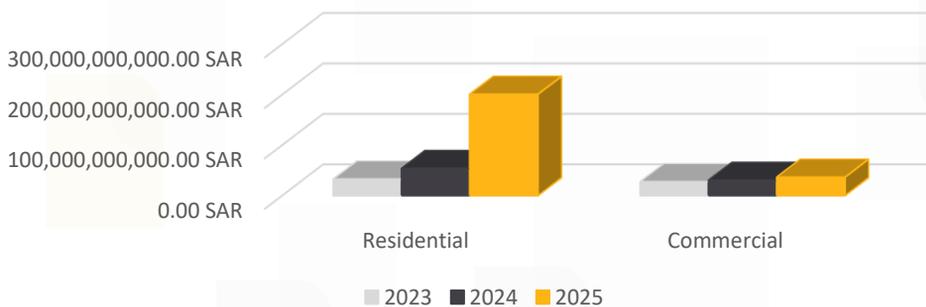
Number of Transactions



Value of Transaction in Riyadh City:

Year	Residential	Commercial	Total
2023	SAR 32,420,246,692.00	SAR 27,322,332,331.00	SAR 59,742,579,023.00
2024	SAR 53,570,086,143.00	SAR 30,159,385,709.00	SAR 83,729,471,852.00
2025	SAR 200,581,545,821.00	SAR 36,343,124,415.00	SAR 236,924,670,236.00

Transaction Value





2.4 | Property Photos



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.1 (Rental Area Data for the Property)

Built-Up Area Assumptions				
Floor Number	Number of Floors	Total Floor Area	Rate of Leasable Area	Rental Area
Basement	1.00	781.94	0%	0.00
Ground floor	1.00	218.20	85%	185.47
First floor	1.00	226.64	85%	192.64
Second floor	1.00	226.64	85%	192.64
Third floor	1.00	226.64	85%	192.64
Fourth	1.00	226.64	85%	192.64
Fifth floor	1.00	226.64	85%	192.64
Sixth floor	1.00	226.64	85%	192.64
Total		2,359.98		1,155.86

3.1.3.2 (Property Income Data)

Retail unit income								
Rate Increase %		0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Year		2025	2026	2027	2028	2029	2030	2031
	%	س.ا 0.50	س.ا 1.50	س.ا 2.50	س.ا 3.50	س.ا 4.50	س.ا 5.50	س.ا 6.50
Leasable Area		185.5	185.5	185.5	185.5	185.5	185.5	185.5
Occupancy Rate		48.50%	100.00%	100.00%	100.00%	100.00%	100.00%	39.50%
Average Rental Value		919	938	958	978	999	1,020	1,041
Total Rental Income		284,415.50	174,057.72	177,712.93	181,444.90	185,255.24	189,145.60	76,281.48
Vacancy and Credit Losses	5%	-14,220.78	-8,702.89	-8,885.65	-9,072.25	-9,262.76	-9,457.28	-3,814.07
Maintenance and Operating Costs	10%	-27,019.47	-16,535.48	-16,882.73	-17,237.27	-17,599.25	-17,968.83	-7,246.74
Net Income	85%	243,175.26	148,819.35	151,944.55	155,135.39	158,393.23	161,719.49	65,220.66
Offices income								
Rate Increase %		0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Year		2025	2026	2027	2028	2029	2030	2031
	%	س.ا 0.50	س.ا 1.50	س.ا 2.50	س.ا 3.50	س.ا 4.50	س.ا 5.50	س.ا 6.50
Leasable Area		1,155.9	1,155.9	1,155.9	1,155.9	1,155.9	1,155.9	1,155.9
Occupancy Rate		48.50%	100.00%	100.00%	100.00%	100.00%	100.00%	39.50%
Average Rental Value		599	611	624	637	651	664	678
Total Rental Income		0.00	706,458.11	721,293.73	736,440.90	751,906.16	767,696.19	309,608.04
Vacancy and Credit Losses	5%	0.00	-35,322.91	-36,064.69	-36,822.05	-37,595.31	-38,384.81	-15,480.40
Maintenance and Operating Costs	10%	0.00	-67,113.52	-68,522.90	-69,961.89	-71,431.09	-72,931.14	-29,412.76
Net Income	85%	0.00	604,021.69	616,706.14	629,656.97	642,879.77	656,380.24	264,714.87



3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	7 Years
Discount Rate	9.10%
Exit Capitalization Rate	7.00%

3.1.3.4 Cash Flow Table

Rate Increase %	0.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Year	2025/07/08	2026	2027	2028	2029	2030	2031	
	%	الس 0.50	الس 1.50	الس 2.50	الس 3.50	الس 4.50	الس 5.50	الس 6.50
Completion Percentage	0%	0%	0%	0%	0%	0%	100%	
Total Net Income	243,175	752,841	768,651	784,792	801,273	818,100	329,936	
Terminal Value	-169,750	-350,000	-350,000	-350,000	-350,000	-350,000	-138,250	
Total	73,425	402,841	418,651	434,792	451,273	468,100	191,686	
Annual Discount Factor	0.96	0.88	0.80	0.74	0.68	0.62	0.57	
Present Value	70,296	353,506	336,736	320,550	304,950	289,936	108,825	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
Leasehold Value	1,784,798.73
Final Leasehold Value	1,785,000.00

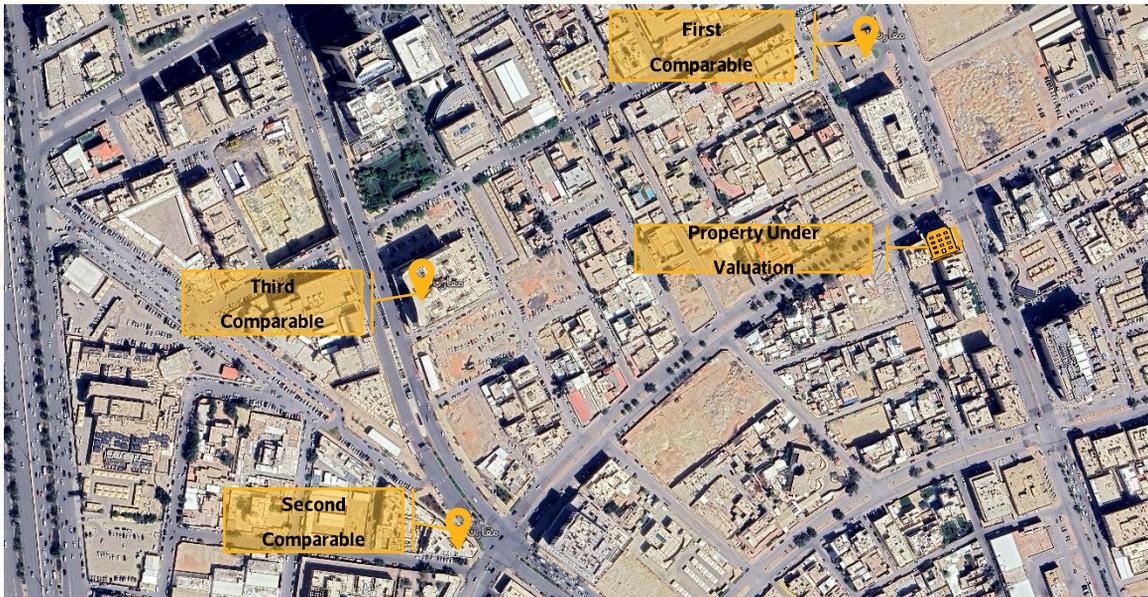
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.6 (Sources of Property Income – Adjustment Table for Retail Units)

Criteria	Property Under	First Comparable		Second Comparable		Third Comparable	
	Valuation	Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	1,029 SAR / m ²		1,034 SAR / m ²		905 SAR / m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Commercial	Commercial	0.0 %	Commercial	0.0 %	Commercial	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		1,029 SAR / m ²		1,034 SAR / m ²		905 SAR / m ²	
Finishing	Very Good	Excellent	-7.5 %	Excellent	-7.5 %	Excellent	-7.5 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	1	2.5 %	2	0.0 %	2	0.0 %
Area (m ²)	70.0	34.0	-5.3 %	116.0	2.0 %	135.0	2.4 %
Adjustment Value / Adjustment Ratio	-	-106 SAR / m ²	-10.3 %	-57 SAR / m ²	-5.5 %	-46 SAR / m ²	-5.1 %
Price Per m ² After Adjustment	-	923 SAR / m ²		977 SAR / m ²		859 SAR / m ²	
Weighting Factors	-	20 %		40 %		40 %	
Weighted Average Value	-	919 SAR					

3.1.3.7 Aerial Map Demonstrating the Location of Comparables:



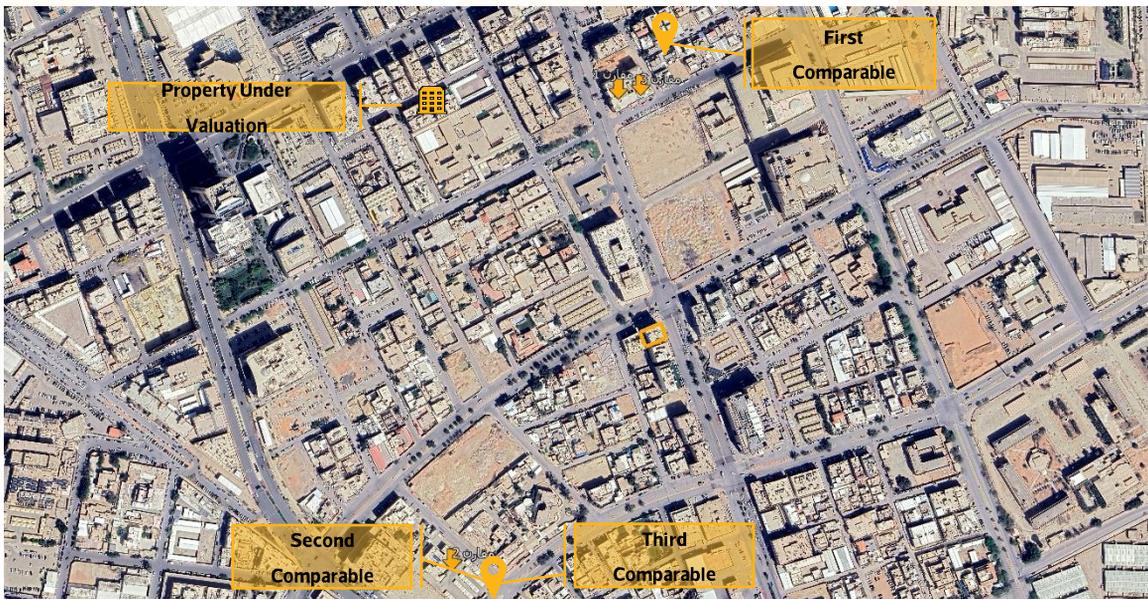
3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.8 (Sources of Property Income – Adjustment Table for Administrative Offices)

Criteria	Property Under	First Comparable		Second Comparable		Third Comparable	
	Valuation	Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Price / m ²	-	725 SAR / m ²		600 SAR / m ²		600 SAR / m ²	
Type of Comparable		Contract		Contract		Contract	
Date		2025		2025		2025	
Market Conditions		Same Conditions	0.0 %	Same Conditions	0.0 %	Same Conditions	0.0 %
Land Use	Office	Office	0.0 %	Office	0.0 %	Office	0.0 %
Adjusted Value Per Square Meter (After Market Conditions)		0		0		0	
Value Per Square Meter (After Adjustment)		725 SAR / m ²		600 SAR / m ²		600 SAR / m ²	
Finishing	Very Good	Excellent	-10.0 %	Excellent	-10.0 %	Excellent	-10.0 %
Ease of Access	Easy	Easy	0.0 %	Easy	0.0 %	Easy	0.0 %
Number of Facades	2	2	0.0 %	1	2.5 %	2	0.0 %
Area (m ²)	70.0	80.0	0.6 %	135.7	2.4 %	70.0	0.0 %
Adjustment Value / Adjustment Ratio	-	-68 SAR / m ²	-9.4 %	-30 SAR / m ²	-5.1 %	-60 SAR / m ²	-10.0 %
Price Per m ² After Adjustment	-	657 SAR / m ²		570 SAR / m ²		540 SAR / m ²	
Weighting Factors	-	40 %		40 %		20 %	
Weighted Average Value	-	599 SAR					

3.1.3.9 Aerial Map Demonstrating the Location of Comparables:



3.2 Preliminary Value Results

KPI's	Project
Leasehold value	1,784,798.73
Final leasehold value	1,785,000.00

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	1,785,000.00
Currency	Saudi Riyal
Valuers Opinion (Written)	one hundred seventy-eight million five hundred thousand

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers.

Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Valuation Report

Burjeel Hospital



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Chapter 1

Introduction

- 1.1 Executive Summary
- 1.2 Terms and Conditions
- 1.3 International Valuation Standards
- 1.4 Property Under Valuation
- 1.5 Valuation Methodology

1.1 Executive Summary

Executive Summary			
Property Information	Property Name	Burjeel Hospital	
	Property Type	Hospital	
	Location	Al-Sharq District, Sharjah, United Arab Emirates	
	Type of Ownership	Freehold	
	Deed Data	No.	2936
		Date	02/07/1443
	Owner	RuKn Al-Ma'ather Investment LLC	
Client Information	Land Area	6,033.2m ²	
	Built-Up Area	-	
	Recipient of the Report	Osool & Bakheet Investment Single-Owner LLC	
	Other Users of the Report	-	
	Purpose of Valuation	Financial Statements	
	Intended Use	Preparation of Financial Statements for the Mid-Year 2025 Budget	
	Date of Property Inspection	03/07/2025	
Valuation	Date of Valuation	30/06/2025	
	Adopted Valuation Approach	Income Approach	
	Used Approaches and Methods	Income Approach – Cash Flow Method	
	Basis of Value	Fair Value	
	Applied Valuation Standards	All work is carried out in accordance with the regulations of certified valuers, the executive bylaw governing real estate valuation issued by the Saudi Authority for Accredited Valuers (TAQEEM), and the latest 2024 edition of the International Valuation Standards (IVS) published by the International Valuation Standards Council, which are set to be implemented in 2025.	
	Conflict of Interest	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.	
	Reference No.	12813	
Report	Report Type	Detailed Narrative	
	Report Date	30/07/2025	
	Report Usage, Intellectual Property, and Distribution Restrictions	Valuation procedures and reports are confidential and intended solely for the instructed party and any designated recipient for a specific purpose. No responsibility of any kind is accepted toward any third party. This report, whether in whole or in part, may not be published, referenced in any document, statement, circular, or communicated to any third party without prior written consent specifying the form and context in which it will appear.	

1.1 | **Executive Summary**

Executive Summary	
Disclaimers	<p>Sources of Information</p> <p>The documents provided by the owner were relied upon, and their validity and suitability for use as of the valuation date have been assumed.</p> <p>The documents, attached in the report appendices, include:</p> <ul style="list-style-type: none"> ❖ Title Deed ❖ Building Permit <p>Market-related information was collected by the valuer.</p>
	<p>Limitation of Liability</p> <p>This valuation report has been prepared at the request of the client and based on the information and document images provided by them. We affirm that all findings and values stated in this report are estimates, and the results of the valuation are subject to increase or decrease due to factors beyond our control, including, but not limited to, supply and demand conditions and general economic variables that are subject to change.</p>
	<p>Engagement of Specialists, Institutions, and Services</p> <p>Published market data from several online platforms, such as Paseetah, Aqar SAS, and Aqar were referenced. These are Saudi platforms specialized in analyzing real estate market data, including executed transactions recorded in the Real Estate Exchange, lease contracts registered on the Sakani platform, and investor listings of personal and investment properties within the Kingdom. This data was used to support the analysis of price trends and yield rates in the area where the subject property is located.</p> <p>The data was reviewed as of the valuation date and was utilized to verify the reasonableness of market values for comparable properties. We affirm that the data was analyzed and assessed independently and professionally in accordance with the International Valuation Standards (IVS), and full responsibility for the valuation results rests with the valuer.</p>
	<p>Environmental, Social, and Governance (ESG) Factors</p> <p>Environmental, Social, and Governance (ESG) factors were taken into consideration within the scope of the valuation. The potential impact of these factors on the market value of the subject property was assessed in accordance with the requirements of IVS2024. As of the valuation date, no material environmental or social factors were identified that would negatively affect the property under assessment. Furthermore, governance and compliance-related aspects are considered stable and in order based on the available information.</p>



1.1 | Executive Summary

Square Meter
متر مربع
للتقييم العقاري

Executive Summary of the Report

The documents provided by the client have been assumed to be valid and include the following:

- Title Deed
- Building Permit

Assumptions

Assumptions

Special Assumptions

Name

Ahmed Bdeir

Membership Number

1220002914 ,Affiliated Member of Real Estate

Branch

Report Preparer

Membership Category

Affiliated Member

Contribution percentage

%20

Signature

Name

Abdulmalik Mansour Al-Johani

Membership Number

1210003639

Real Estate Valuer

Membership Category

Affiliated Member

Contribution percentage

%45

Signature

Name

Asim Yasin Mohammed Ahmed Yasin

Membership Number

1220001314

Valuation Manager

Membership Category

Fellow Member

Contribution percentage

%15

Signature

Name

Yasser Ibrahim Asaad

Membership Number

Fellow Member

Valuation Reviewer

Membership Category

Fellow Member, MRICS ,1210000124

Contribution percentage

%5

Signature

Name

Mohammed Abdullah Massairi

Membership Number

1210000543

Managing Director

Membership Category

Fellow Member

(Authorized Signatory of the Report)

Contribution percentage

%15

Signature

Numerically

120,053,000

Currency

Saudi Riyal

Valuation Result

Final Value Opinion

Written

Only one hundred twenty million and fifty-three thousand Saudi Riyal

Report Version

Final



1.2 Specific Terms and Conditions

Scope of Research:

The scope includes field inspection and market survey of the subject property and comparable properties. We have applied our full capabilities and professional expertise in gathering and analyzing the data to complete this report in line with its intended purpose.

Property Documents:

This valuation is based on the information and scanned documents provided by the client. We have assumed their accuracy, and the valuation was completed accordingly.

Valuation Approach and Information Sources:

To determine the property's value, we conducted a physical inspection of the property, performed a site survey of the surrounding area, and gathered real estate data within the vicinity of the subject property. We studied the prices of similar land parcels, reviewed comparable sales, consulted with experienced professionals, and analyzed market data. A price per square meter rate was derived accordingly. We also referred to our internal valuation and research database, which we believe to be reliable based on our expertise as real estate valuers. These sources were used to support comparative analysis and to estimate the fair value of the subject land, taking into account its size, usage, surrounding streets, and any unique features or deficiencies—if applicable.

The available data was reviewed as of the valuation date, and the appropriate valuation method was applied as outlined in the methodology section of this report.

Disclaimer:

This report is confidential and intended solely for the client or the users identified within the report. It may not be used by any other parties without our prior written approval.

Conflict of Interest:

A conflict of interest is defined as "any relationship that may compromise the independence or objectivity of the valuer." We confirm that we have had no prior or recent involvement with the subject property or the client and, therefore, no conflict of interest exists in completing this valuation assignment.

Confidentiality of Information:

This report is subject to the company's confidentiality policy. It is to be accessed only by those involved in preparing it and the intended users. We bear no responsibility if the report is viewed without our consent.

The basis and standards applied in this report are in accordance with the International Valuation Standards (IVS), as adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

Assumptions and Specific Conditions of the Report:

It is assumed that there are no special circumstances affecting the subject property that would impact its fair value, either positively or negatively, as of the valuation date.

The valuer is not responsible for any boundary encroachments unless explicitly mentioned in the report.

Type of Report:

This report is intended solely for the users named within it and must be used only for its stated purpose. The report is to be considered as a whole and may not be split or partially relied upon.

Limitation of Liability:

All analyses and prices stated in this report are the result of field research conducted in the real estate market surrounding the subject property. We affirm that all findings and values stated herein are estimates, based on the outcome of the valuation process and the market data samples used, which reflect a competitive market environment. These results are subject to increase or decrease due to factors beyond our control, such as, but not limited to, supply and demand trends for real estate products and broader economic changes. The estimated values in this report are based on current market analysis as of the report date. We are not responsible for the accuracy of title deed images provided by the owner or the requesting party, nor are we liable for any information assumed to be correct and complete as submitted by the client and relied upon in the valuation.

Validity of the Valuation Report:

We certify that the value provided in this report is an estimate based on available market data as of the valuation date. The estimated value presented herein results from a market analysis conducted in the subject property's area at the time the valuation was completed.

Please note that the estimated value may change significantly and unexpectedly within a relatively short period (including due to general market movements or specific property-related factors).

We are not liable for any losses arising from such subsequent changes in value.

Accordingly, we certify that this report is valid only as of the stated valuation date.

1.3 Valuation Standards

Purpose of This Report and Intended Use:

The purpose of the valuation is determined based on the client's statement during the scope of work definition at the time of engagement, as the purpose directly influences the basis of value.

Valuation Purpose: **Financial Reporting**

Intended Use: **(Preparation of Financial Statements for the Mid-Year 2025 Budget)**

Basis of Value:

Based on the valuation purpose, the applicable basis of value for this report is: **(Fair Value)**

Fair Value is defined 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, in accordance with IFRS (International Financial Reporting Standards).

Valuation Premise / Assumed Use:

The valuation premise refers to the assumed circumstances under which the subject asset is utilized. Different valuation bases may require or allow for various assumptions regarding use.

The valuation premise adopted is: **Current Use**

Valuation Approaches and Methods Used:

There are three primary approaches in real estate valuation, grounded in economic principles of price equilibrium, expected benefits, and substitution:

- Market Approach (Comparative Method)
- Cost Approach (Depreciation Method)
- Income Approach (Investment Method, Discounted Cash Flow Method, Profit Method)
- Residual Method: A hybrid of the Market, Income, and Cost approaches.

Each of these approaches includes specific and detailed methods of application.

The choice of approach depends on what is most appropriate for the subject asset.

The following methods were applied in this report:

1. **Income Approach — Discounted Cash Flow Method (DCF)**
2. **Cost Approach — Depreciation Method**

Date of Inspection:

The property inspection date refers to the field visit conducted as part of the valuation process. The inspection was carried out on: **(03/07/2025)**

Date of Valuation:

The valuation date is the effective date of the valuer's opinion. The opinion was formed on: **(30/06/2025)**

Report Date:

The report date is the date the valuation report was issued. The report was issued on: **(30/07/2025)**

Type of Report:

As agreed with the client within the scope of work, the type of report to be delivered was determined as: **(Detailed Narrative)**

1.3 Valuation Standards

Use of the Income Approach as the Primary Method:

The valuation relied on actual financial statements provided by the client, specific to the subject property.

The property is a commercial hospital rented with long term lease contract.

Revenue and expense figures were reviewed for reasonableness in comparison to market data, and no material discrepancies were identified.

Assumptions for Future Cash Flows:

A cash flow model was developed based on the property's different uses, assuming full income generation begins in the second year.

Since the owner does not bear any operating or maintenance costs under the contract, the expected income has been considered as is without deducting any expenses.

No additional assumptions regarding occupancy rates or market changes were made, as the valuation is based on guaranteed and contractually fixed income.

Discount and Capitalization Rates:

The discount rate and capitalization rate used reflect the risks associated with the property type, its location, and rental profile, and were derived from market data available as of the valuation date.

The property's location and the local market in the Emirate of Sharjah were also taken into consideration when selecting the appropriate rate.

General Assumptions:

It was assumed that the tenant will comply with all the terms of the contract until its expiration without any interruption.

The property was considered free of any legal or technical defects that could affect the continuity of the returns.

The market or cost approaches were not used, as the valuation relied entirely on the income approach based on a documented lease agreement that includes a specified growth.



1.4 Property Under Valuation

1.4.1 Description of Property Ownership Information

Ownership Information

Deed Information				Boundaries and Dimensions			
Issuing Notary	-	Tenure	Freehold	North	12.20m wide street	Length	98.31
Deed No.	2936	Deed Date	02/07/1443	South	12.20m wide street	Length	97.77
Subdivision Parcel Number	30	Subdivisionplan ID	1343	East	12.20m wide street	Length	61.81
Location on Google Maps	Location			West	36.60m wide street	Length	61.28
Building Permit Information				Land Area		6,033.2m ²	
Permit Number	2013 / 381	Issuance Date	1438/02/17	Total Built-Up Area		- m ²	
Permit Category	-	Building Regulation	-	Property Specifications		The property is a hospital	



A Photo Demonstrating the Boundaries of Property



1.4 | Property Under Valuation

1.4.2 Description of Property Information

Property Information

Item	Property Description
Property Category	Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Office <input type="checkbox"/> Hospitality <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: Multi-use <input checked="" type="checkbox"/>
Occupancy Status	Vacant <input type="checkbox"/> Occupied <input checked="" type="checkbox"/>
Building Use	Compliant with Permit and Zoning Regulations <input checked="" type="checkbox"/> Non-Compliant with Permit and Zoning Regulations <input type="checkbox"/>
Type of Construction	Reinforced Concrete <input checked="" type="checkbox"/> Load-Bearing Walls <input type="checkbox"/> Steel Structure <input type="checkbox"/> Other <input type="checkbox"/>
General Condition of the Property	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Requires Maintenance <input type="checkbox"/> Dilapidated <input type="checkbox"/>
Available Utilities in the Area	Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Telephone Line <input checked="" type="checkbox"/> Sewage <input checked="" type="checkbox"/>



1.5 Valuation Methodology

1.5.1 Valuation Approach Used

1.5.1.2 Income Approach:

The Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of the asset is determined based on the income and cash flows it generates or the costs it saves.

This approach should be applied and given priority when valuing properties capable of generating income, as such income is considered the primary factor influencing the property's value.

1.5.1.2.1 Income Approach Methods:

There are three main methods under the Income Approach:

- Investment Method
- Discounted Cash Flow (DCF) Method
- Profit Method

Although there are various ways to apply the Income Approach, the methods used generally rely heavily on discounting future cash flows to their present value.

1.5.1.2.2 Assumptions of the Discounted Cash Flow (DCF) Method:

To begin calculating the property's cash flows, the following assumptions must be established:

- Total Property Income: Determined either from the financial statements provided by the client or by estimating market-based income. The total net income was set at (SAR 7,843,383), as provided by the client.
- Vacancy and Credit Loss Rate: Estimated at (0%).
- Operating Expenses: Operating expenses were estimated at 0% of total income.
- Cash Flow Forecast Period: The forecast period was set at 16 years.
- Discount Rate: The discount rate was set at 8.47%.
- Growth Rate: The annual growth rate was set at 1.47%.
- Capitalization Rate: The cap rate was set at 7.00%.

1.5.1.2.3 Sources and Methodology for Deriving the Rates:

There are several models for deriving the discount rate. In this case, the build-up model was used, which is based on prevailing or inferred market rates, and the following formula was applied:

$$DR\% = \text{Free cap rate} + \text{Risk markets} + \text{Inflation Rate} + \text{Risk property}$$

Capitalization Rate: There are several methods for deriving the capitalization rate. In this case, the capitalization rate adjustment method was used, applying the following formula:

$$\text{Cap Rate} = DC - G$$

The following table illustrates this:

Discount Rate Using the Build-Up Method		
Rates	%	Source
Risk-Free Rate	4.93%	Market - risk - premia
Market Risk Premium	2.95%	Market - risk - premia
Subject Property Risk Premium	0.59%	AS valuar
Discount Rate	8.47%	
Growth Rate	1.47%	Saudi Center Bank
Exit Capitalization Rate	7.00%	

Chapter 2

Geographical and Influencing Factors

- 2.1 Overview of the Property at the City Level
- 2.2 Search Scope and Influencing Factors
- 2.3 Location Market Analysis
- 2.4 Property Photos



2.1 Overview of the Property’s Area at the City Level

Description of the Property at the City Level	
Overview of Sharjah City	<p>Riyadh is the capital of the Kingdom of Saudi Arabia, located in the eastern part of the Najd Plateau. It is the largest city in the Kingdom, covering an area of approximately 1,435 square kilometers, and is considered one of the fastest-growing cities in terms of urban expansion. The city has an estimated population of around 5.25 million people.</p> <p>Riyadh lies on a sedimentary plateau at an elevation of about 600 meters above sea level, in the eastern region of the Arabian Peninsula. The city includes various environmental formations, with a topography that varies between hills and valleys. Among the most notable geological formations are the mountainous formations made of limestone in the western part of the city, the Aruma Formation composed of calcareous rocks, breccia, and limestone extending from the northwest to the southeast.</p>



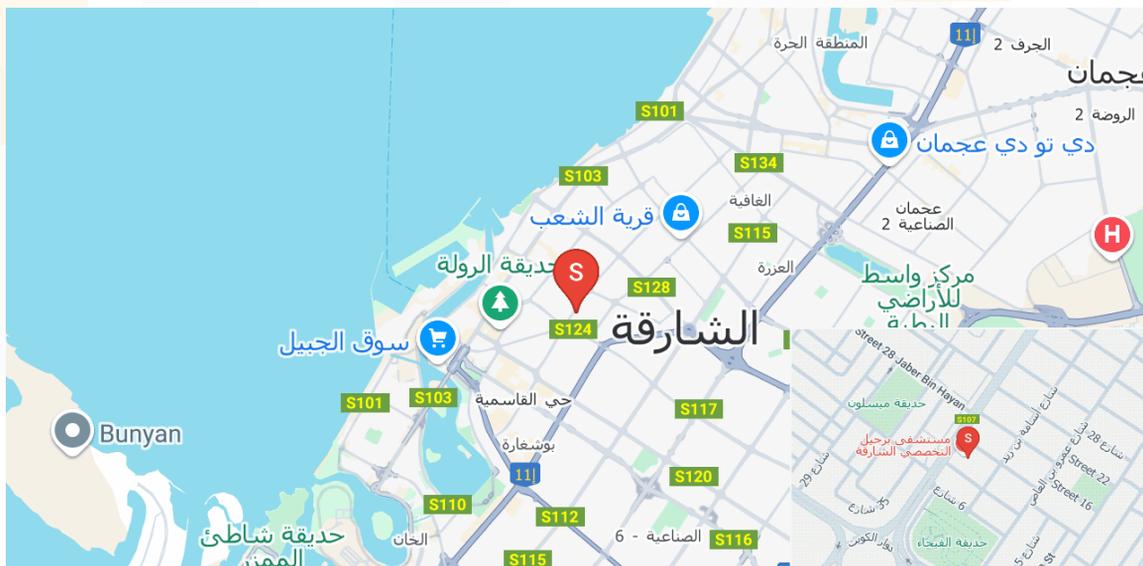
Property Location

A Map Demonstrating the Property Boundaries at the City Level

The Property’s Proximity to Attraction Point			
Attraction Point	Distance	Attraction Point	Distance
City Center	2 Km	Facilities and Services	0 Km
Regional Roads	6 Km	Airport	13 Km

2.2 Search Scope and Influencing Factors

Search Scope and Influencing Factors on the Property	
District Overview	<p>Al-Sharq neighborhood in the Emirate of Sharjah is considered one of the vibrant and distinctive areas in the heart of the city. It is characterized by its strategic location near a number of government institutions, service and educational centers, as well as its proximity to main roads such as Al-Wahda Street and Al-Oruba Street, making it an important connecting point between downtown Sharjah and its other vital districts. The neighborhood includes a mix of medium-density residential buildings, villas, and modern complexes. It is known for its relative calm and good urban planning. Green spaces and public parks are widespread, providing a comfortable atmosphere for families. Additionally, there are various restaurants, cafes, and shops that meet the daily needs of residents.</p>
Advantages	<p>Al-Sharq neighborhood enjoys a strategic location close to the Sharjah Corniche and cultural attractions such as the Sharjah Art Museum and the historic Al Shanasiyah Market, which facilitates easy mobility and quick access to other parts of the city.</p> <p>The neighborhood also offers comprehensive services including schools, hospitals, and markets, in addition to government facilities and community centers, reflecting the area's sophistication and high level of services. This enhances its appeal for both living and investment within a developed and stable urban environment.</p>
Disadvantages	<ul style="list-style-type: none"> No disadvantages have been observed in the area surrounding the subject property.
Variables	<p>As of the date of the investigation, no significant changes or developments have been recorded in the vicinity of the property under valuation.</p>
Real Estate Transfer Tax	<ul style="list-style-type: none"> %5

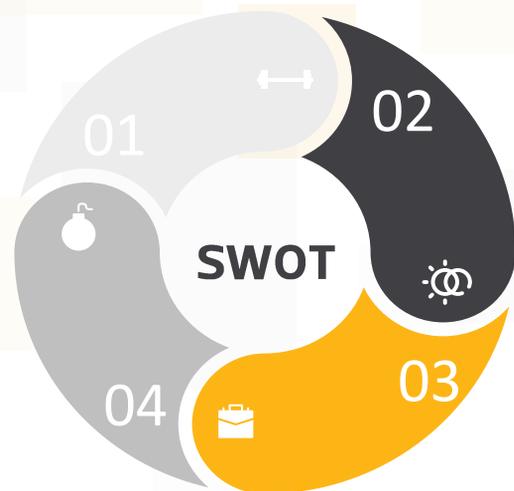


2.3 Market Analysis “Location”

At this stage, the optimal project use for the property under valuation is identified

1. Strengths:

- Burjeel Hospital is strategically located in the Al Sharq neighborhood of the Emirate of Sharjah, on a major and vibrant commercial street near Al Oruba Street and King Abdulaziz Street. This contributes to easy access from various areas of Sharjah and neighboring emirates such as Dubai and Ajman, making it a prominent medical center in the region.
- The hospital features two distinctive facades overlooking main streets, which enhances its visibility and facilitates access for visitors and patients.
- The building has modern and contemporary exterior and interior designs, which serve as a strong attraction for tenants.
- It is equipped with advanced security systems, including surveillance cameras, alarm systems, and 24/7 on-site security.
- The availability of parking spaces enhances convenience for employees and visitors.
- The building undergoes regular maintenance, which helps preserve its physical integrity and prevents technical issues.



2. Weaknesses:

- Fluctuations in the real estate market may impact occupancy rates and rental prices.
- High operating and maintenance costs could become a burden if occupancy rates decline.
- There is a constant need to upgrade internal services and amenities to maintain the project’s competitiveness.

3. Opportunities:

- Burjeel Hospital in Sharjah is located close to vital areas such as Sharjah International Airport (about 15 Km) and downtown Sharjah (about 7 Km), making it an attractive point for patients, visitors, and medical companies.
- There is high demand for healthcare and medical services in the area due to population growth and increased economic and industrial activities in Sharjah.
- There is potential for collaboration with medical centers, laboratories, and well-known healthcare brands to enhance service quality and increase patient flow.
- The hospital is situated within upscale and developed neighborhoods, which boosts its reputation and increases the confidence of its clients.
- Government investments are growing in improving Riyadh’s infrastructure, which increases the site’s attractiveness for commercial and residential real estate.
- The project’s proximity to embassy zones and government facilities increases demand for commercial offices and luxury housing.

4. Threats:

- High competition from newly developed projects in the area may impact occupancy and return rates.
- Regulatory or legislative changes could affect the project’s investment feasibility.
- Economic volatility and interest rate fluctuations may delay investment decisions by potential clients.
- The emergence of competitors offering advanced complementary services, such as smart buildings and modern technologies, may attract clients away from the project.



2.4 | Property Photos



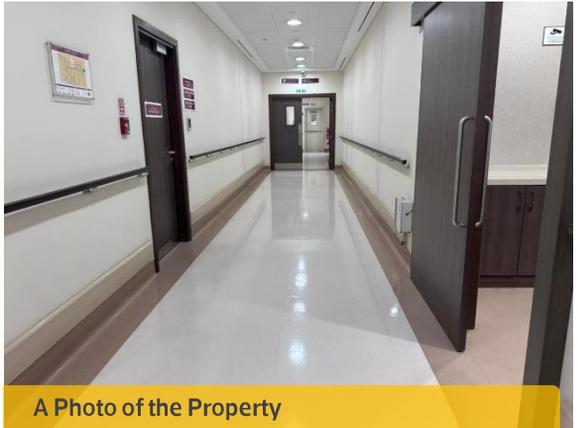
A Photo of the Property



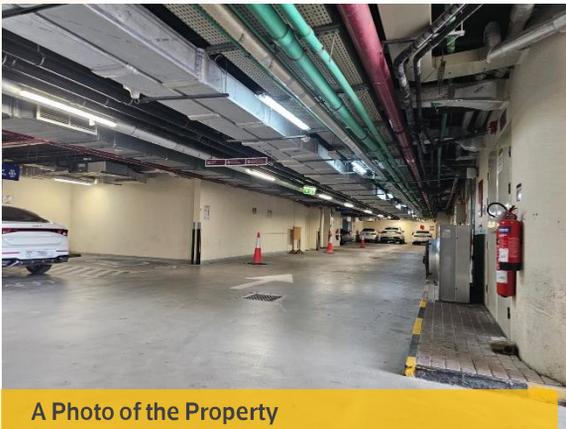
A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property



A Photo of the Property

Chapter 3

Valuation

3. Valuation Approaches

3.1 Valuation

3.2 Preliminary Findings

3.3 Final Value

3.4 Validity of the Report and Clarification

3.1 Valuation

3.1.3 Income Approach – Discounted Cash Flow Method (DCF)

3.1.3.3 (Assumptions for Cash Flow Forecasts)

Project Period	16 Years
Discount Rate	8.47%
Exit Capitalization Rate	7.00%

3.1.3.4 Cash Flow Table

Property Income																
Rate Increase %	0.00%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041
Completion Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	200%	300%	400%	500%
Total Net Income	8,168,800	8,679,350	8,679,350	8,679,350	8,679,350	8,679,350	9,189,900	9,189,900	9,189,900	9,189,900	9,189,900	9,700,450	9,700,450	9,700,450	9,700,450	9,700,450
Terminal Value																138,577,857
Total	8,168,800	8,679,350	8,679,350	8,679,350	8,679,350	8,679,350	9,189,900	9,189,900	9,189,900	9,189,900	9,189,900	9,700,450	9,700,450	9,700,450	148,278,307	
Annual Discount Factor	0.96	0.89	0.82	0.75	0.69	0.64	0.59	0.54	0.50	0.46	0.43	0.39	0.36	0.33	0.31	
Present Value	7,843,383	7,682,857	7,082,932	6,529,854	6,019,963	5,549,888	5,417,490	4,994,459	4,604,461	4,244,917	3,913,448	3,808,299	3,510,924	3,236,769	45,612,916	

3.1.3.5 Cash Flow Results (Income-Based Property Value)

KPI's	Project
NPV at Discount Rate – 8.47%	120,052,560.62
Property Value	120,053,000.00

3.2 Preliminary Value Results

KPI's	Project
NPV at Discount Rate - 8.47%	120,052,560.62
Property Value	120,053,000.00

3.3 Final Fair Value of the Property

Final Value Opinion	
Valuer Opinion	120,053,000
Currency	Saudi Riyal
Valuers Opinion (Written)	Only one hundred twenty million and fifty-three thousand Saudi Riyal

3.4 Validity of Review and Clarification

The fair value of the property was determined by applying internationally recognized methodologies and approaches approved by the Saudi Authority for Accredited Valuers. Accordingly, this report has been issued.

Chapter 4

Appendices

4.1 Copies of Property Documents

4.1 | A Copy of the Building Permit



الإمارات العربية المتحدة - حكومة الشارقة
بلدية مدينة الشارقة
United Arab Emirates - Sharjah Government
SHARJAH CITY MUNICIPALITY
الإدارة الهندسية Engineering Department



إجازة بناء Building Permit

رقم اجازة البناء:	2013 / 381	
التاريخ:	2016-11-17	إضافة

	<p>نوع البناء : مسلح</p> <p>المالك : 1 - البيان للعقارات</p> <p>المقاول : 123782 - الاتهام لمقاولات البناء - ذ.م.م.</p> <p>الاستشاري : 725643 - رواد التصميم لاستشارات الهندسية ذ.م.م.</p> <p>المنطقة : 3029 - الفيحاء/الشارقة</p> <p>منحة رقم : 5</p> <p>ملك رقم : 853</p> <p>وصف البناء المراد تشييده :</p> <p>استعمال البناء : 2 تجاري</p> <p>نوع البناء : 26 مبنى متعدد الطوابق</p> <p>عدد الطوابق : 3 طو ابق</p> <p>تفاصيل البناء : مستشفى طابق (سرداب+ارضى+اول)</p>
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ملاحظات :

- يوجد ترخيص مسبق.
- يوجد دفتر للواصفات والتنظييات الداخلية والخارجية معتمد من البلدية برقم 2016/5986.
- تاريخ توصيل الكهرباء المعدد من قبل هيئة كهرباء ومياه الشارقة: 2017/02.
- تم تعديل الاستعمال من مركز تجاري الى مستشفى .

*مراجعة التعليمات والشروط خلف المستند
* في حالة اسناد بعض الاعمال التكميلية لمقاولي الباطن يجب التأكد من اجازتهم من البلدية ويتحمل المبالغ كافة التبعات القانونية

رقم الايصال	تاريخ الايصال	القيمة	
900210245	2016-09-18	60333 درهم	تم استيفاء رسوم اجازة البناء البالغ قدرها
304597	2016-11-09	7000 درهم	تم استيفاء رسوم التأمين البناء البالغ قدرها
		4704120 درهم	قيمة العقد أربعة ملايين وسبعمئة وأربعة آلاف ومائة وعشرون درهماً لا غير

 <p>مختبر عمدة البلدية</p>	 <p>محاسب البلدية</p>	 <p>رئيس القسم</p>
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End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com



Qima Registration Number

بوابة الخدمات الالكترونية

1450445	رقم التقرير:
شركة متر مربع للتقييم العقاري	منشأه التقييم:
شركة اصول وبخيت الإستثمارية	العميل:
أغراض محاسبية	الغرض من التقييم:
15	عدد الأصول:
تقرير مفصل	نوع التقرير:
Wed 30 Jul, 2025	تاريخ إصدار التقرير:



للتحقق من صحة شهادة
التسجيل:





Square Meter ²
متر مربع
للمتري

End of Report

Square Meter for Real Estate Evaluation

Saudi Professional Company C.O.C 11000184 - Real Estate

Branch C.R. No. 4030467812. Valid Until (31/12/2025).

Jeddah, Kingdom of Saudi Arabia.

E-mail: EV@square-meters.com

