

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

**Al Jadah Commercial Hotel Property**



## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Al-Jadah Commercial Hotel Property Evaluation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Qurtubah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Al-Jadah Commercial Hotel property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **for an amount of only (379,239,000) Three hundred and seventy-nine million, two hundred and thirty-nine thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




Valuation report filing code

At the Saudi Authority for Accredited Valuers

# قيـم للتقـيـم

## QIAM VALUATION

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- **The specific assumptions and limitations of the report**



## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"> <li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li> <li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li> <li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li> </ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Commercial hotel property (Al Jadah )   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 11/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

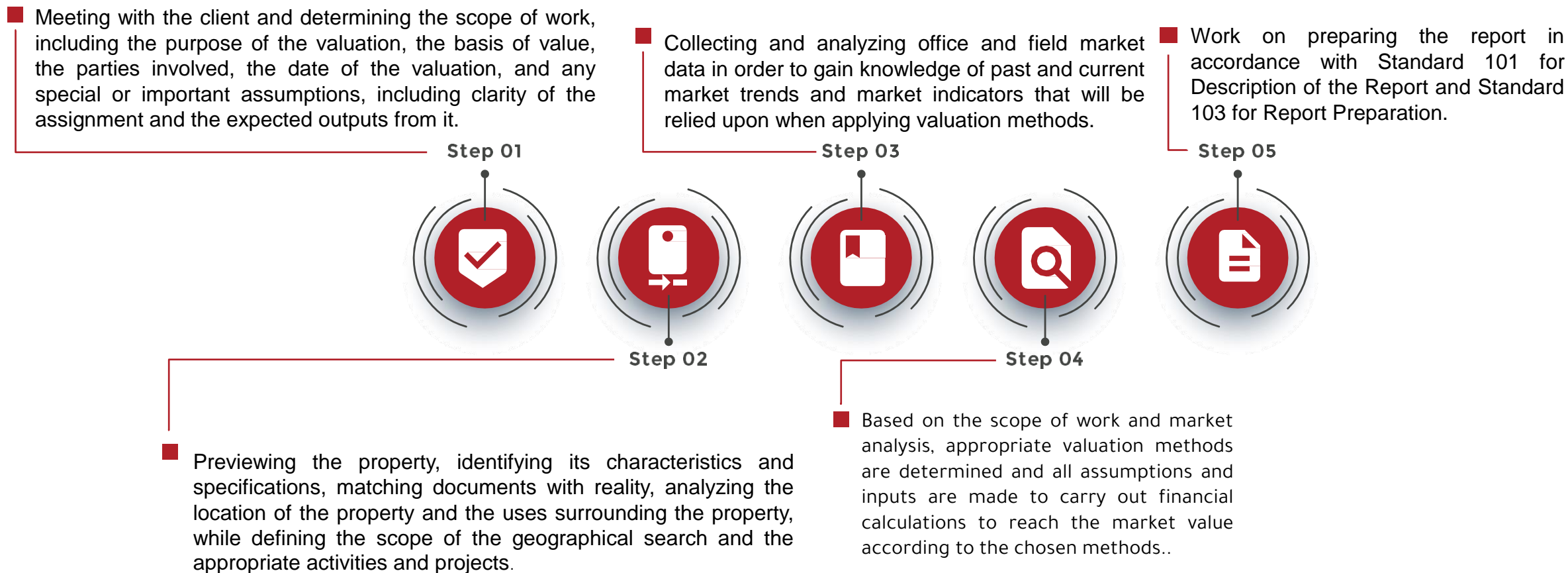
### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages



## Standard 102: Compliance with Standards and Research and Inquiry

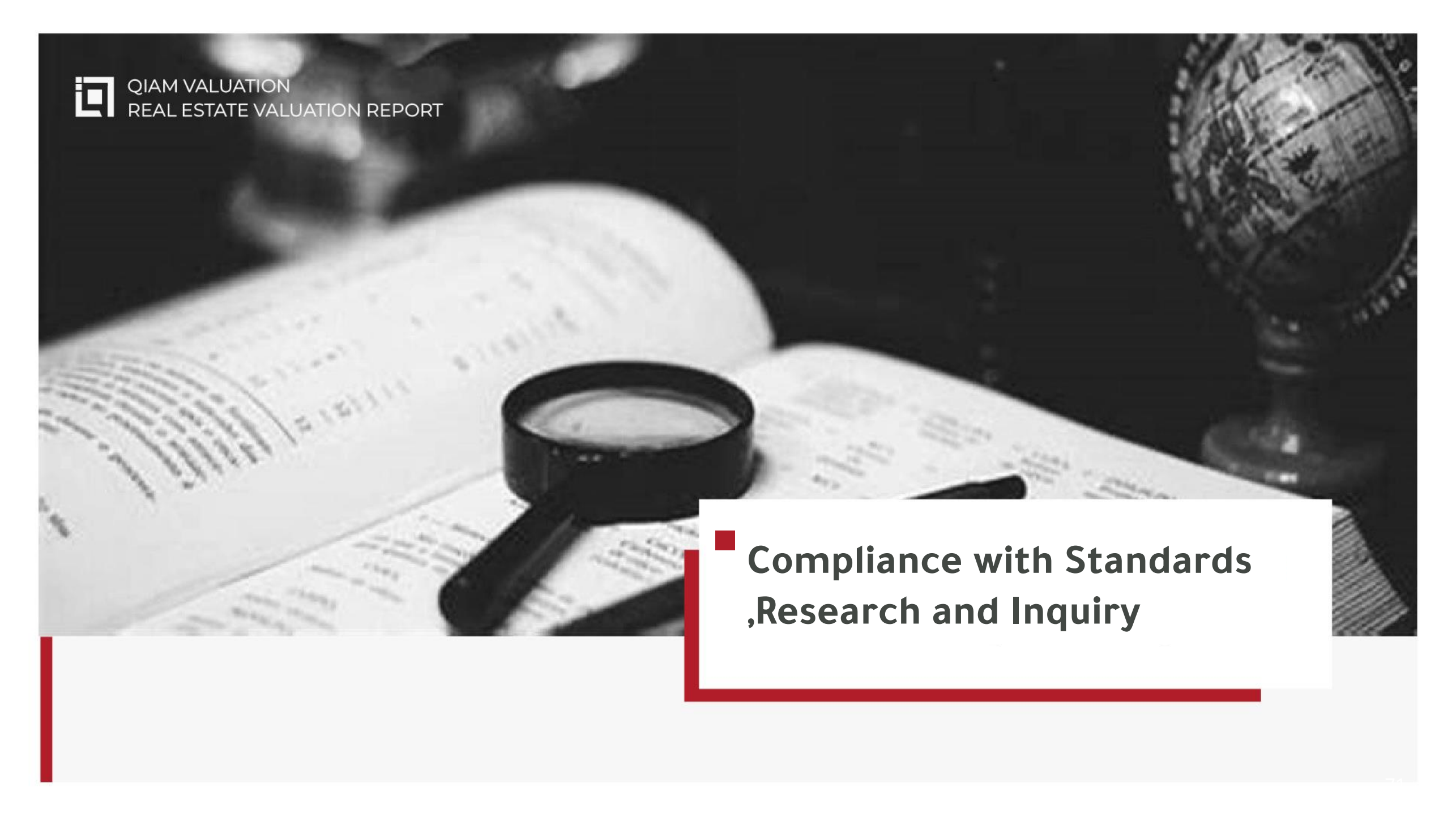
This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |





## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.



## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in Riyadh city**

## Social, service and real estate indicators - Riyadh City - 2023 AD

### Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

### Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m² | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|





## ■ Site studies

## Property Risk Analysis

### Strength point:

- The location is close to King Khalid International Airport and the SAR train station.
- The main axial roads linked to the property's location and connecting it to parts of Riyadh (**Al-Thumama Road, Airport Road**).
- The noticeable urban expansion north and east of Riyadh with the growing economic and population power surrounding the property.

### Weak points:

- Business areas are heading north and west of Riyadh.
- Continuous traffic disruption on Al-Thumama Road.

### Opportunities:

- Benefit from the proximity of the property to event centers.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market's needs.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.



## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 381912000111 | 23/11/1444 AH | Absolute ownership |
|                                   | 781912000112 | 23/11/1444 AH | Absolute ownership |
|                                   | 798507018272 | 13/07/1443 AH | Absolute ownership |
|                                   | 998507018273 | 13/07/1443 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District   | Plot number   | Plan number | Land area             |
|-------------------|---------------|-------------|-----------------------|
| Riyadh - Qurtubah | 1 - 2 - 4 - 6 | 3115        | 21670.9 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 46m wide street      | 307,02        | 20m wide street | 303,34        | 28m wide street | 46,5          | 20m wide street | 60,35         |

### Assumptions regarding ownership of the property

**There are two mortgaged deeds in favor of Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is a good and valid title free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property value may be affected.**

Real estate data and Services available in the real estate area

| Real Estate Data  |                       |                |                                   |
|---|-----------------------|----------------|-----------------------------------|
| City  | Riyadh                | Neighborhood   | Qurtubah                          |
| Street  | Al Thumama Road       | Property type  | Commercial hotel building         |
| No. land plan   | 3115                  | Plot number    | 1-2-4-6                           |
| Land Area   | 21670.9 square meters | Built-up area  | 33102.39 square meters            |
| Services and facilities available in the real estate area |                       |                |                                   |
| Electricity network                                       | Telephone network     | Water network  | Sewerage network                  |
| ✓   | ✓                     | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                | Dispensary     | Garden                            |
| ✓   | ✓                     | ✓              | ✓                                 |
| Public markets  | Civil defense         | Police station | Hospital                          |
| ✓   | ✓                     | ✓              | ✓                                 |
| Hotels  | Petrol station        | Schools        | Governmental services and centers |
| ✓   | ✓                     | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located to the west of Riyadh in the Qurtubah district on Al-Thumama Road with easy access to the airport road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | East of the city  |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Residential - Commercial - Hotel  |
|                                 | Building ratio - number of floors       | Ground floor + first floor building Factor 1.2  |
| Economic factors                | Supply and demand                       | High  |
|                                 | Land prices                             | High  |
| Legal factors                   | Deficit and trespassing on the property | N,A.  |

Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(3)** years based on the **(Building permit)**.
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Commercial hotel building)**. Detailed as below:

| Building components |                         |           |                         |
|---------------------|-------------------------|-----------|-------------------------|
| #                   | Floor                   | Area (m2) | Use                     |
| 1                   | Basement                | 3911,61   | Entertainment - Parking |
| 2                   | First floor             | 4958,50   | 42 Hotel Units          |
| 3                   | Ground floor            | 4790,37   | 42 Hotel Units          |
| 4                   | Second basement         | 9376,60   | Entertainment - Parking |
| 5                   | Commercial ground floor | 3018,90   | 1 Trade Show            |
| 6                   | Commercial First floor  | 1293.33   | Exhibitions             |
| 7                   | First floor             | 1009,30   | Restaurant              |
| 8                   | Office First floor      | 1087,60   | Offices                 |
| 9                   | Upper extensions        | 1439,75   | 20 Hotel Units          |
| 10                  | Upper extensions        | 839,98    | Offices                 |
| 11                  | Ground floor            | 1009,30   | Restaurant              |
| 12                  | Fences                  | 370,75    | Services                |

## Property Description

## INTERIOR FINISHES

|                             |  |               |                    |
|-----------------------------|--|---------------|--------------------|
| Doors                       | Ceiling                                | Wall Cladding | Floors             |
| Electric Securit Glass      | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

## EXTERIOR FINISHES

| Facades                                   | Facilities        | Doors                  | Floors           |
|---|-------------------|------------------------|------------------|
| Glass - Marble - Anti-environmental paint | Cosmetic implants | Electric Securit Glass | Marble - Granite |

## Electromechanical and air conditioning systems

|                  |             |                               |                            |                                |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
| Central          | 5 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems   |
|------------|--------------------|--|--|
| N.A.       | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras - inspection devices - control and monitoring room |



## Property location

Property is located in: **Riyadh**

Neighborhood: **Qurtubah**

Street: **Al Thumama Road**

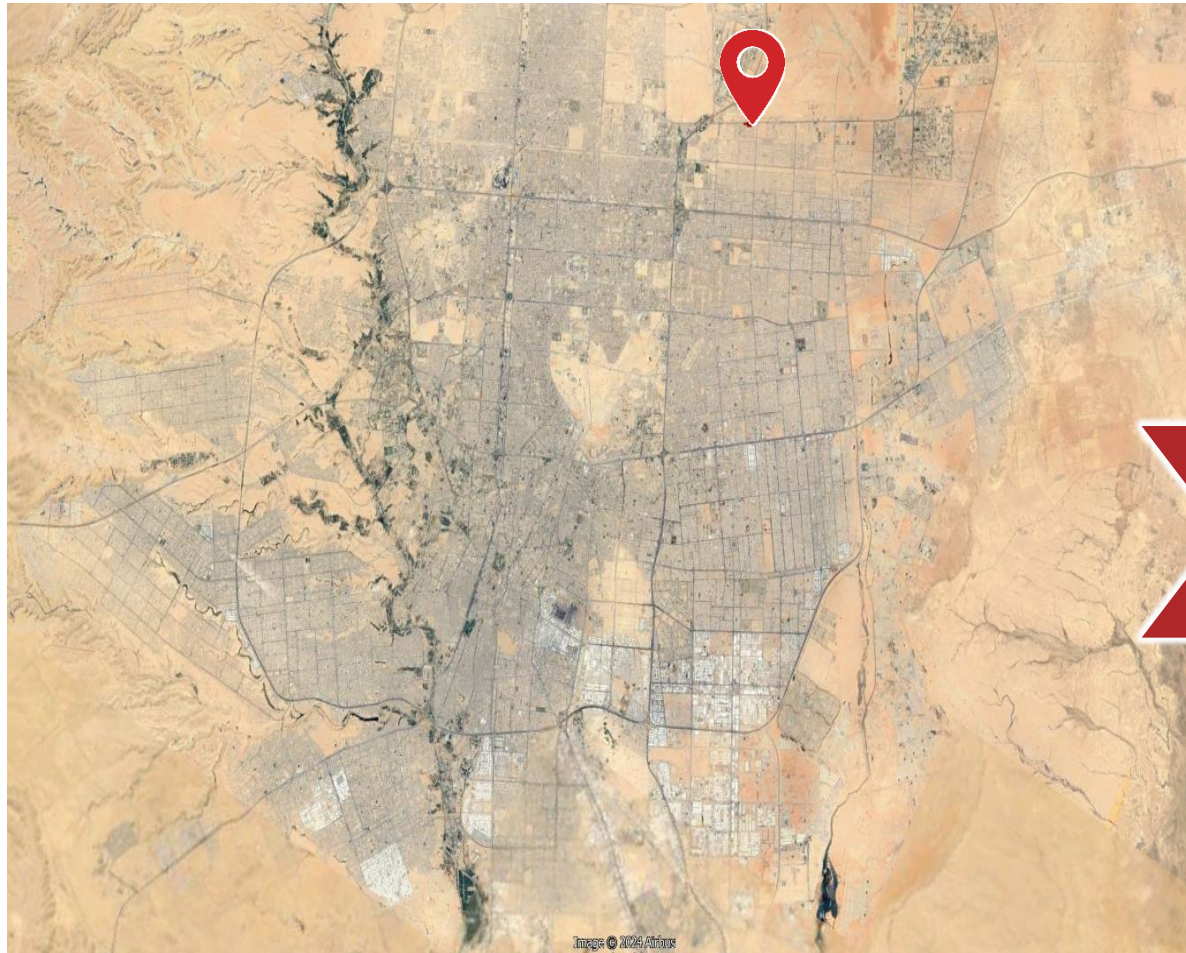
Location coordinates

N :

24.835668

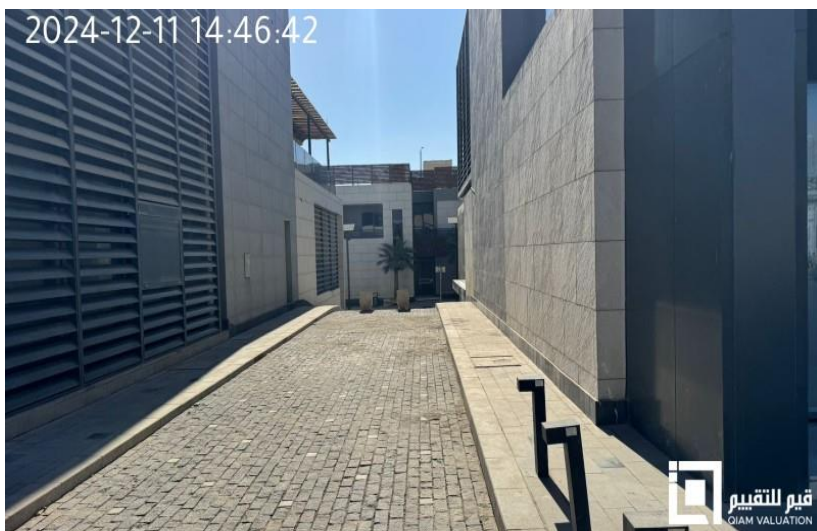
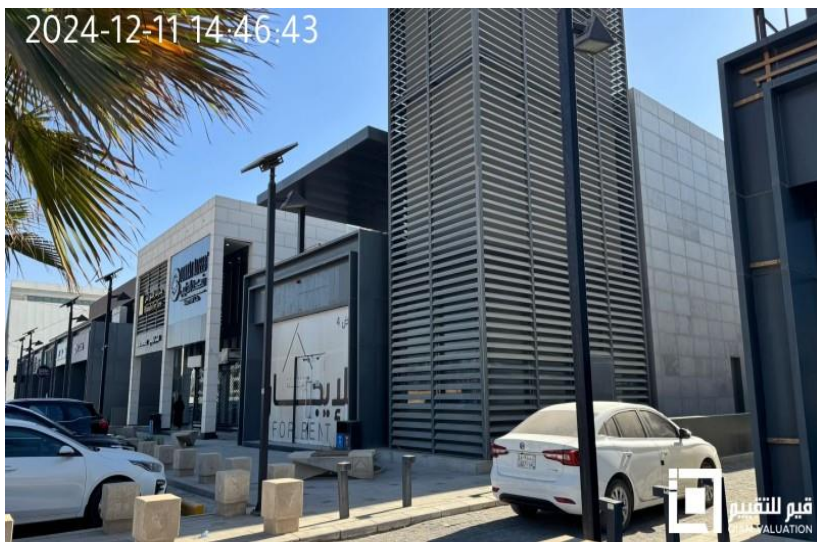
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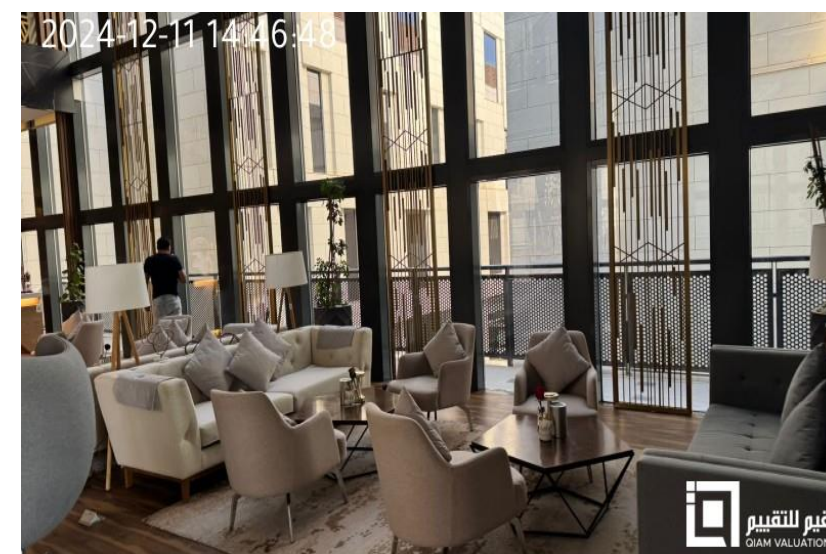
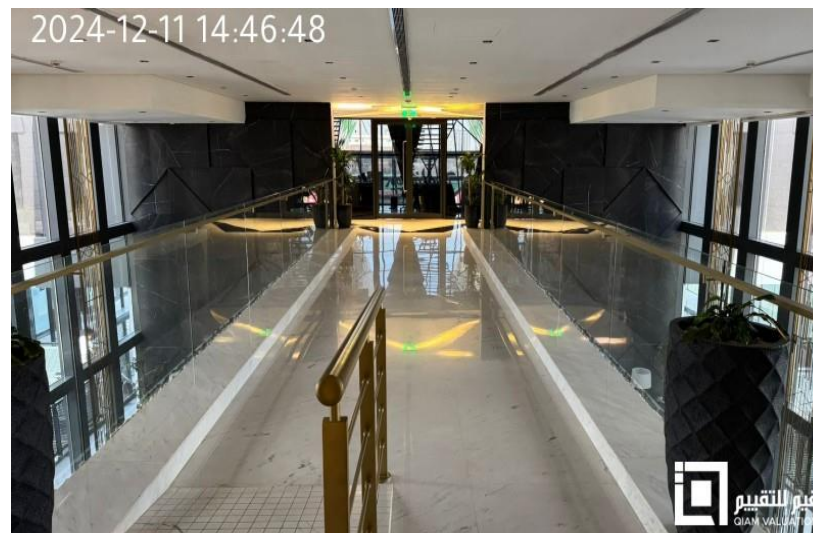
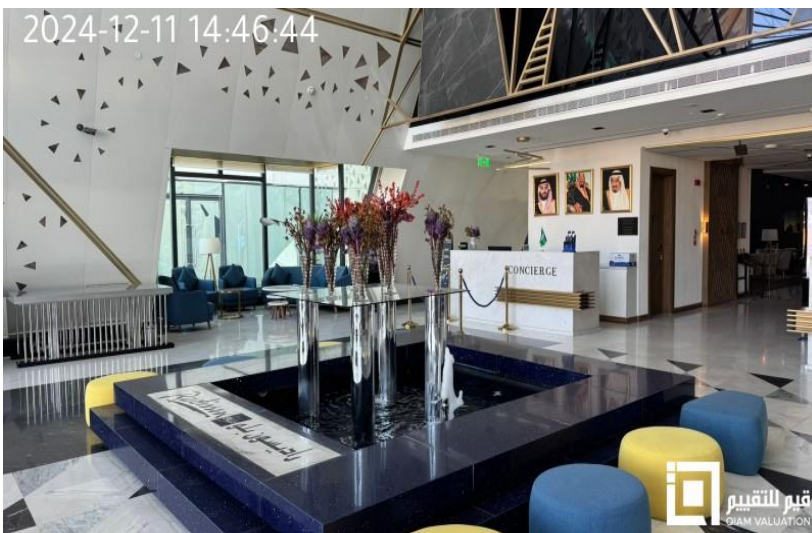


## Photographic survey of the Property





## Photographic survey of the Property







Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.



Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                 |            |
|---|--------------------------|--------------------------|------------|-----------------|------------|
| Clause  |                          | Comparative real estates |            |                 |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2    |            |
|   |                          | Value                    | Adjustment | Value           | Adjustment |
| Price per square meter  | ***                      | 7,000                    |            | 8,000           |            |
| Condition   | ***                      | Available offer          |            | Available offer |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024            |            |
| Market Condition  | ***                      | -5.00%                   | - 350      | -5.00%          | - 400      |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%           | -          |
| Market conditions value   | ***                      | (350.00)                 |            | (400.00)        |            |
| Value after initial settlements   | ***                      |                          | 6,650      |                 | 7,600      |
| Land area (m²)  | 21670.9                  | 10,000                   | -5%        | 3,420           | -12%       |
| Ease of access  | High                     | High                     | 0%         | High            | 0%         |
| Property location   | High                     | Average                  | 10%        | High            | 0%         |
| Land shape  | Flat                     | Flat                     | 0%         | Flat            | 0%         |
| Land topography   | Regular                  | Regular                  | 0%         | Regular         | 0%         |
| Land use  | Commercial               | Commercial               | 0%         | Commercial      | 0%         |
| Surrounding streets   | 4                        | 4                        | 0%         | 3               | 5%         |
| Total   |                          | 5.00%                    |            | -7.00%          |            |
| Adjustment value per square meter   |                          | 333                      |            | 532-            |            |
| Final meter value after Adjustments   |                          | 6,983                    |            | 7,068           |            |
| Net average value per square meter (SAR / m²)   |                          | 7,025                    |            |                 |            |
| Market value of the land (SAR / m²)   |                          | 152,243,490              |            |                 |            |

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs) |                  |          |                    |
|--|------------------|----------|--------------------|
| Clause                                   | Built up area m2 | SAR / m2 | Value (SAR)        |
| Basement                                 | 13,288.21        | 2,200    | 29,234,062         |
| Buildings - Hotel                        | 11,188.62        | 5,000    | 55,943,100         |
| Buildings - Commercial                   | 6,330.83         | 2,200    | 13,927,826         |
| Buildings - Office                       | 1,927.58         | 2,200    | 4,240,676          |
| Fence                                    | 371              | 600      |                    |
| <b>Total (SAR)</b>                       | <b>33,106</b>    |          | <b>103,568,054</b> |
| Second: Other costs (indirect)           |                  |          |                    |
| Professional fees                        | 2%               |          | 2,071,361          |
| Utilities Network                        | 2%               |          | 2,071,361          |
| Administration costs                     | 2%               |          | 2,071,361          |
| Financing costs (0 years / 0%)           | 0%               |          | -                  |
| Developer's profitability                | 15%              |          | 15,535,208         |
| <b>Total (SAR)</b>                       |                  |          | <b>21,749,291</b>  |
| <b>Total cost of buildings (SAR)</b>     |                  |          | <b>125,317,345</b> |

| Third: Depreciation cost  |      |                    |
|---|------|--------------------|
| Life span of the property (year)  | Year | 50                 |
| The current age of the property (year)  | Year | 3                  |
| Remaining life of the property (year)   | Year | 47                 |
| Depreciation rate   | %    | 6                  |
| Depreciation value  | SAR  | 7,519,041          |
| <b>Final value of the building (SAR)</b>  |      | <b>117,798,305</b> |
| Fourth: Value of the property according to the Cost Approach                            |      |                    |
| <b>Final value of the land (SAR)</b>  |      | <b>152,243,490</b> |
| <b>Final value of buildings (SAR)</b>   |      | <b>117,798,305</b> |
| <b>Market value of the property according to the Cost Approach (SAR)</b>                |      | <b>270,041,795</b> |
| <b>Market value of the property according to the Cost Approach after rounding (SAR)</b> |      | <b>270,042,000</b> |



## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

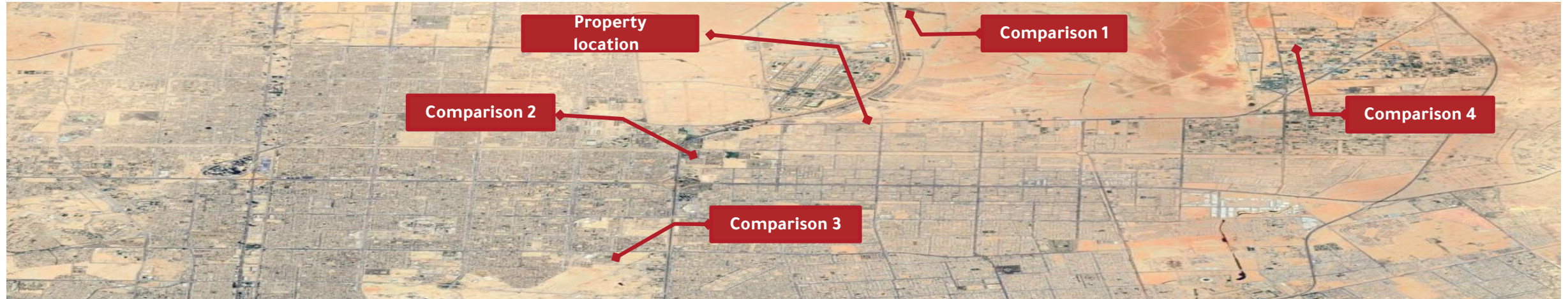
**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

## Market Survey Data Analysis - Hotel



### Similar Comparisons - Market Survey - Hotel Rooms

| Comparison factors        | Comparison 1                          | Comparison 2          | Results - Property under valuation  |
|---------------------------|---------------------------------------|-----------------------|-------------------------------------|
| Hotel                     | Holiday Inn Riyadh Business Districts | Fairmont Riyadh Hotel | Radisson Blu Hotel, Riyadh Qurtubah |
| Classification / Stars    | 5                                     | 5                     | 5                                   |
| Average Nightly Room Rate | 750                                   | 1350                  | 1050                                |
| Annual Expense Rate       | %40                                   | %45                   | %43                                 |
| Annual Occupancy Rate     | %65                                   | %70                   | %68                                 |

### Similar Comparisons - Market Survey - Hotel Villas

| Comparison factors                | Comparison3                 | Comparison 4            | Results - Property under valuation  |
|-----------------------------------|-----------------------------|-------------------------|-------------------------------------|
| Hotel                             | Vittori Palace Hotel Riyadh | Arjan Park Hotel Villas | Radisson Blu Hotel, Riyadh Qurtubah |
| Classification / Stars            | 5                           | 5                       | 5                                   |
| Average nightly price for a villa | 2400                        | 3650                    | 3025                                |
| Annual Expense Rate               | %40                         | %35                     | %38                                 |
| Annual Occupancy Rate             | %50                         | %50                     | %50                                 |



## Market Survey Data Analysis - Office



| Estimating the value of the rental meter - Administrative offices - According to the Market Approach - Comparison method |                          |                          |            |                 |            |
|--|--------------------------|--------------------------|------------|-----------------|------------|
| Clause   |                          | Comparative real estates |            |                 |            |
| Adjustments factors  | Property under valuation | Comparison 1             |            | Comparison 2    |            |
|  |                          | Value                    | Adjustment | Value           | Adjustment |
| Rental price per square meter  | ***                      | 1,100                    |            | 750             |            |
| Condition  | ***                      | Available offer          |            | Available offer |            |
| valuation/offer date   | 2024                     | 2024                     |            | 2024            |            |
| Market conditions  | ***                      | -10.00%                  | - 110      | -10.00%         | - 75       |
| Financing terms  | ***                      | 0.00%                    | -          | 0.00%           | -          |
| Market conditions value  | ***                      | (110.00)                 |            | (75.00)         |            |
| Value after initial settlements  | ***                      | 990                      |            | 675             |            |
| Area (m2)  | 800.00                   | 80                       | -10%       | 100             | -10%       |
| Ease of access   | High                     | High                     | 0%         | Average         | 0%         |
| Property location  | Average                  | High                     | -5%        | Low             | 5%         |
| Parking availability   | High                     | High                     | 5%         | Average         | 0%         |
| Design   | High                     | Average                  | 5%         | Average         | 5%         |
| Total  |                          | -5.00%                   |            | 0.00%           |            |
| Adjustment value per square meter  |                          | 50-                      |            | -               |            |
| Final meter value after Adjustments  |                          | 941                      |            | 675             |            |
| Net average value per square meter (SAR / m²)  |                          |                          | 808        |                 |            |
| Net average value per meter (SAR/meter) after rounding   |                          |                          | 800        |                 |            |



## Market Survey Data Analysis - Office



### Estimating the value of the rental meter - Administrative offices - According to the Market Approach - Comparison method

| Clause   | Comparative real estates |                 |            |                 |            |
|--|--------------------------|-----------------|------------|-----------------|------------|
|  |                          | Comparison 1    |            | Comparison 2    |            |
| Adjustments factors                                    | Property under valuation | Value           | Adjustment | Value           | Adjustment |
| Rental price per square meter                          | ***                      | 1,000           |            | 1,450           |            |
| Condition  | ***                      | Available offer |            | Available offer |            |
| valuation/offer date                                   | 2024                     | 2024            |            | 2024            |            |
| Market conditions                                      | ***                      | -5.00%          | - 50       | -5.00%          | - 73       |
| Financing terms  | ***                      | 0.00%           | -          | 0.00%           | -          |
| Market conditions value                                | ***                      | (50.00)         |            | (72.50)         |            |
| Value after initial settlements                        | ***                      | 950             |            | 1,378           |            |
| Area (m2)  | 164.00                   | 216             | 0%         | 200             | 0%         |
| Ease of access   | High                     | High            | 0%         | High            | 0%         |
| Property location                                      | High                     | High            | 0%         | High            | 0%         |
| Parking availability                                   | High                     | High            | 0%         | High            | 5%         |
| Design   | High                     | Average         | 10%        | Average         | 10%        |
| Total  |                          | 10.00%          |            | 15.00%          |            |
| Adjustment value per square meter                      |                          | 95              |            | 207             |            |
| Final meter value after Adjustments                    |                          | 1,045           |            | 1,584           |            |
| Net average value per square meter (SAR / m²)          |                          |                 |            | 1,315           |            |
| Net average value per meter (SAR/meter) after rounding |                          |                 |            | 1,300           |            |

## Analysis of income data for the property subject to valuation

| Hotel income analysis                |        |            |                            |               |
|--------------------------------------|--------|------------|----------------------------|---------------|
| Clause                               | Number | Daily rent | Number of days in the year | Total revenue |
| Hotel rooms                          | 104    | 1050       | 365                        | 39,858,000    |
| Hotel villas                         | 16     | 3025       | 365                        | 17,666,000    |
| Other revenues (halls - health club) | 5      | 4000       | 365                        | 7,300,000     |
| Total Annual Revenue                 |        |            |                            | 64,824,000    |
| Annual occupancy rate                |        |            |                            | %59           |
| Average annual expense ratio         |        |            |                            | %40           |

| Annual Rent - Al Jadah Complex Showrooms |  | Area (square meter) | Meter value | Value (SAR) |
|--|--|---------------------|-------------|-------------|
| Al Jadah 1                               | Bouga Catering Company                               | 769                 | 1,229       | 945,000     |
| Al Jadah 2                               | Khaled Mohammed Al-Mutairi Medical Company           | 604                 | 1312        | 792,550     |
| Al Jadah 3                               | Delicious Food Company                               | 611.5               | 1,313       | 802,594     |
| Al Jadah 4                               | Arab Pharmaceutical Company                          | 654                 | 1,014       | 653,350     |
| Al Jadah 5A                              | Sikkat Al-Tayeb Company                              | 322.1               | 1,512       | 487,015     |
| Al Jadah 5B                              | Brand Reduction Company (One Person Company)         | 291                 | 1,320       | 384,120     |
| Al Jadah 7                               | Al-Ajlan International Company                       | 167.94              | 1,350       | 226,720     |
| Al Jadah 8                               | Integrated Mobile Communications Company             | 167.71              | 1,723       | 288,900     |
| Al Jadah 9                               | Advanced Controls Company for Information Technology | 167                 | 1150        | 192,050     |
| Al Jadah 10                              | Sabil Al-Masakin Real Estate Establishment           | 117.39              | 1,269       | 149,016     |
| Al Jadah 15                              | Zawiya Al-Laham Food Trading Establishment           | 168                 | 1,365       | 229,334     |
| Al Jadah 16                              | Nahez Food Company                                   | 167.63              | 1145        | 192,050     |
| Al Jadah 17                              | Jawdah and Excellence Trading Company                | 149.91              | 1,500       | 224,866     |
| 18BAI Jadah -1                           | Al-Nafoura Coffee Establishment for Beverages        | 166                 | 1374        | 228,218     |
| 18BAI Jadah -2                           | Al-Nafoura Coffee Establishment for Beverages        | 156                 | 1462        | 228,218     |
| Al Jadah 20                              | Itmam Medical Company                                | 618.21              | 959         | 593,481     |
| Al Jadah 21                              | Dentex Medical Company                               | 618.17              | 1,200       | 741,804     |
| Al Jadah 22                              | Saud Abdulaziz Al-Shaalan Limited Company            | 822                 | 1100        | 904,200     |
| Al Jadah Offices (9 Offices) 1927.58m    | Rasan Information Technology Company                 | 300                 | 2,319       | 695,672     |
| Al Jadah 23                              | Al Jadah Hotel Company - Etijahat Al-Mood Company    | 306                 | 883.39      | 270,000     |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operating and capital expenditure rate:

Operating expenses are the expenses for renting and maintaining the property, and capital expenses are the expenses incurred by the owner in order to keep it in good condition to achieve an appropriate annual income. The percentage of operating expenses is 10% - 15% for similar projects in the surrounding area, depending on the size and services provided. The property is rented with contracts that include a clause that (the tenant bears the services of electricity and water), and other contracts that the tenant pays a lump sum for the operational services provided. - There is a maintenance contract that has been reviewed, which reflects the calculated percentage.

### Rental income:

The property income was analyzed by reviewing the property contracts and similar contracts to the property being evaluated and this was compared to the market for verification. Accordingly, the income data received from the client was approved and the total income for commercial exhibitions and offices was (9,882,690.58) riyals. The hotel income was analyzed according to the market survey data.

### Assumptions:

#### Discounted Cash Flow method assumptions

|  |           |
|--|-----------|
| Total rental income of offices and showrooms       | 9,882,691 |
| Vacancy rate and credit risk offices and showrooms | 5%        |
| Operating Expense Rate Offices and Showrooms       | 10%       |
| Discount rate                                      | 10.00%    |
| Capitalization rate                                | 8%        |
| Growth rate - every 3 years from the second year   | 10%       |

### Operational rate of return:

Capitalization rate analysis - the method of extracting from the market by looking at the market activity and similar reports of Qiam Investments Company, as well as by looking at the economic reports issued by some research centers and the Qim valuation Company Information Center, it became clear to us that the return in the region ranges from 8% to 7%. Accordingly, the return rate was assumed at 8%. There are many factors that affect the return rate, including the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Cumulative Model method                                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1.5  | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 10%  | %  |

|  |            |
|--|------------|
| Total hotel income for 2024  | 64,824,000 |
| Hotel occupancy rate according to customer data                                      | 62%        |
| Hotel operating expenses rate according to customer data                             | 58%        |
| Hotel operating expenses rate according to market survey data from year 3 to year 5  | 55%        |
| Hotel operating expenses rate according to market survey data from year 6 to year 10 | 50%        |

## Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows                                  |            |            | Investment years |            |            |            |            |            |            |            |            |             | Reversion value |
|--|------------|------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-----------------|
|  |            |            | 2024             | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033        |                 |
|  |            |            | 1                | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10          |                 |
| Expected growth value                                |            |            | 0.00%            | 10.00%     | 0.00%      | 0.00%      | 10.00%     | 0.00%      | 0.00%      | 10.00%     | 0.00%      | 0.00%       |                 |
| Total hotel income                                   | 64,824,000 | 64,824,000 | 71,306,400       | 71,306,400 | 71,306,400 | 78,437,040 | 78,437,040 | 78,437,040 | 86,280,744 | 86,280,744 | 86,280,744 |             |                 |
| Occupancy rate                                       | 63%        | 40,600,000 | 44,660,001       | 44,660,001 | 44,660,001 | 49,126,001 | 49,126,001 | 49,126,001 | 54,038,601 | 54,038,601 | 54,038,601 |             |                 |
| Actual gross income                                  |            | 40,600,000 | 44,660,001       | 44,660,001 | 44,660,001 | 49,126,001 | 49,126,001 | 49,126,001 | 54,038,601 | 54,038,601 | 54,038,601 |             |                 |
| Minus operating expense ratio                        | 58%        | 23,600,000 | 25,959,999       | 24,563,000 | 24,563,000 | 27,019,300 | 24,563,000 | 24,563,000 | 27,019,300 | 27,019,300 | 27,019,300 |             |                 |
| Hotel net operating income (NOI)                     |            | 17,000,001 | 18,700,001       | 20,097,000 | 20,097,000 | 22,106,700 | 24,563,000 | 24,563,000 | 27,019,300 | 27,019,300 | 27,019,300 |             |                 |
| Total rental income for offices and showrooms        | 9,882,691  | 9,882,691  | 10,870,960       | 10,870,960 | 10,870,960 | 11,958,056 | 11,958,056 | 11,958,056 | 13,153,861 | 13,153,861 | 13,153,861 |             |                 |
| Minus vacancy rate and credit risk                   | 5%         | 494,135    | 543,548          | 543,548    | 543,548    | 597,903    | 597,903    | 597,903    | 657,693    | 657,693    | 657,693    |             |                 |
| Actual total rental income                           |            | 9,388,556  | 10,327,412       | 10,327,412 | 10,327,412 | 11,360,153 | 11,360,153 | 11,360,153 | 12,496,168 | 12,496,168 | 12,496,168 |             |                 |
| Minus the operating expense ratio                    | 10%        | 938,856    | 1,032,741        | 1,032,741  | 1,032,741  | 1,136,015  | 1,136,015  | 1,136,015  | 1,249,617  | 1,249,617  | 1,249,617  |             |                 |
| Net operating income for offices and showrooms (NOI) |            | 8,449,700  | 9,294,670        | 9,294,670  | 9,294,670  | 10,224,138 | 10,224,138 | 10,224,138 | 11,246,551 | 11,246,551 | 11,246,551 |             |                 |
| Net Operating Income (NOI)                           |            | 25,449,701 | 27,994,672       | 29,391,671 | 29,391,671 | 32,330,838 | 34,787,138 | 34,787,138 | 38,265,852 | 38,265,852 | 38,265,852 |             |                 |
| Reversion value of the building                      |            |            |                  |            |            |            |            |            |            |            |            |             |                 |
| Net Cash Flow  |            | 25,449,701 | 27,994,672       | 29,391,671 | 29,391,671 | 32,330,838 | 34,787,138 | 34,787,138 | 38,265,852 | 38,265,852 | 38,265,852 |             |                 |
| Discount Factor                                      |            | 0.9091     | 0.8264           | 0.7513     | 0.6830     | 0.6209     | 0.5645     | 0.5132     | 0.4665     | 0.4241     | 0.3855     | 0.3855      |                 |
| Present Value of Cash Flows                          |            | 23,136,092 | 23,136,092       | 22,082,397 | 20,074,907 | 20,074,907 | 19,636,432 | 17,851,302 | 17,851,302 | 16,228,457 | 14,753,142 | 184,414,279 |                 |
| Net present value of the property                    |            |            |                  |            |            |            |            |            |            |            |            | 379,239,309 |                 |

|                                       |             |
|---------------------------------------|-------------|
| Final Property Value                  | 379,239,309 |
| Final Property Value (after rounding) | 379,239,000 |

Final value of the property

Based on the purpose of the valuation and the nature of the property and its characteristics as a hotel and office property, the valuation of the property using the Income Approach (Discounted Cash Flow method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property being evaluated, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)   |
|---|---|
| 379,239,000                                       | Three hundred and seventy-nine million, two hundred and thirty-nine thousand Saudi riyals |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi






## Team



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Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
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Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**

## Documents received from the client

**بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ**

الجمهورية العربية السورية  
وزارة العدل  
[٢٧٧]



تاريخ الصك: ١٣/٧/١٤٤٣ هـ  
رقم الصك: ٧٩٨٠٠٧٠١٨٢٧٢

**صك**

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 6 من البلك رقم 1 من المخطط رقم 3115 الواقع في حي فرطية بمدينة الرياض . و قطعة الأرض رقم 5 من البلك رقم 1 من المخطط رقم 3115 الواقعة في حي فرطية بمدينة الرياض . وحدودها وأطولها : شمالاً: شارع عرض 46م بطول 95 خمسة وتسعون متر + شطفه 7,37م جنوباً: شارع عرض 20م بطول 105,82 مائة وخمسـة متر واثنين وثمانون سنتيمتر شرقاً: قطعة رقم 4 بطول 68 ثمانية وستون متر غرباً: شارع عرض 20م بطول 63,25 ثلاثة وستون متراً وخمسـة و عشرون سنتيمتراً ومساحتها 6985,7 ستة آلاف وتسعمائة وخمسـة و ثمانون متر مربعاً وسبعون سنتيمتراً مربعا حسب المخطط المسلوكة ل شركة تمدين الأولى العقارية بموجب سجل تجاري رقم 1010896622 بموجب الصك الصادر من الموثقين بالرياض 6 برقم 358323003583 في 8 / 07 / 1443 قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراحي للتطوير المحدودة (شركة شخص واحد) بموجب سجل تجاري رقم 1010158249 ضمانا للوفاء ب 34087488 فقط أربعة وثلاثون مليوناً وسبعة و ثمانون ألفاً وأربعمائة و ثمانية و ثمانون ريالاً سعودياً لا غير . سبب الرهن : أداء ضمان للوفاء بالمديونية عقد شركة وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عنها الرعيات ، واستيفاء باقي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في 13 / 07 / 1443 لاعتمادة ،وصلى الله على نبينا محمد وآله وصحبه وسلم.

سندت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسريانها عبر الخدمات الإلكترونية لوزارة العدل  
( هذا النموذج مخصوص للاستخدام بالمعاش الذي يصطبغ بشيعة )  
صفحة رقم 1 من 1  
تمت طباعة النموذج - ٩٩٢١٥٦



الرقم: 781912000112  
التاريخ: 1444/11/23

وثيقة تملك عقار

المجموعة العقارية  
Real Estate Market





| البيانات الأساسية         |  |                                |                         |  |  |  |
|---------------------------|--|--------------------------------|-------------------------|--|--|--|
| رقم الوثيقة               | 781912000112                             | تاريخ الوثيقة                  | 1444/11/23              |  |  |  |
| المصدر                    | الموثقين بالرياض 12                      | الحالة                         | فعال                    |  |  |  |
| المساحة (م <sup>2</sup> ) | 4,485.2                                  | التقيد                         | لا يوجد قيد             |  |  |  |
| نوع العملية               | نقل ملكية                                | قيمة الصفقة                    |                         |  |  |  |
| رقم الوثيقة السابقة       | 410114036790                             | تاريخ الوثيقة السابقة          | 1438/6/9                |  |  |  |
| الملاك                    |  |                                |                         |  |  |  |
| رقم الهوية                | الاسم                                    | الجنسية                        | نسبة التملك             |  |  |  |
| 7010776792                | شركة تمدين الأولى العقارية شركة شخص واحد | -                              | 100 %                   |  |  |  |
| العقار                    |  |                                |                         |  |  |  |
| رقم الهوية العقارية       | نوع العقار                               | مساحة العقار (م <sup>2</sup> ) |                         |  |  |  |
| لا يوجد                   | لا يوجد                                  | 4,485.2                        |                         |  |  |  |
| الموقع                    | نموذج العقار                             |                                |                         |  |  |  |
| لا يوجد                   | لا يوجد                                  |                                |                         |  |  |  |
| رقم القطعة                | رقم المخطط                               | الحي                           | المدينة                 |  |  |  |
| 1                         | 3115                                     | قرطبة                          | الرياض                  |  |  |  |
| الحد                      | النوع                                    | وصف الحد                       | الطول (م <sup>2</sup> ) |  |  |  |
| شمالا                     | شارع                                     | عرض 46م                        | 62.02                   |  |  |  |
| جنوبا                     | شارع                                     | عرض 20م                        | 50.52                   |  |  |  |
| شرقا                      | شارع                                     | عرض 28م                        | 46.5                    |  |  |  |
| غربا                      | قطعة                                     | رقم 2                          | 68                      |  |  |  |

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان. الصفحة 1 من 1

الرقم: 381912000111  
التاريخ: 1444/11/23

## وثيقة تملك عقار

المملكة العربية السعودية  
Real Estate Market

1444/11/23

فعل

لا يوجد قيود

1438/6/9

تاريخ الوثيقة

الحالة

القيود

قيمة الصفقة

تاريخ الوثيقة السابقة

381912000111

الموثقين بالرياض 12

3,400

نقل ملكية

210114036791

رقم الوثيقة

المصدر

المساحة (م<sup>2</sup>)

نوع العملية

رقم الوثيقة السابقة

### المللاك

| نسبة التملك | الجنسية | الاسم                                       | رقم الهوية |
|-------------|---------|---|------------|
| 100 %       | -       | شركة تمدين الأولى العقارية شركة<br>شخص واحد | 7010776792 |

### العقار

| رقم الهوية العقارية | نوع العقار | مساحة العقار (م <sup>2</sup> ) |
|---------------------|------------|--------------------------------|
| لا يوجد             | لا يوجد    | 3,400                          |

| الموقع  | نموذج العقار |
|---------|--------------|
| لا يوجد | لا يوجد      |

| رقم القطعة | رقم المخطط | الحي  | المدينة |
|------------|------------|-------|---------|
| 2          | 3115       | قرطبة | الرياض  |

| الحد  | النوع | وصف الحد | الطول (م <sup>2</sup> ) |
|-------|-------|----------|-------------------------|
| شمالا | شارع  | عرض 46م  | 50                      |
| جنوبا | شارع  | عرض 20م  | 50                      |
| شرقا  | قطعة  | رقم 1    | 68                      |
| غربا  | قطعة  | رقم 3    | 68                      |

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان.

الصفحة 1 من 1





## Samples of the contracts that were reviewed



يعتبر هذا العقد عقدًا موثقًا وسنًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |                   |                          |            |
|--------------------------|-------------------|--------------------------|------------|
| رقم سجل العقد:           | 20340589175 / 1-0 | نوع العقد:               | جديد       |
| تاريخ إبرام العقد:       | 2024-03-19        | مكان إبرام العقد:        | الرياض     |
| تاريخ بداية مدة الإيجار: | 2024-07-15        | تاريخ نهاية مدة الإيجار: | 2034-07-14 |
| معلق بشرط:               | لا                | معلق بشرط:               | لا         |

| ٢ بيانات المؤجر    |            |                      |                   |
|--------------------|------------|----------------------|-------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة تمدين النولي |
| رقم السجل التجاري: | 1010896622 | CR No.               | 7010776792        |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2017-10-04        |

| ٣ بيانات ممثل المؤجر |                         |                  |                          |
|----------------------|-------------------------|------------------|--------------------------|
| الاسم:               | سلمان حسين بن يحيى سعيد | الجنسية:         | المملكة العربية السعودية |
| نوع الهوية:          | هوية وطنية              | ID Type          | 1073134924               |
| رقم الدوّل:          | +966556332153           | Mobile No.       | muaidis@muikia.com.sa    |
| العنوان الوطني:      | العليا، الرياض          | National Address |                          |
| رقم سند الترخيص:     | 441361636               | تاريخ انتهاء:    | 2025-08-31               |

| ٤ بيانات المستأجر  |            |                      |                              |
|--------------------|------------|----------------------|------------------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | مجمع خالد محمد المطيري الطبي |
| رقم السجل التجاري: | 2050098463 | CR No.               | 7013639625                   |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2014-02-27                   |

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يعتبر هذا العقد عقدًا موثقًا وسنًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |                         |                          |            |
|--------------------------|-------------------------|--------------------------|------------|
| رقم سجل العقد:           | 20338215199             | نوع العقد:               | جديد       |
| تاريخ إبرام العقد:       | 2021-08-03 12:17:59 UTC | مكان إبرام العقد:        | الرياض     |
| تاريخ بداية مدة الإيجار: | 2021-11-15              | تاريخ نهاية مدة الإيجار: | 2030-11-14 |
| معلق بشرط:               | لا                      | معلق بشرط:               | لا         |

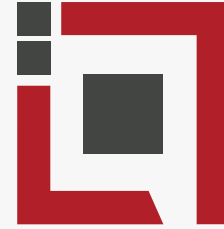
| ٢ بيانات المؤجر |  |                  |                          |
|-----------------|--|------------------|--------------------------|
| الاسم:          | احمد عبدالله عثمان السليم                | الجنسية:         | المملكة العربية السعودية |
| نوع الهوية:     | الهوية الوطنية                           | ID Type          | 1037239215               |
| رقم الدوّل:     | +966505440067                            | Mobile No.       | abdulaziz@asg-mena.com   |
| العنوان الوطني: | 3738, 7901, Down Town, 47914, TABUK, توك | National Address |                          |

| ٣ بيانات ممثل المؤجر                             |                    |
|--|--------------------|
| The lessor is represented by himself or herself. | يمثل المؤجر بنفسه. |

| ٤ بيانات المستأجر  |            |                      |                          |
|--------------------|------------|----------------------|--------------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة بوقا لتقديم الوجبات |
| رقم السجل التجاري: | 1010595181 | CR No.               | -                        |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2019-09-15               |

| ٥ بيانات ممثل المستأجر |                    |          |                          |
|------------------------|--------------------|----------|--------------------------|
| الاسم:                 | تامر علي علوي سالم | الجنسية: | المملكة العربية السعودية |
| الجنسية:               | Nationality        |          |                          |

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General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832



# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



**Al Yasmeen Residential Building**

**MULKIA  
INVESTMENT**

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Al-Yasmine Residential Building Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Yasmine** neighborhood, pursuant to the assignment issued by you on **26/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Al-Yasmine Residential Building property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (21,667,000) Twenty-one million, six hundred and sixty-seven thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




Valuation report filing code

At the Saudi Authority for Accredited Valuers

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**



## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Direct Capitalization Method**). This is because the property is leased under one contract and with a fixed rental value throughout the contract period.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                          | Real estate valuer's identity   |
|---|--|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund              | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                    | Purpose of the valuation  |
| Current use   | Fair value                                     | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                             | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Direct Capitalization Method) | Al Yasmeen Residential Building   |
| Report issuance date  | Valuation date (measurement)                   | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                  | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

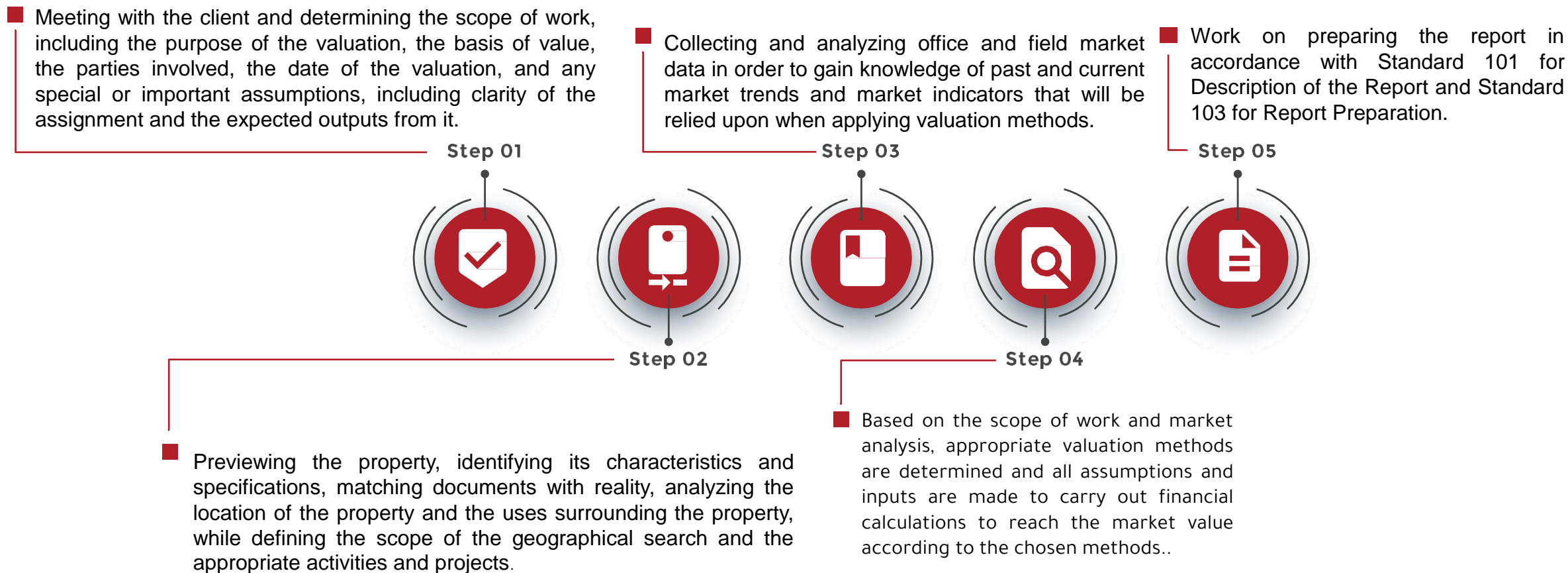
Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.



## Work Stages



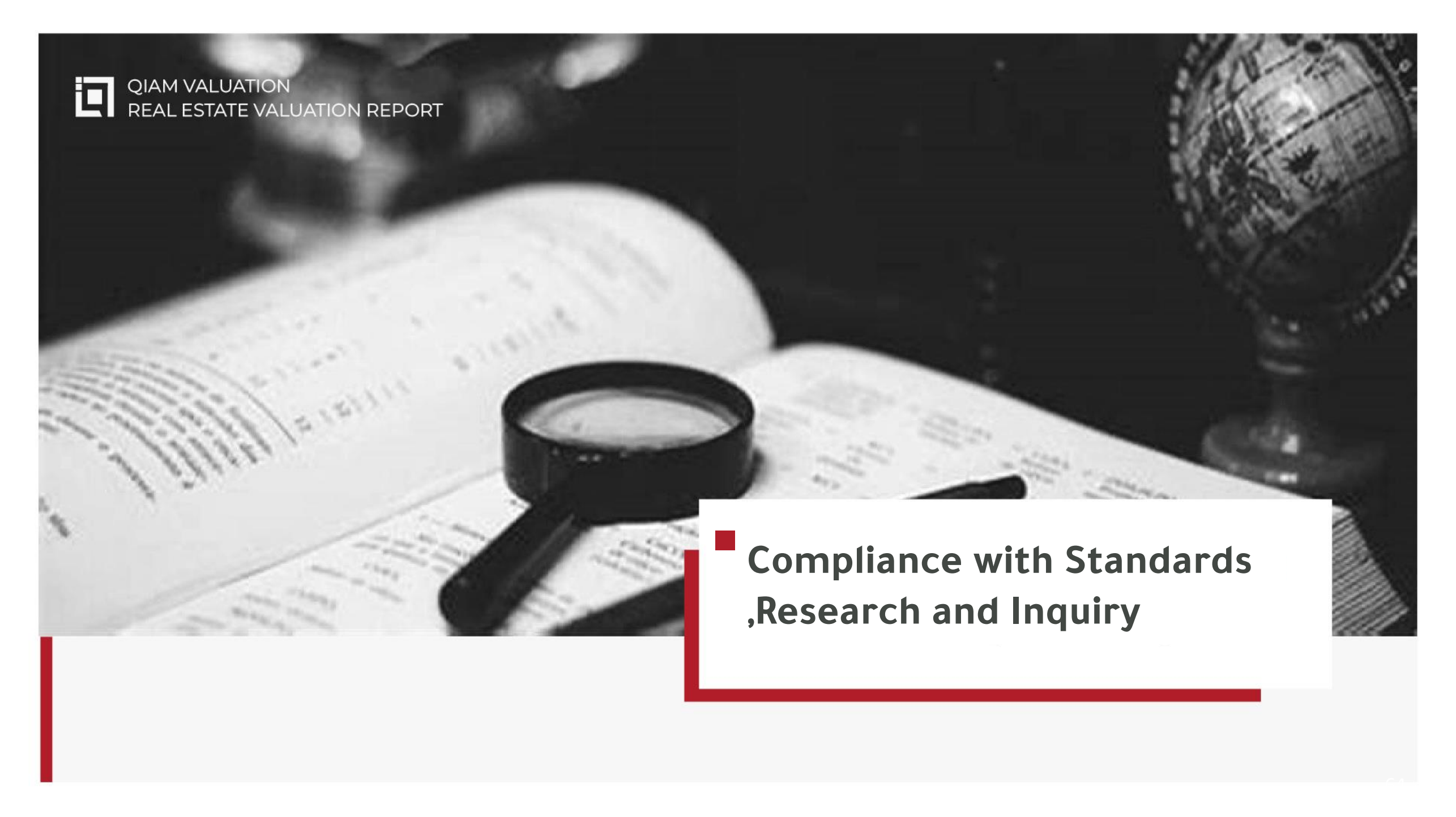
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task



## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.



## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in Riyadh city**

## Social, service and real estate indicators - Riyadh City - 2023 AD

### Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

## Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m² | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|





## ■ Site studies



## Property Risk Analysis

### Strength point:

- The property is located in the north of Riyadh.
- The location is close to the main roads that connect it to other parts of Riyadh, such as **(Abu Bakr Al-Siddiq Road and Anas bin Malik Road)**.
- The noticeable urban expansion north of Riyadh with the growing demand for housing

### Opportunities:

- Benefit from the proximity of the property to event centers.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market's needs.

### Weak points:

- The location is on a secondary commercial street.
- Twice the length of the property's main facade

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 460002995533 | 25/06/1446 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District     | Plot number | Plan number | Land area             |
|---------------------|-------------|-------------|-----------------------|
| Riyadh - Al Yasmine | 16 block 3  | 3229        | 2309.76 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northern border      | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 10m wide corridor    | 69.99         | Plot No. 15     | 69.99         | 36m wide street | 33            | 18m wide street | 33            |

### Assumptions regarding ownership of the property

**For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.**

Real estate data and Services available in the real estate area

| Real Estate Data  |                       |                |                                   |
|---|-----------------------|----------------|-----------------------------------|
| City  | Riyadh                | Neighborhood   | Al-Yasmin                         |
| Street  | Al-Qadisiyah Street   | Property type  | Residential building              |
| No. land plan   | 3115                  | Plot number    | 16 block 3                        |
| Land Area   | 2309.76 square meters | Built-up area  | 5422.98 square meters             |
| Services and facilities available in the real estate area |                       |                |                                   |
| Electricity network                                       | Telephone network     | Water network  | Sewerage network                  |
| ✓   | ✓                     | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                | Dispensary     | Garden                            |
| ✓   | ✓                     | ✓              | ✓                                 |
| Public markets  | Civil defense         | Police station | Hospital                          |
| ✓   | ✓                     | ✓              | ✓                                 |
| Hotels  | Petrol station        | Schools        | Governmental services and centers |
| ✓   | ✓                     | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description  |
|---------------------------------|---|--|
| Area overview                   | Importance of the area                  | The property is located to the northwest of Riyadh in Al-Yasmin district on Al-Qadisiyah Street with easy access to Abu Bakr Al-Siddiq Road and Anas bin Malik Road. |
| Natural factors (Environmental) | Lands topography                        | Flat   |
|                                 | Pollution                               | N.A.   |
| Planning factors (Urban)        | Location from the city                  | North of the city  |
|                                 | Infrastructure                          | Completed  |
|                                 | Municipal equipment                     | Completed  |
|                                 | Land properties                         | Regular sides and lengths  |
| Building Regulations            | Land use                                | Apartments   |
|                                 | Building ratio - number of floors       | Ground floor + first floor building lab 1.2  |
| Economic factors                | Supply and demand                       | High   |
|                                 | Land prices                             | High   |
| Legal factors                   | Deficit and trespassing on the property | N.A.   |

- When examining the property, it became clear to us that it is a **(Residential building)**. Detailed as below:

| Building components |                  |           |                      |
|---------------------|------------------|-----------|----------------------|
| #                   | Floor            | Area (m2) | Use                  |
| 1                   | Ground floor     | 1382      | 12 residential units |
| 2                   | First floor      | 1620      | 12 residential units |
| 3                   | Second floor     | 1550      | 11 residential units |
| 4                   | Upper extensions | 731       | 7 residential units  |
| 5                   | Fences           | 139.98    | Services             |



## Property Description

## INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

## EXTERIOR FINISHES

| Facades | Facilities        | Doors                  | Floors  |
|---------|-------------------|------------------------|---------|
| Stone   | Cosmetic implants | Electric Securit Glass | Ceramic |

## Electromechanical and air conditioning systems

| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Split separate   | 2 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Yasmin**

Street: **Al-Qadisiyah Street**

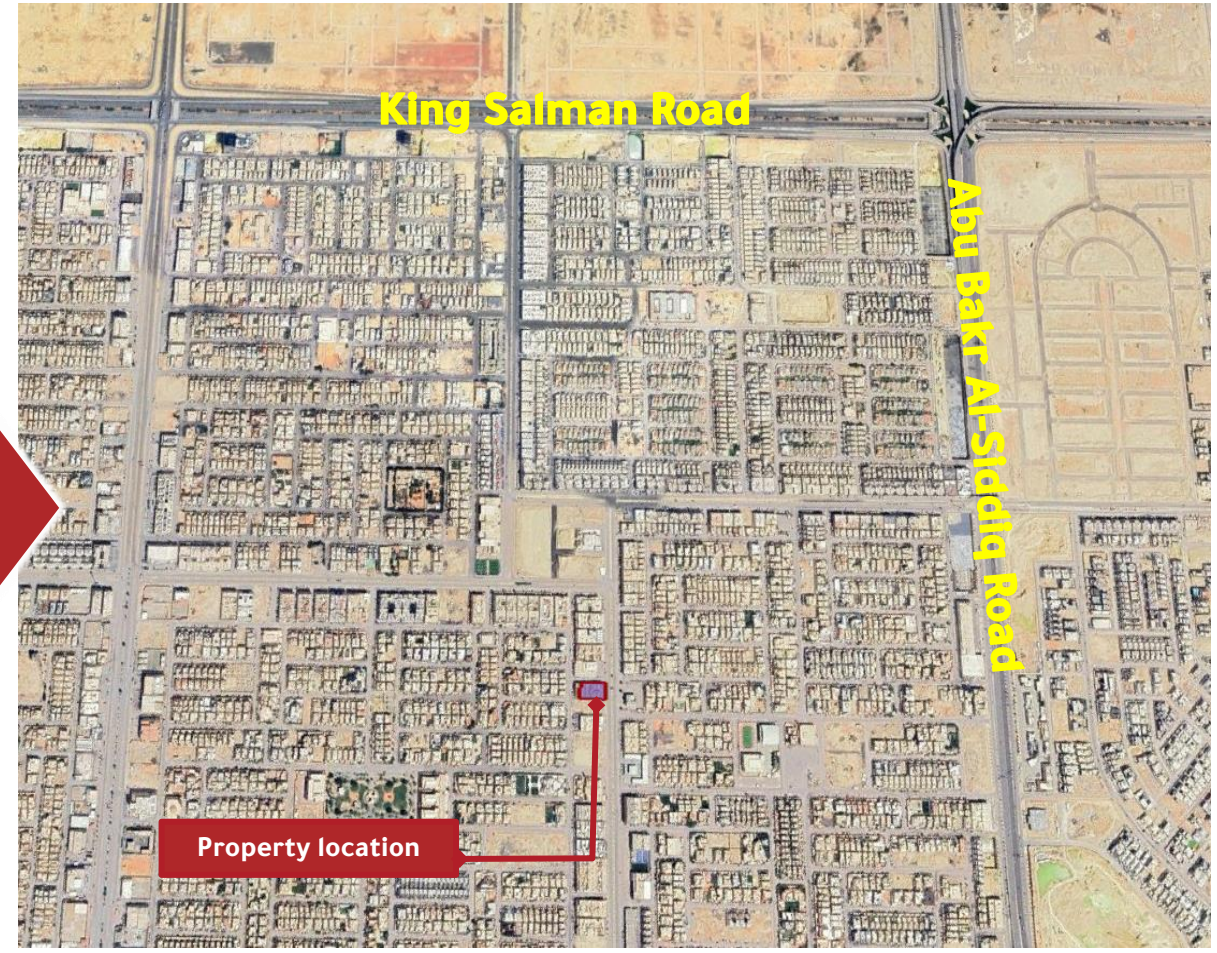
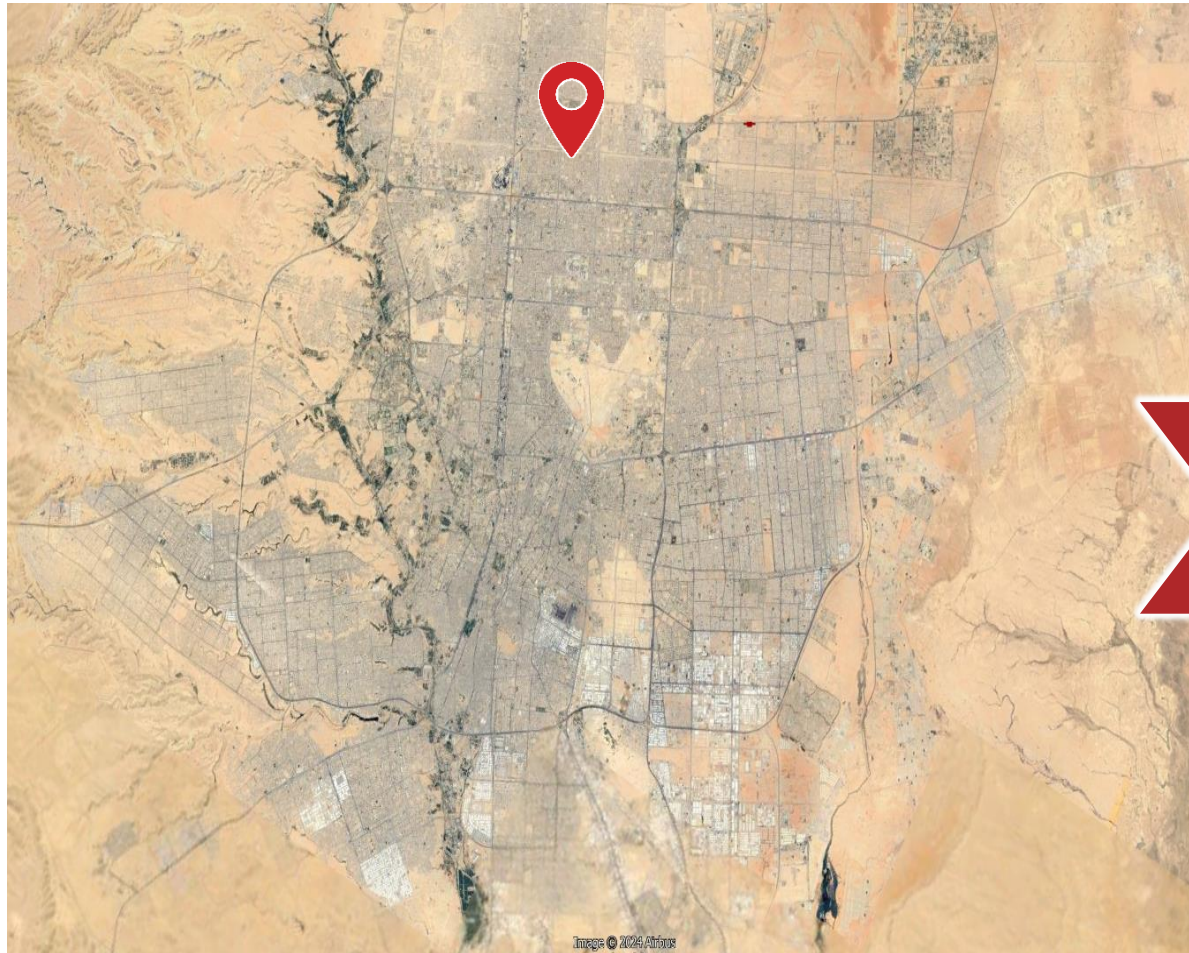
Location coordinates

N :

24.828662

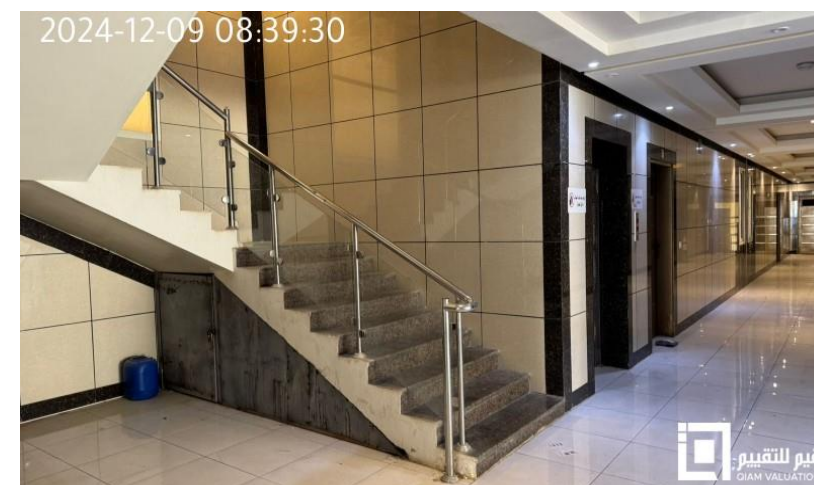
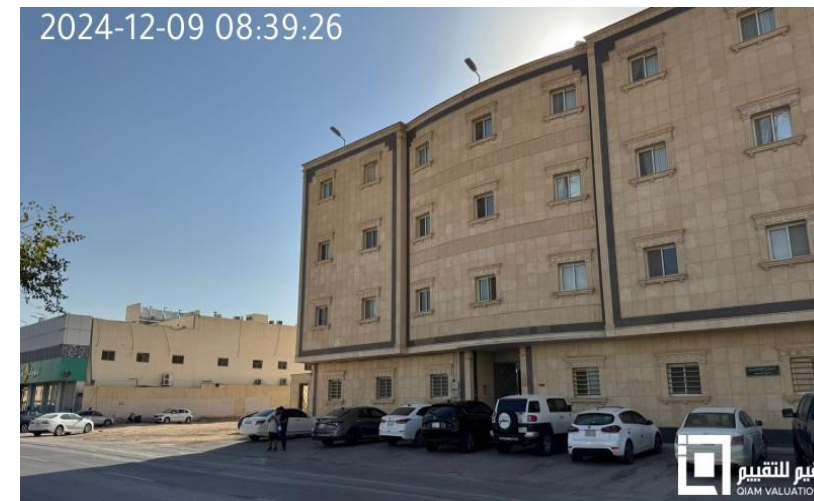
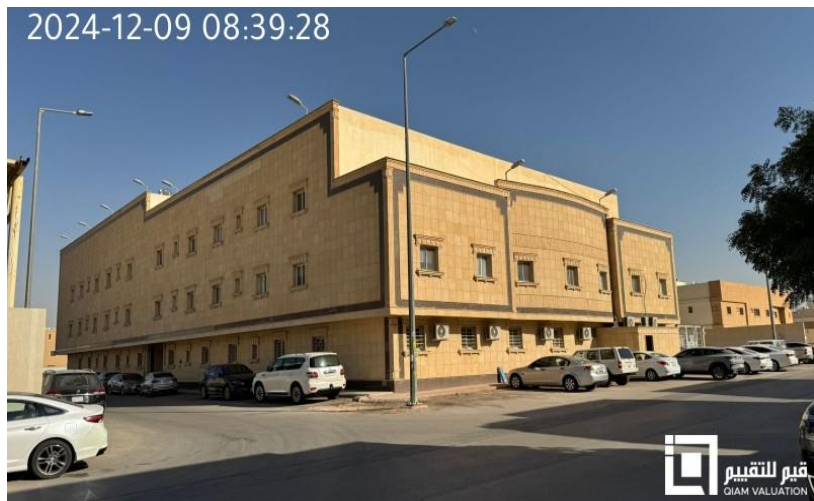
E :

46.650461





## Photographic survey of the Property





Development



## Valuation

## Valuation Approaches



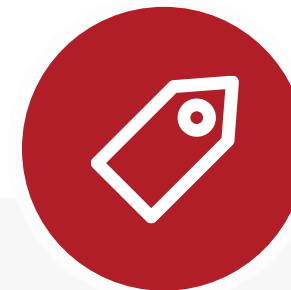
### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.



## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation





**Net average value per square meter (SAR / m<sup>2</sup>)**

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

First: Construction Costs (Direct Costs)

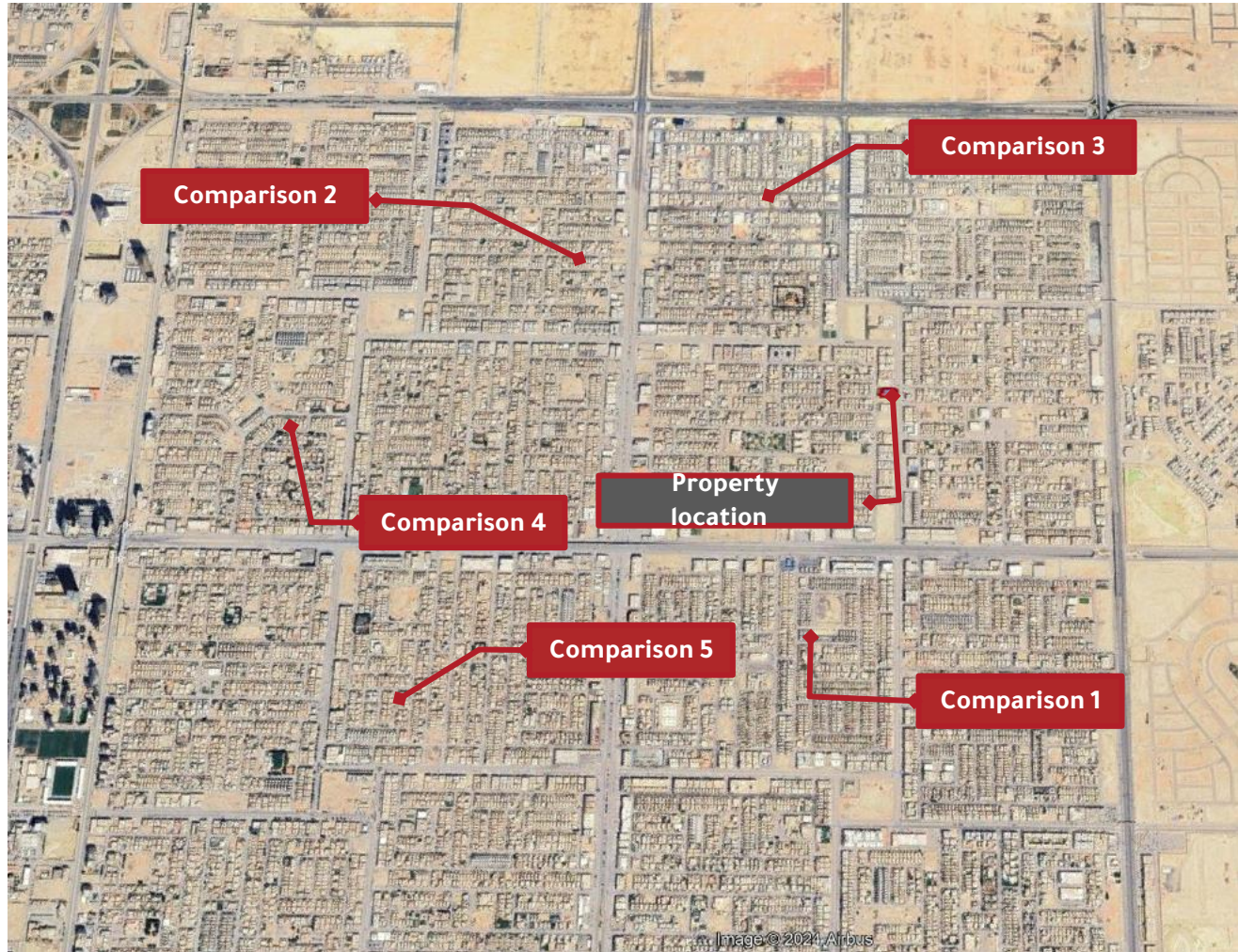
| Clause                               | Built up area m2 | SAR / m2 | Value (SAR)       |
|--------------------------------------|------------------|----------|-------------------|
| Ground floor                         | 1382             | 1,800    | 2,487,600         |
| First floor                          | 1620             | 1,800    | 2,916,000         |
| Second floor                         | 1550             | 1,800    | 2,790,000         |
| Upper extensions                     | 731              | 1,800    | 1,315,800         |
| Fence                                | 139.98           | 500      | 69,990            |
| <b>Total (SAR)</b>                   | <b>5,423</b>     |          | <b>9,579,390</b>  |
| Second: Other costs (indirect)       |                  |          |                   |
| Professional fees                    | 2%               |          | 191,588           |
| Utilities Network                    | 2%               |          | 191,588           |
| Administration costs                 | 2%               |          | 191,588           |
| Financing costs (0 years / 0%)       | 0%               |          | -                 |
| Developer's profitability            | 15%              |          | 1,436,909         |
| <b>Total (SAR)</b>                   |                  |          | <b>2,011,672</b>  |
| <b>Total cost of buildings (SAR)</b> |                  |          | <b>11,591,062</b> |

Third: Depreciation cost

| Life span of the property (year)  | Year | 40                |
|---|------|-------------------|
| The current age of the property (year)  | Year | 12                |
| Remaining life of the property (year)   | Year | 28                |
| Depreciation rate   | %    | 30                |
| Depreciation value  | SAR  | 3,477,319         |
| <b>Final value of the building (SAR)</b>  |      | <b>8,113,743</b>  |
| Fourth: Value of the property according to the Cost Approach                            |      |                   |
| Final value of the land (SAR)   |      | 22,381,574        |
| Final value of buildings (SAR)  |      | 8,113,743         |
| <b>Market value of the property according to the Cost Approach (SAR)</b>                |      | <b>30,495,318</b> |
| <b>Market value of the property according to the Cost Approach after rounding (SAR)</b> |      | <b>30,495,000</b> |



## Market Survey Data Analysis - Residential units



### Market Survey Results - Residential Units

| # | Comparison | Area (m2) | Rental value |
|---|------------|-----------|--------------|
| 1 | Apartment  | 176       | 75,000       |
| 2 | Apartment  | 185       | 80,000       |
| 3 | Apartment  | 120       | 60,000       |
| 4 | Apartment  | 75        | 50,000       |
| 5 | Apartment  | 145       | 60,000       |

### Valuation Assumptions Data Analysis - Direct Capitalization

#### Method

**Operational rate of return:**

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Valuation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 6% to 7%. Accordingly, the return rate was assumed to be 6%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

**Operating and capital expenditure rate:**

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

**Vacancy rate and credit risk:**

Since the property is leased under a single contract, the vacancy rate and credit risk have been assumed at 0%.

**Rental income:**

The property income was analyzed by reviewing the property contract and comparing it to the market, as the rental value of the property is 1,300,000 riyals.

### Market Value Calculation - Direct Capitalization Method

| Market Value Calculation - Income Approach - Direct Capitalization Method                   |            |
|---|------------|
| Clause  | Value      |
| Gross rental income   | 1,300,000  |
| Vacancy rate and credit risk  | 0%         |
| Actual gross income   | 1,300,000  |
| Operating expense ratio   | 0%         |
| Net operating income  | 1,300,000  |
| Rate of return  | 6%         |
| Market value of property according to income capitalization method                          | 21,666,666 |
| Market value of the property according to income capitalization method (SAR) after rounding | 21,667,000 |



## Final value of the property

Based on the purpose of the valuation and the nature and characteristics of the property, as it is a residential building property rented under a single contract, the valuation of the property using the Income Approach (Direct Capitalization method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                            |
|---|--|
| <b>21,667,000</b>                                 | <b>Twenty-one million, six hundred and sixty-seven thousand Saudi riyals</b> |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi



## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005



## **Appendix**

## Documents received from the client

رقم الملف : ١١٣٤ / ٢٢٩  
 التاريخ : ١٤٠٤ / ١٢ / ١٣  
 رقم الطلب : ١٣٤ / ١١٣٦٦  
 - - - - - ١٣٨١١٤



**شهادة إتمام البناء**

رقم الملف : ١١٣٦٠٠٣٢٨  
 التاريخ : ١٦  
 رقم القطعة : ١٣٤٠٠٧٢٤  
 تاريخ الإصدار :  
 صارة سكنية ( نظام البناء المفطور )

رقم المالك : ٨١٠١١٠٠٩٠٧٢  
 رقم المسك :  
 رقم العقار : ١٢٧٣٩  
 رقم الرخصة : ٣٢٢٩  
 رقم المخطط :  
 حي الياسمين  
 نوع العقار : شارع  
 رقم صندوق التنمية العقارية :

سعادة / مدير عام  
شركة المياه الوطنية

السلام عليكم ورحمة الله وبركاته ... وبعد.

نفيدكم ان المستفيد الموضح اسمه اعلاه قد اكمل بناء عقاره حسب الرخصة المدون رقمها وتاريخها بماليه ولعدم وجود اي ملاحظات نأمل اكمال اللازم ، وتحفظ الأمانة بحق الرجوع عن الشهادة وقطع الخدمه في حالة ما إذا أخل صاحب البني بالشروط الموضحه برخصة البناء بعد إصدار الشهادة.

وتقبلوا تحياتنا

[illegible]

اي كسحط أو تعديل يلغي هذه الشهادة

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

**رخصة**  
**بناء عمارة سكنية (نظام البناء المطور)**

اسم السيد: طارق محمد ناصر العبودي  
رقم الأبحاث: ١٠٠١٥٦٠٩٤٨  
رقم الملف: ٨١٠١١٠٠٩٧٢

تاريخه: تاريخه: ١٤٣١-٠٣-٢٨  
رقم القطعة: ١٦  
رقم المخطط التنظيمي: ٣٢٢٩

الشعار: تاريخ: ١٤٣١-٠٧-٢٤  
نوع البناء: ملح  
حي الباشم: حي الباشم  
مساحة الأرض: ٢٣٠٩٧,٧٦ م<sup>٢</sup>  
محيط الأسوار: ٤٠٠ م

الخطاط العمراني: مرحلة ١

| الجهة | معر  | الحدود | الابعاد | الإرتداد |
|-------|------|--------|---------|----------|
| شمال  | ١٠ م | ٤٩,٩٩  | ٤       | ٤        |
| شرق   | ٣٦ م | ٣٣     | ٦       | ٦        |
| جنوب  | ١٥ م | ٦٩,٩٩  | ٢       | ٢        |
| غرب   | ١٨ م | ٣٣     | ٣,٦     | ٣,٦      |

| مكونات البناء | عدد الوحدات | المساحة | الإستخدام   |
|---------------|-------------|---------|-------------|
| أرضي سكني     | ١٢          | ١٣٢٨,٠٠ | سكني        |
| أول سكني      | ١٢          | ١٦٢,٠٠  | سكني        |
| ثاني سكني     | ١١          | ١٥٥,٠٠  | سكني        |
| غرفة كهرباء   | ٠           | ٢٠,٠٠   | غرفة كهرباء |
| ملاحق طوية    | ٦           | ٧٢١,٠٠  | سكني        |
| أسوار         | ١           | ١٣٩,٩٨  | خدمات       |

مساحة منطقة الرياض  
رؤية عامة للتخطيط العمراني  
١٤٣١/١٤٩٨٦٧  
التاريخ: ١٤٣١-٠٨-٠٦  
الترافقات:  
٢١٨٨٧

المكتب المصمم: سواد للهندسة المعمارية  
رقم الترخيص: ٣٣٢٥٠  
رقم المشروع: ٢٤  
رمز النظام: ٣١٠١٤٢٥٠٦  
مناسب الشوارع المحيطة: مستوي  
سداد الرسوم مبلغ وقدره: ١٩١٩ ريال بموجب الإيصال رقم: ٣١٠١٤٢٥٠٦  
تاريخه: ١٤٣١-٠٧-٢٤

ملاحظات:  
١- بموجب التقارير الصالحين رقم ١٤٢١/١٦٦٧٢ تاريخ ١٤٣١.٤.١٠ الصادر من بلدية شمال الرياض القرعية.  
٢- نظام البناء المطور حالة رقم ٤.  
٣- ارتداد الدور الثاني عن الأول من الجهة الخلفية م- كمبداً أثنى.  
٤- ارتداد المالحق العلوية عن القطعة الخلفية لا يقل عن ١٠ م من حد الملكية.  
٥- لا يسمح بعمل المالحق والمخارج لمواقف السيارات في الشوارع الخلفية إذا كان عرض الشارع أقل من ٢٠ م.  
٦- يمنع عمل فتحات المالحق العلوية جهة المجاورين.

\*\*\*\*\*

مدير عام التخطيط العمراني  
م/ مساعداً إبراهيم المحيا

مدير إدارة التخطيط  
م/ علي بن أحمد الثوي

رئيس قسم الرخص  
عبد الله بن محمد باقر

الختم الرسمي  
بلدية  
شمال الرياض

يجب الالتزام بالشروط الموضحة خلف الرخصة

١٠٠٠١٢٠

الرقم: 460002995533  
التاريخ: 2024/12/26  
1446/6/25

## وثيقة تملك عقار

البنوك العقارية  
Real Estate Market

بنك فيصل  
Banque Faisal

### البيانات الأساسية

|                       |              |                     |              |
|-----------------------|--------------|---------------------|--------------|
| رقم الوثيقة           | 460002995533 | تاريخ الوثيقة       | 1446/6/25    |
| التحديد               | لا يوجد قيد  | الحالة              | فعال         |
| تاريخ الوثيقة السابقة | 1443/3/13    | المساحة             | 2,309.76     |
| نوع العملية           | فك رهن       | رقم الوثيقة السابقة | 493010005755 |

### الملاك

|            |  |             |
|------------|--|-------------|
| رقم الهوية | الاسم                                    | نسبة التملك |
| 7010776792 | شركة تمدين الأولى العقارية شركة شخص واحد | % 100       |

### العقار

|                     |             |                   |               |
|---------------------|-------------|-------------------|---------------|
| رقم الهوية المقارية | نوع العقار  | مساحة العقار (م²) | نوع الاستخدام |
| لا يوجد             | قطعة الأرض  | 2,309.76          | لا يوجد       |
| لا يوجد             | البلك       | المجاورة / الجزء  | لا يوجد       |
| لا يوجد             | الموقع      | نموذج العقار      | لا يوجد       |
| لا يوجد             | رقم المنطقة | رقم المخطط        | العبي         |
| 16                  | 3229        | الهاسيمين         | الرياض        |

### الحدود

|       |       |              |         |                                      |
|-------|-------|--------------|---------|--------------------------------------|
| الحد  | النوع | وصف الحد     | الطول م | تسعة وستون متر وتسعة و تسعون سنتيمتر |
| شمالا | ممر   | مشاة عرض 10م | 69.99   | تسعة وستون متر وتسعة و تسعون سنتيمتر |
| جنوبا | قطعة  | رقم 15       | 69.99   | تسعة وستون متر وتسعة و تسعون سنتيمتر |
| شرقا  | شارع  | عرض 36م      | 33      | ثلاثة وثلاثون متر                    |
| غربا  | شارع  | عرض 18م      | 33      | ثلاثة وثلاثون متر                    |

صدرت هذه الوثيقة من مصلحة الوثائق العقارية ويسكن الممثل من مصلحة هذه الوثيقة عبر خدمات وزارة العدل.

الصفحة 1 من 1

## Documents received from the client

| الجنسية:        | المملكة العربية السعودية | Nationality    | رقم الهوية:    | ID No.      |
|-----------------|--------------------------|----------------|----------------|-------------|
| نوع الهوية:     | هوية وطنية               | ID Type        | رقم الجوال:    | Mobile No.  |
| رقم سند التمثيل | نوع المستند              | تاريخ الصلاحية | تاريخ الانتهاء | Expiry Date |
| 42111748        | وكالة شرعية              | 2020-11-29     | 2025-10-04     |             |

| 1 بيانات المنشأة العقارية والوسيط |   | Brokerage Entity and Broker Data |                          |
|-----------------------------------|---|----------------------------------|--------------------------|
| اسم المنشأة العقارية:             | شركة روعة انجاز المحدودة (شركة شخص واحد             | Brokerage Entity Name            |                          |
| عنوان المنشأة العقارية:           | نجم الدين النويبي, 14929, 6071, 2998 الرياض, الرياض | Brokerage Entity Address         |                          |
| رقم السجل التجاري:                | 1010635760  | Landline No.                     | رقم الهاتف: CR No.       |
| اسم الوسيط:                       | فيصل سعد ابن محمد الحفظاني                          | Fax No.                          | رقم الفاكس:              |
| الجنسية:                          | المملكة العربية السعودية                            | BO Manager Name                  |                          |
| نوع الهوية:                       | الهوية الوطنية                                      | ID Type                          | رقم الهوية: ID No.       |
| رقم الجوال:                       | +966554537750                                       | Mobile No.                       | البريد الإلكتروني: Email |

| 7 بيانات صكوك التملك | Title Deeds Data |
|----------------------|------------------|
| رقم الشك:            | 493010005795     |
| رقم الإصدار:         | 2021-10-19       |
| رقم الإصدار:         | -                |
| رقم الإصدار:         | -                |

| 8 بيانات العقار     | Property Data                              |
|---------------------|--|
| العنوان الوطني:     | الاسمين, 13326, الرياض, الرياض, 2967, 6497 |
| نوع بناء العقار:    | عمارة                                      |
| عدد الأدوار:        | 4  |
| عدد الوحدات:        | 40   |
| عدد المصاعد:        | -  |
| عدد مواقف السيارات: | -  |

| 9 بيانات الوحدات الإيجارية | Rental Units Data |
|----------------------------|-------------------|
| نوع الوحدة:                | شقة               |
| رقم الوحدة:                | Unit No.          |
| رقم الدور:                 | 1                 |
| مؤثقة:                     | -                 |
| عدد وحدات التكييف:         | 0                 |
| رقم عداد الكهرباء:         | -                 |
| رقم عداد الغاز:            | -                 |

2



يعتبر هذا العقد عقداً موثقاً وسعياً تنفيذياً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٠/٤/٣ هـ.

| 1 بيانات العقد           | Contract Data                     |
|--------------------------|-----------------------------------|
| رقم سجل العقد:           | 10473603359                       |
| نوع العقد:               | جديد                              |
| تاريخ إبرام العقد:       | 2022-01-02                        |
| تاريخ بداية مدة الإيجار: | 2022-09-05                        |
| تاريخ نهاية مدة الإيجار: | 2027-09-04                        |
| طريقة دفع رسوم العقد:    | الدفع عن طريق رصيد الوسيط العقاري |

| 2 بيانات المؤجر     | Lessor Data               |
|---------------------|---------------------------|
| نوع المنظمة:        | commercial                |
| اسم الشركة/المؤسسة: | شركة تمدين النوى العقارية |
| رقم السجل التجاري:  | 1010896422                |
| جهة الإصدار:        | -                         |
| رقم السجل التجاري:  | 7010776792                |
| تاريخ الإصدار:      | 2017-10-04                |

| 3 بيانات ممثل المؤجر |                          | Lessor Representative Data |                        |
|----------------------|--------------------------|----------------------------|------------------------|
| الاسم:               | سلمان حسين بن يحيى مهدي  |                            |                        |
| الجنسية:             | المملكة العربية السعودية | Nationality                |                        |
| نوع الهوية:          | هوية وطنية               | ID Type                    | رقم الهوية: 1073134924 |
| رقم الجوال:          | +966556332153            |                            |                        |
| رقم سند التمثيل      | نوع المستند              | تاريخ الصلاحية             | تاريخ الانتهاء         |
| 43661903             | وكالة شرعية              | 2021-09-16                 | 2022-09-05             |

| 4 بيانات المستأجر   | Tenant Data                              |
|---------------------|--|
| نوع المنظمة:        | commercial                               |
| اسم الشركة/المؤسسة: | شركة روعة انجاز المحدودة (شركة شخص واحد) |
| رقم السجل التجاري:  | 1010635760                               |
| جهة الإصدار:        | -  |
| رقم السجل التجاري:  | 7017199436                               |
| تاريخ الإصدار:      | 2020-05-14                               |

| 5 بيانات ممثل المستأجر | Tenant Representative Data   |
|------------------------|------------------------------|
| الاسم:                 | محمد بن فخر بن محمد الحفظاني |

1



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832

شركة قيم للتقييم - ترخيص رقم 1210000052 تاريخ الانتهاء 1447/05/03 هـ سجل تجاري رقم 1010927632 تاريخ الانتهاء 1449/03/15 هـ الرقم الموحد 920025832 - مكتب رقم 7 مبنى رقم 8484 طريق عثمان بن عفان - الرياض 11666

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



**Al Namothajiyah building for hotel  
apartments**

**MULKIA  
INVESTMENT**

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Al Namothajiyah building for hotel apartments Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al Namothajiyah** neighborhood, pursuant to the assignment issued by you on **26/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Al Namothajiyah building for hotel apartments property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **In the amount of only (54,286,000) fifty-four million, two hundred and eighty-six thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH



**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**



## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Direct Capitalization Method**). This is because the property is leased under one contract and with a fixed rental value throughout the contract period.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                          | Real estate valuer's identity   |
|---|--|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund              | <div><div>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</div><div>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</div><div>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</div></div> |
| Assumed value   | Value Basis                                    | Purpose of the valuation  |
| Current use   | Fair value                                     | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                             | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Direct Capitalization Method) | Al Namothajiyah building for hotel apartments   |
| Report issuance date  | Valuation date (measurement)                   | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                  | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03

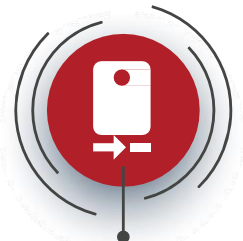


- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



Step 04



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..



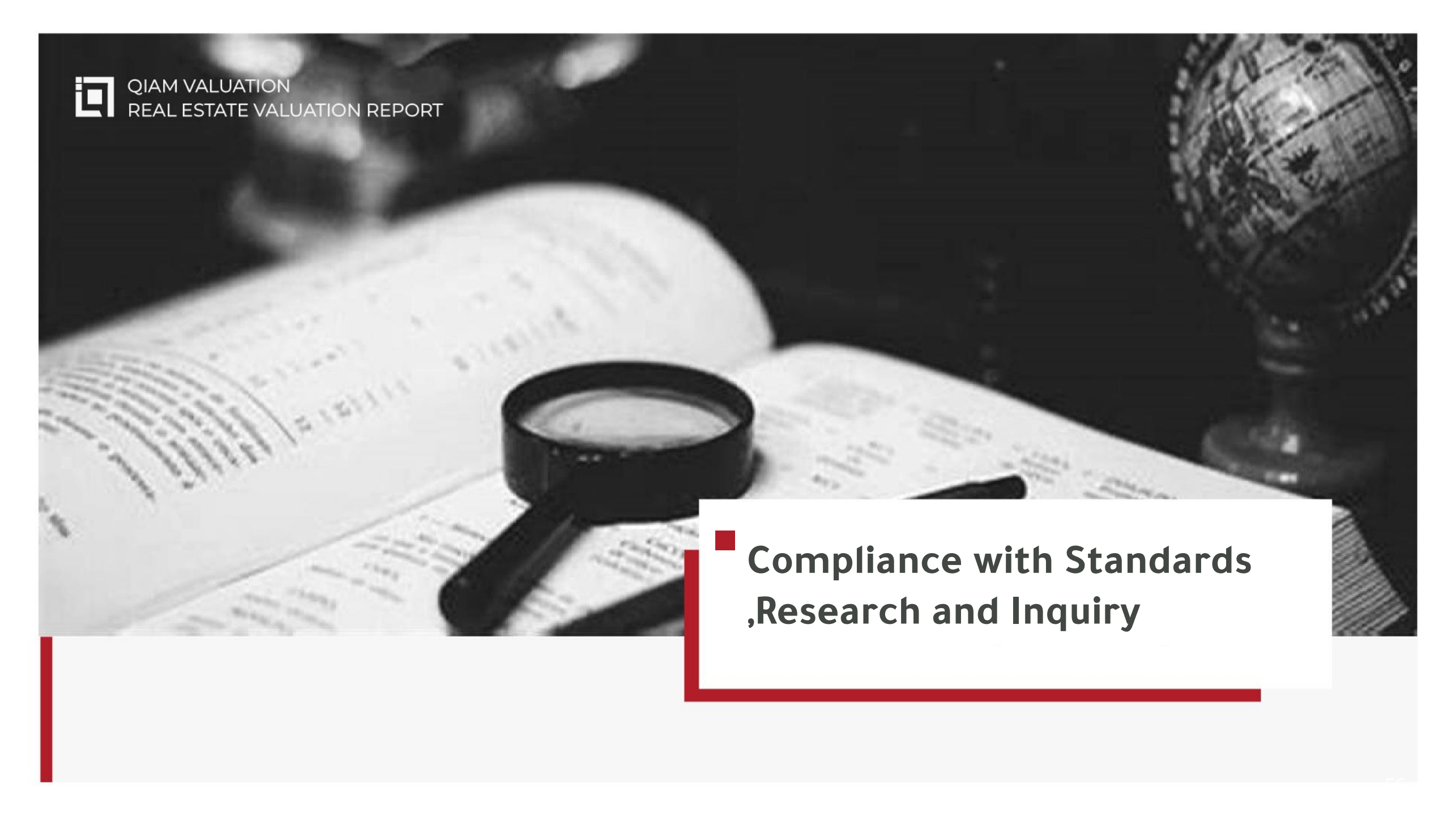
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period





■ An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia

## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.





- **Overview of the economy and the real estate sector in Riyadh city**



## Social, service and real estate indicators - Riyadh City - 2023 AD

### Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

## Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m² | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the center of Riyadh.
- The location is close to the main roads that connect it to other parts of Riyadh, such as **(King Fahd Road and King Khalid Road)**.
- The location is close to business centers, ministries and major hospitals

### Opportunities:

- Seeking to develop in line with the Kingdom's economy and its orientation towards global markets.
- Eliminating all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.
- The location of the property within the old neighborhoods of the city

### Weak points:

- The location is on a secondary commercial street.
- The shape of the land is irregular.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

### Ownership Data

➤ Title deed information

| Owner name                        | Deed number                  | Deed date                      | Ownership Type     |
|-----------------------------------|------------------------------|--------------------------------|--------------------|
| Tamdeen First Real Estate Company | 693010004593<br>393010004586 | 12/11/1443 AH<br>12/11/1443 AH | Absolute ownership |

➤ Location- plan number - plot number - land area:

| City - District          | Plot number | Plan number | Land area             |
|--------------------------|-------------|-------------|-----------------------|
| Riyadh - An Namudhajiyah | N.A.        | N.A.        | 3061.75 square meters |

➤ Borders and lengths:

| Borders and lengths: |               |                 |               |                |               |                |               |
|----------------------|---------------|-----------------|---------------|----------------|---------------|----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border | Border length | Western border | Border length |
| 32m wide corridor    | 59.5          | 20m wide street | 56.58         | Neighbor       | 60            | Neighbor       | 40.75         |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                               |                |                                   |
|---|-------------------------------|----------------|-----------------------------------|
| City  | Riyadh                        | Neighborhood   | An Namudhajiyah                   |
| Street  | Fahd bin Salman bin Abdulaziz | Property type  | Hotel apartment building          |
| No. land plan   | N.A.                          | Plot number    | N.A.                              |
| Land Area   | 3061.75 square meters         | Built-up area  | 11613 square meters               |
| Services and facilities available in the real estate area |                               |                |                                   |
| Electricity network                                       | Telephone network             | Water network  | Sewerage network                  |
| ✓   | ✓                             | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                        | Dispensary     | Garden                            |
| ✓   | ✓                             | ✓              | ✓                                 |
| Public markets  | Civil defense                 | Police station | Hospital                          |
| ✓   | ✓                             | ✓              | ✓                                 |
| Hotels  | Petrol station                | Schools        | Governmental services and centers |
| ✓   | ✓                             | ✓              | ✓                                 |



Factors affecting the property

| Impact element                  | Impact determinants                     | Description  |
|---------------------------------|---|--|
| Area overview                   | Importance of the area                  | The property is located north of Riyadh in the Al Namuthajiyah district on Prince Fahd bin Salman bin Abdulaziz Street with easy access to King Fahd Road. |
| Natural factors (Environmental) | Lands topography                        | Flat   |
|                                 | Pollution                               | N.A.   |
| Planning factors (Urban)        | Location from the city                  | City center  |
|                                 | Infrastructure                          | Completed  |
|                                 | Municipal equipment                     | Completed  |
|                                 | Land properties                         | Irregular sides and lengths  |
| Building Regulations            | Land use                                | Residential - Commercial - Office  |
|                                 | Building ratio - number of floors       | Ground floor + 3 floors + 50% upper extensions   |
| Economic factors                | Supply and demand                       | Average  |
|                                 | Land prices                             | Average  |
| Legal factors                   | Deficit and trespassing on the property | N.A.   |

## Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(10)** years based on the **(Building permit)**.
- Building permit number **1434 / 15058** dated **18/07/1434 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Hotel apartment building)**. Detailed as below:

| Building components |                  |           |             |
|---------------------|------------------|-----------|-------------|
| #                   | Floor            | Area (m2) | Use         |
| 1                   | Basement         | 2665      | Parking     |
| 2                   | Ground floor     | 1837      | Hotel units |
| 3                   | First floor      | 1990      | Hotel units |
| 4                   | Second floor     | 1990      | Hotel units |
| 5                   | Third floor      | 1990      | Hotel units |
| 6                   | Upper extensions | 995       | Hotel units |
| 7                   | Fences           | 146       | Services    |

## Property Description

## INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

## EXTERIOR FINISHES

| Facades       | Facilities        | Doors                  | Floors |
|---------------|-------------------|------------------------|--------|
| Glass - Paint | Cosmetic implants | Electric Securit Glass | Marble |

## Electromechanical and air conditioning systems

| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Central          | 2 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|--------------------|--|---|
| N.A.       | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: **An Namudhajiya**

Street: **Fahd bin Salman bin Abdulaziz**

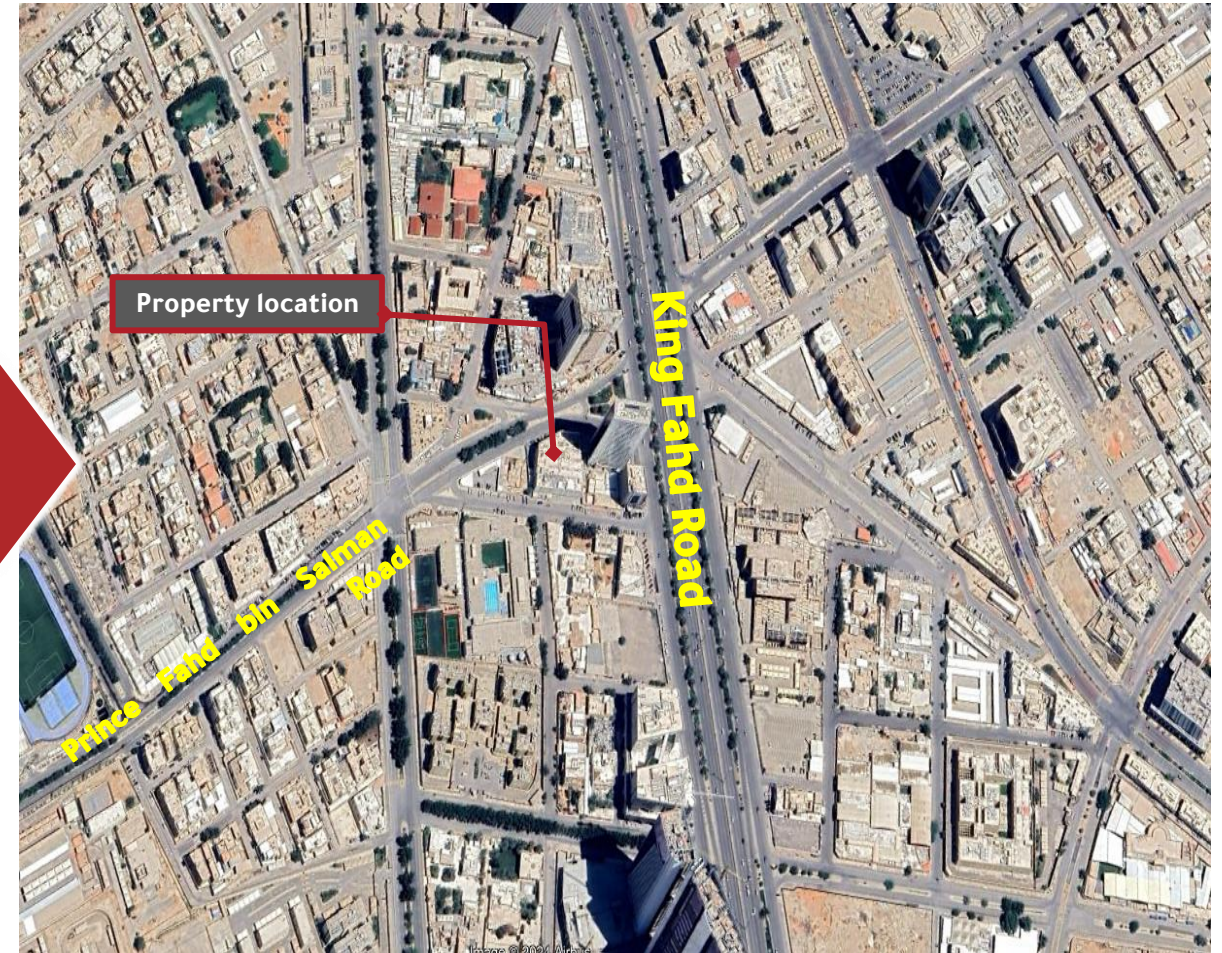
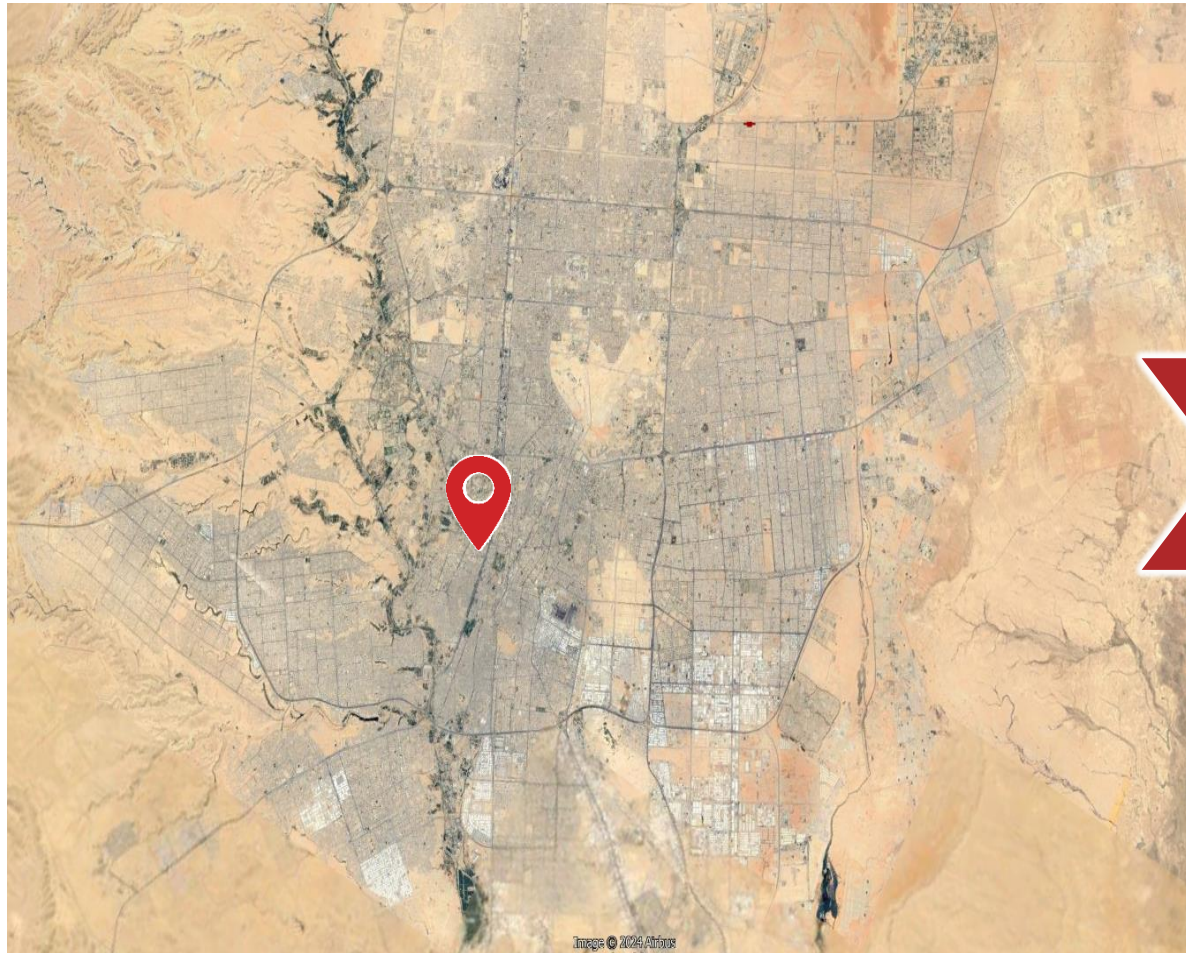
Location coordinates

N :

24.65791

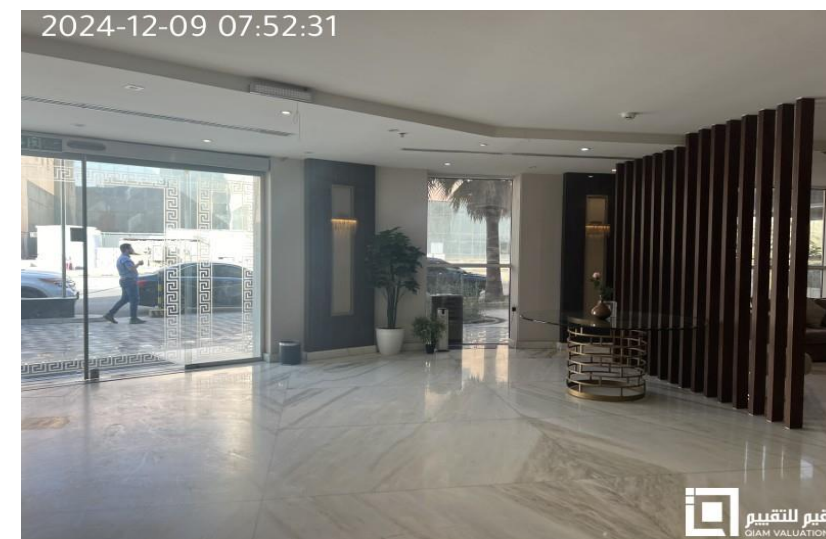
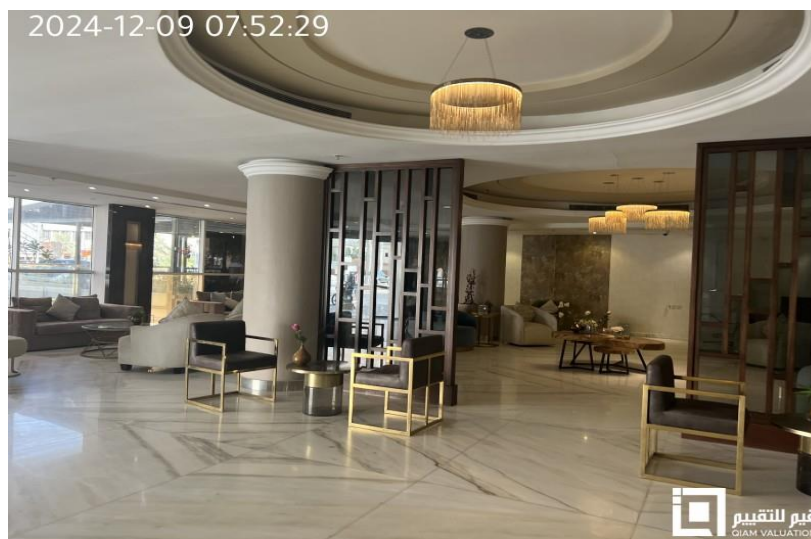
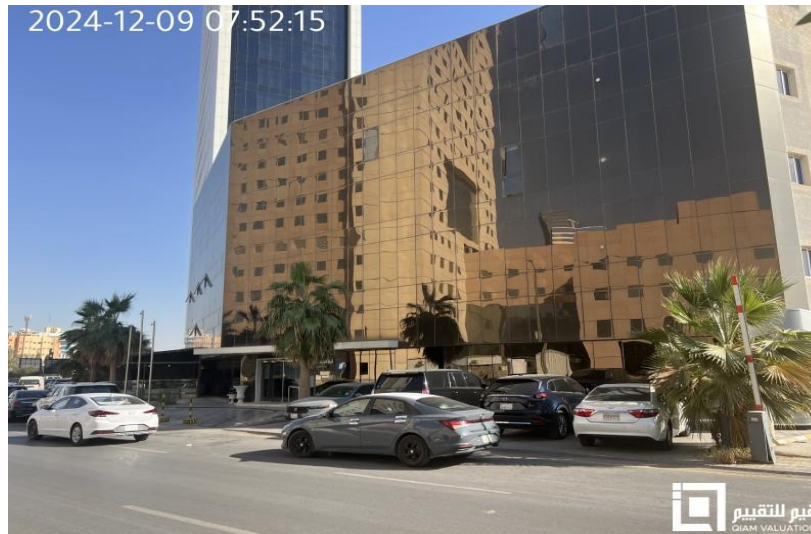
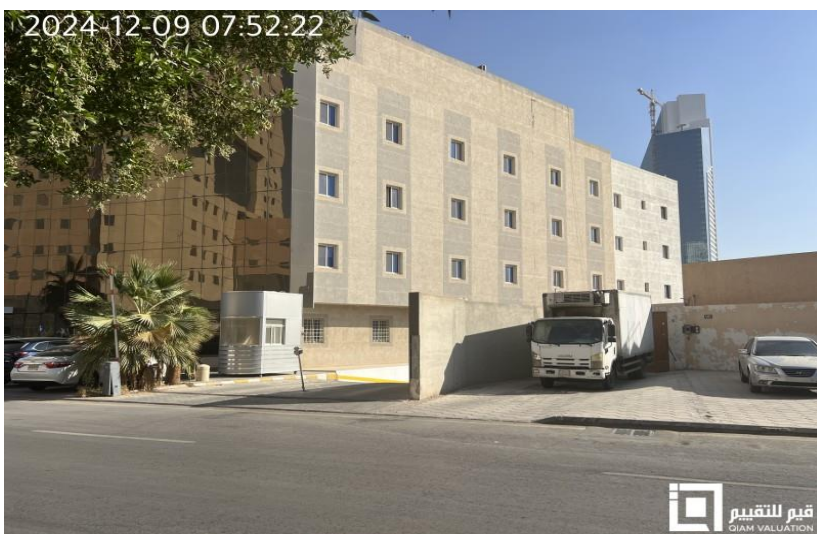
E :

46.69408





## Photographic survey of the Property







Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.



Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      | 6,000                    |            | 5,000                  |            |
| Condition   | ***                      | Available offer          |            | Available offer        |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | -10.00%                  | - 600      | -10.00%                | - 500      |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Market conditions value   | ***                      |                          | (600.00)   | (500.00)               |            |
| Value after initial settlements   | ***                      | 5,400                    |            | 4,500                  |            |
| Land area (m²)  | 3061.75                  | 872                      | -10%       | 2,834                  | 0%         |
| Ease of access  | High                     | Average                  | 5%         | High                   | 0%         |
| Property location   | High                     | Average                  | 5%         | High                   | 0%         |
| Land shape  | Flat                     | Flat                     | 0%         | Flat                   | 0%         |
| Land topography   | Irregular                | Regular                  | -5%        | Irregular              | 5%         |
| Land use  | Commercial Residential   | Commercial Residential   | 0%         | Commercial Residential | 0%         |
| Surrounding streets   | 2                        | 2                        | 0%         | 2                      | 0%         |
| Total   |                          | -5.00%                   |            | 5.00%                  |            |
| Adjustment value per square meter   |                          | 270-                     |            | 225                    |            |
| Final meter value after Adjustments   |                          | 5,130                    |            | 4,725                  |            |
| Net average value per square meter (SAR / m²)   |                          |                          |            | 4,928                  |            |
| Market value of the land (SAR / m²)   |                          |                          |            | 15,086,773             |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.



## Property Valuation - Cost Approach - Replacement Method

### First: Construction Costs (Direct Costs)

| Clause             | Built up area m2 | SAR / m2 | Value (SAR)       |
|--------------------|------------------|----------|-------------------|
| Basement           | 2665             | 2,400    | 6,396,000         |
| Ground floor       | 1837             | 3,200    | 5,878,400         |
| First floor        | 1990             | 3,200    | 6,368,000         |
| Second floor       | 1990             | 3,200    | 6,368,000         |
| Third floor        | 1990             | 3,200    | 6,368,000         |
| Upper extensions   | 995              | 3,200    | 3,184,000         |
| Fence              | 146              | 500      | 73,000            |
| <b>Total (SAR)</b> | <b>11,613</b>    |          | <b>34,635,400</b> |

### Second: Other costs (indirect)

|                                      |     |                   |
|--------------------------------------|-----|-------------------|
| Professional fees                    | 2%  | 692,708           |
| Utilities Network                    | 2%  | 692,708           |
| Administration costs                 | 2%  | 692,708           |
| Financing costs (0 years / 0%)       | 0%  | -                 |
| Developer's profitability            | 15% | 5,195,310         |
| <b>Total (SAR)</b>                   |     | <b>7,273,434</b>  |
| <b>Total cost of buildings (SAR)</b> |     | <b>41,908,834</b> |

### Third: Depreciation cost

|  |      |           |
|--|------|-----------|
| Life span of the property (year)       | Year | 50        |
| The current age of the property (year) | Year | 10        |
| Remaining life of the property (year)  | Year | 40        |
| Depreciation rate                      | %    | 20        |
| Depreciation value                     | SAR  | 8,381,767 |

**Final value of the building (SAR) 33,527,067**

### Fourth: Value of the property according to the Cost Approach

**Final value of the land (SAR) 15,086,773**

**Final value of buildings (SAR) 33,527,067**

**Market value of the property according to the Cost Approach (SAR) 48,613,840**

**Market value of the property according to the Cost Approach after rounding (SAR) 48,614,000**



Market Survey Data Analysis - Residential units



Market Survey Results - Residential Units

| # | Comparison          | Area (m2) | Rental value |
|---|---------------------|-----------|--------------|
| 1 | Furnished Apartment | 60        | 48,000       |
| 2 | Apartment           | 120       | 70,000       |
| 3 | Apartment           | 105       | 57,000       |
| 4 | Furnished Apartment | 70        | 75,600       |

## Valuation Assumptions Data Analysis - Direct Capitalization

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Valuation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7.5%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Operating and capital expenditure rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

### Vacancy rate and credit risk:

Since the property is leased under a single contract, the vacancy rate and credit risk have been assumed at 0%.

### Rental income:

The property income was analyzed by reviewing the property contract and comparing it to the market to verify that the rental value of the property is 3,800,000 riyals with one contract and a fixed rental value throughout the contract period.

## Market Value Calculation - Direct Capitalization Method

| Market Value Calculation - Income Approach - Direct Capitalization Method                   |            |
|---|------------|
| Clause  | Value      |
| Gross rental income   | 3,800,000  |
| Vacancy rate and credit risk  | %0         |
| Actual gross income   | 3,800,000  |
| Operating expense ratio   | %0         |
| Net operating income  | 3,800,000  |
| Rate of return  | %7         |
| Market value of property according to income capitalization method                          | 54,285,714 |
| Market value of the property according to the income capitalization method (after rounding) | 54,286,000 |

**Final value of the property**

Based on the purpose of the valuation and the nature and characteristics of the property, as it is a residential building property rented under a single contract, the valuation of the property using the Income Approach (Direct Capitalization method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                           |
|---|---|
| <b>54,286,000</b>                                 | <b>Fifty-four million, two hundred and eighty-six thousand Saudi riyals</b> |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi






## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005



## **Appendix**



## Documents received from the client

[illegible]

4

## Documents received from the client

| الرقم<br>المستند | قيمة<br>الإيجار | قيمة<br>المضافة | قيمة<br>الخدمات | إجمالي<br>القيمة | تاريخ الإصدار<br>(أ/هـ) | تاريخ الاستحقاق<br>(أ/هـ) | تاريخ الاستحقاق<br>(أ/هـ) |
|------------------|-----------------|-----------------|-----------------|------------------|-------------------------|---------------------------|---------------------------|
| No.              | Rent value      | VAT             | Services        | Total value      | Issued Date(AH)         | Due Date(AH)              | Due Date(AH)              |

|    |          |          |     |           |            |            |            |
|----|----------|----------|-----|-----------|------------|------------|------------|
| 18 | 950000.0 | 142500.0 | 0.0 | 1092500.0 | 2026-11-26 | 2026-12-06 | 1448-06-26 |
| 19 | 950000.0 | 142500.0 | 0.0 | 1092500.0 | 2027-02-26 | 2027-03-08 | 1448-09-29 |
| 20 | 950000.0 | 142500.0 | 0.0 | 1092500.0 | 2027-05-26 | 2027-06-05 | 1448-12-30 |

قيمة إيجارية متغيرة سنوياً. لا

### 1٤ التزامات الطرفين Parties Obligations

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)  
تحول التزامات الأطراف بعد توقيعها على المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة)

### 1٥ مواد العقد Contract Terms

المادة الأولى: البيانات المسبقة على إتمام الأطراف

تعد البيانات المسبقة على إتمام الأطراف والمحددة في البنود من (1-14) جزءاً من هذا العقد ومفسرة ومكملة له.

المادة الثانية: محل العقد

اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم (9) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد.  
وبموجب المستأجر بمعاينة الوحدة الإيجارية، وخبرته للتأكد حسب الأوصاف المذكورة، وأنها صالحة للشراء التجاري المتعلق عليه في البند رقم (10).

المادة الثالثة: مدة الإيجار وتحديد العقد

٣-١ مدة هذا العقد (1825) يوماً تبدأ من تاريخ 1444-01-28 هـ الموافق 26-08-2022 م وتنتهي بتاريخ 23-03-1449 هـ الموافق 25-08-2027 م. وفي حال وجود اختلاف بين التاريخين الهجري والميلادي، يعمل بالتاريخ الميلادي في جميع بنود العقد.

٣-٢ تنتهي مدة الإيجار مع انتهاء مدة العقد. وإذا رغب الطرفان بالتجديد، فتنقضي كتابة عقد جديد يُشَقُّ عليه الطرفان.

المادة الرابعة: الأجرة

إجمالي قيمة العقد (21850000.0) ريالاً سعودياً، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (17) من هذا العقد وكما هو مذكور في البند (1٢) من هذا العقد.

المادة الخامسة: التزامات المستأجر / التزامات المستأجر / أحكام عامة بعد توقيعها في (البند 12)

٥-١ التزامات المستأجر

٥-١-١ يلتزم المستأجر بدفع قيمة الأجرة في المواعيد المتفق عليها.

٥-١-٢ يلتزم المستأجر بالتعهد بمساحة ومساحات الوحدة الخاصة بالوحدة الإيجارية والمحددة في (البند 9) من هذا العقد.

٥-١-٣ يلتزم المستأجر أن يقتصر ويأمن نشاطه التجاري خلال مدة لا تتجاوز (5) يوماً من تاريخ العقد وفي حالة انتهاء هذه المدة دون افتتاح الوحدة الإيجارية وبدء النشاط التجاري وبعد عدم تحليه مع إشعار المؤجر خلال (5) يوماً فيحق للمؤجر فسخ العقد من جهته دون الحاجة إلى إخطار أو حكم قضائي ويحق للمؤجر حينها تأجير الوحدة الإيجارية لتغير مع المحافظة على حقوق المستأجر بالمطالبة بالقيمة العقد المدفوعة بعد خصم الغرامات والسعي بقيمة الإيجار ومعافاة الخدمات العامة من تاريخ بداية الإيجار إلى تاريخ الفسخ والإلغاء.

٥-١-٤ يلتزم المستأجر بتسليم الوحدات الإيجارية للمؤجر عند انتهاء مدة إيجار هذا العقد.

٥-١-٥ يلتزم المستأجر باستعمال الوحدات الإيجارية محل هذا العقد للاستعمال المعتاد له وطبقاً للأنظمة والأعراف والتقاليد المعمدة في المملكة العربية السعودية، وتحمل جميع الجوانب التي قد تعرض عليه من الجهات المختصة.

٥-١-٦ يلتزم المستأجر بالمحافظة على الأثاث والمرافق المشتركة التابعة للمشركة التابعة للمؤجر الإيجارية المؤجرة مثل دورات المياه المشتركة والأسطح وصناديق الطوارئ والصناديق والممرات وغيرها، وأن يستعملها استعمالاً عادلاً وفقاً للغرض المخصص لها.

٥-١-٧ يلتزم المستأجر بجميع تكاليف الصيانة الاستهلاكية المعتادة المترتبة على ارتفاع الوحدات الإيجارية فيما عدا أعمال الصيانة المفصلة في المادة السابعة.

٥-١-٨ يلتزم بدفع قيمة خدمات الكهرباء والمياه والغاز والخدمات الأخرى المتعلقة بالوحدات الإيجارية الموصوفة خلال فترة سريان هذا العقد بحسب ما تم الاتفاق عليه في البند (12) من هذا العقد.

| الأجرة السنوية<br>للخدمات العامة: (يُدخل<br>ضمن القيمة الإيجارية<br>لعقد الإيجار) | 0.0 | General Services<br>Amount: | والتي تشمل على: | - | General Services<br>Included: |
|---|-----|-----------------------------|-----------------|---|-------------------------------|
|---|-----|-----------------------------|-----------------|---|-------------------------------|

|                   |     |                    |                    |    |                          |
|-------------------|-----|--------------------|--------------------|----|--------------------------|
| دورة سداد الإيجار | رهن | Rent payment cycle | عدد دفعات الإيجار: | 20 | Number of Rent Payments: |
|-------------------|-----|--------------------|--------------------|----|--------------------------|

|  |           |  |   |           |                      |
|--|-----------|--|---|-----------|----------------------|
| دفعه الإيجار الأولى:<br>(تشمل العربون) | 1092500.0 | First rental<br>payment: (Includes<br>deposit) | مبلغ ضريبة القيمة<br>المضافة على القيمة<br>الإيجارية: | 2850000.0 | VAT on rental value: |
|--|-----------|--|---|-----------|----------------------|

| الرقم<br>المستند | الرقم<br>الضريبي | نوع الهوية | رقم الهوية أو السجل<br>التجاري |
|------------------|------------------|------------|--------------------------------|
| No.              | Vat number       | ID Type    | ID/CR Number                   |

|   |                 |             |            |
|---|-----------------|-------------|------------|
| 1 | 310199293800003 | رقم التسجيل | 1010896422 |
|---|-----------------|-------------|------------|

|                         |           |              |            |                      |
|-------------------------|-----------|--------------|------------|----------------------|
| القيمة السنوية للإيجار: | 3800000.0 | Annual Rent: | 21850000.0 | Total Contract value |
|-------------------------|-----------|--------------|------------|----------------------|

أجمالي قيمة العقد:  
يشمل: القيمة الإيجارية، ومبلغ العربون، ومبلغ ضريبة القيمة المضافة -إن وجدت-، وقيمة الخدمات العامة، والأجرة السنوية لـالغاز والكهرباء والمياه والصرف الصحي إذا تحدثت كميالغ ثابتة).

طرق الدفع المعتمدة: الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة

### 1٣ جدول سداد الدفعات Rent Payments Schedule

| الرقم<br>المستند | قيمة<br>الإيجار | قيمة<br>المضافة | قيمة<br>الخدمات | إجمالي<br>القيمة | تاريخ الإصدار<br>(أ/هـ) | تاريخ الاستحقاق<br>(أ/هـ) | تاريخ الاستحقاق<br>(أ/هـ) |
|------------------|-----------------|-----------------|-----------------|------------------|-------------------------|---------------------------|---------------------------|
| No.              | Rent value      | VAT             | Services        | Total value      | Issued Date(AH)         | Due Date(AH)              | Due Date(AH)              |
| 1                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2022-08-26              | 2022-09-05                | 1444-02-09                |
| 2                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2022-11-26              | 2022-12-06                | 1444-05-12                |
| 3                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2023-02-26              | 2023-03-08                | 1444-08-16                |
| 4                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2023-05-26              | 2023-06-05                | 1444-11-16                |
| 5                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2023-08-26              | 2023-09-05                | 1445-02-20                |
| 6                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2023-11-26              | 2023-12-06                | 1445-05-22                |
| 7                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2024-02-26              | 2024-03-07                | 1445-08-26                |
| 8                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2024-05-26              | 2024-06-05                | 1445-11-28                |
| 9                | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2024-08-26              | 2024-09-05                | 1446-03-02                |
| 10               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2024-11-26              | 2024-12-06                | 1446-06-05                |
| 11               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2025-02-26              | 2025-03-08                | 1446-09-08                |
| 12               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2025-05-26              | 2025-06-05                | 1446-12-09                |
| 13               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2025-08-26              | 2025-09-05                | 1447-03-13                |
| 14               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2025-11-26              | 2025-12-06                | 1447-06-15                |
| 15               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2026-02-26              | 2026-03-08                | 1447-09-19                |
| 16               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2026-05-26              | 2026-06-05                | 1447-12-19                |
| 17               | 950000.0        | 142500.0        | 0.0             | 1092500.0        | 2026-08-26              | 2026-09-05                | 1448-03-23                |

### العقد التجاري الموحد Unified Commercial Contract



يعتبر هذا العقد عقداً موثقاً وسعداً تنفيذياً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

### 1 بيانات العقد Contract Data

|                          |                 |                         |                          |            |                           |
|--------------------------|-----------------|-------------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:           | 20715659137 / 1 | Contract No.            | نوع العقد:               | جديد       | Contract Type             |
| تاريخ إبرام العقد:       | 2022-01-11      | Contract Sealing Date   | مكان إبرام العقد:        | الرياض     | Contract Sealing Location |
| تاريخ بداية مدة الإيجار: | 2022-08-26      | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2027-08-25 | Tenancy End Date          |
| معلق بشرط:               | لا              | Contract is conditional |                          |            |                           |

### 2 بيانات المؤجر Lessor Data

|                    |            |                   |                      |                            |                      |
|--------------------|------------|-------------------|----------------------|----------------------------|----------------------|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة تمدين الأولى العقارية | Company name/Founder |
| رقم السجل التجاري: | 1010896622 | CR No.            | الرقم الموحد:        | 7010776792                 | Unified Number       |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                 | CR Date              |

### 3 بيانات ممثل المؤجر Lessor Representative Data

|                  |                         |                  |                    |                          |             |
|------------------|-------------------------|------------------|--------------------|--------------------------|-------------|
| الاسم:           | سلمان حسين بن يحيى معدي | Name             | الجنسية:           | المملكة العربية السعودية | Nationality |
| نوع الهوية:      | هوية وطنية              | ID Type          | رقم الهوية:        | 1073134924               | ID No.      |
| رقم الجوال:      | +966596332153           | Mobile No.       | البريد الإلكتروني: | mualidis@mulkia.com.sa   | Email       |
| العنوان الوطني:  | الرياض، الرياض          | National Address | نوع المستند:       | أخرى                     | Type        |
| رقم سند التمثيل: | 1010404675              | CR No.           | تاريخ الإصدار:     | 2022-07-01               | Issue Date  |

### 4 بيانات المستأجر Tenant Data

|                    |            |                   |                     |  |                      |
|--------------------|------------|-------------------|---------------------|--|----------------------|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة: | شركة اتجاهات الريادة للتجارة شركة شخص واحد | Company name/Founder |
| رقم السجل التجاري: | 7004085168 | CR No.            | الرقم الموحد:       | 1010404675                                 | Unified Number       |

### General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832

شركة قيم للتقييم - ترخيص رقم 1210000052 تاريخ الانتهاء 1447/05/03 هـ سجل تجاري رقم 1010927632 تاريخ الانتهاء 1449/03/15 هـ الرقم الموحد 920025832 - مكتب رقم 7 مبنى رقم 8484 طريق عثمان بن عفان - الرياض 11666

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



Elite Mall

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Elite Mall Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al Sulaymaniyah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Elite Mall property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (190,253,000) One hundred and ninety million, two hundred and fifty-three thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**



# قيـم للتقـيـم

## QIAM VALUATION

### Content

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- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Direct Capitalization Method**). This is because the property is leased under one contract and with a fixed rental value throughout the contract period.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                          | Real estate valuer's identity   |
|---|--|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund              | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai`- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                    | Purpose of the valuation  |
| Current use   | Fair value                                     | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                             | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Direct Capitalization Method) | Elite Mall  |
| Report issuance date  | Valuation date (measurement)                   | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                  | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.



## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

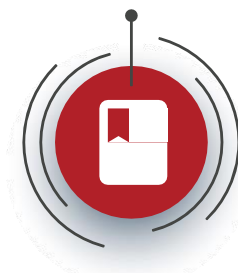
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 04



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

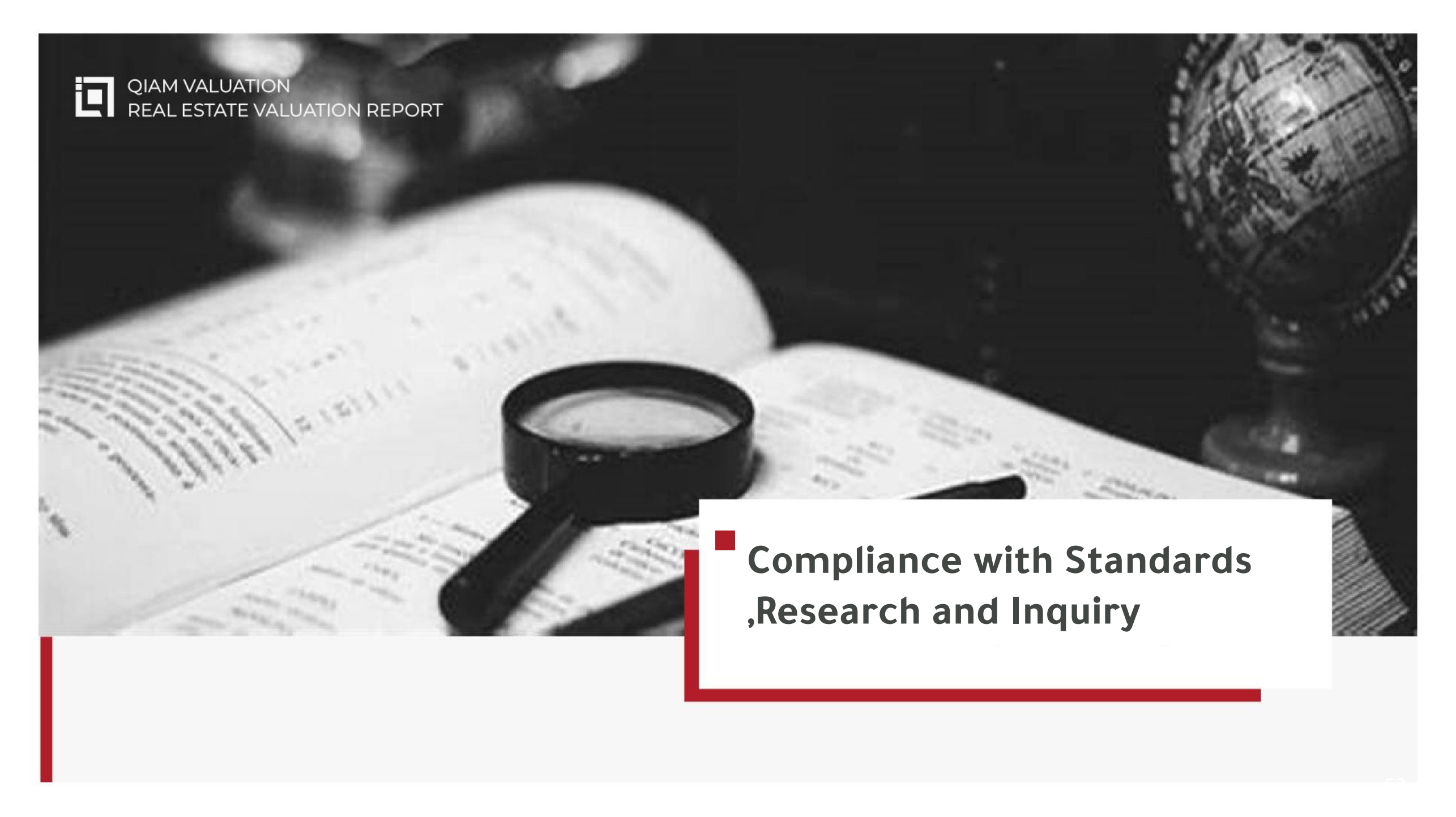
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task



## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



■ An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia

## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.





## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in Riyadh city**

Social, service and real estate indicators - Riyadh City - 2023 AD

Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m <sup>2</sup> | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|



## Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the center of Riyadh.
- The location is close to the main roads that connect it to other parts of Riyadh, such as **(King Abdulaziz Road and Khurais Road)**.
- The location is close to business centers, ministries and major hospitals.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries and major hospitals.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- The location is on a secondary commercial street.

### Challenges:

- Seeking to develop in line with the Kingdom's economy and its orientation towards global markets.
- Eliminating all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.
- The location of the property within the old neighborhoods of the city.



## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 793010004585 | 12/11/1442 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District       | Plot number | Plan number | Land area          |
|-----------------------|-------------|-------------|--------------------|
| Riyadh - Sulaymaniyah | 49 / س      | 689         | 9600 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                          |               |                   |               |                 |               |
|----------------------|---------------|--------------------------|---------------|-------------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border          | Border length | Eastern border    | Border length | Western border  | Border length |
| 39.5m wide corridor  | 96            | Garden + 13m wide street | 96            | 13.5m wide street | 100           | 40m wide street | 100           |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

Real estate data and Services available in the real estate area

| Real Estate Data  |  |                |                                   |
|---|--|----------------|-----------------------------------|
| City  | Riyadh                                 | Neighborhood   | Al Sulaymaniyah                   |
| Street  | Prince Abdulaziz bin Musaed bin Jalawi | Property type  | Mall                              |
| No. land plan   | 689                                    | Plot number    | 49 / س                            |
| Land Area   | 9600 square meters                     | Built-up area  | 21909 square meters               |
| Services and facilities available in the real estate area |  |                |                                   |
| Electricity network                                       | Telephone network                      | Water network  | Sewerage network                  |
| ✓   | ✓                                      | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                                 | Dispensary     | Garden                            |
| ✓   | ✓                                      | ✓              | ✓                                 |
| Public markets  | Civil defense                          | Police station | Hospital                          |
| ✓   | ✓                                      | ✓              | ✓                                 |
| Hotels  | Petrol station                         | Schools        | Governmental services and centers |
| ✓   | ✓                                      | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description  |
|---------------------------------|---|--|
| Area overview                   | Importance of the area                  | The property is located in the middle of Riyadh city in Al Sulaymaniyah district on Prince Abdulaziz bin Musaed bin Jalawi Street with easy access to King Abdulaziz Road. |
| Natural factors (Environmental) | Lands topography                        | Flat   |
|                                 | Pollution                               | N.A.   |
| Planning factors (Urban)        | Location from the city                  | City center  |
|                                 | Infrastructure                          | Completed  |
|                                 | Municipal equipment                     | Completed  |
|                                 | Land properties                         | Regular sides and lengths  |
| Building Regulations            | Land use                                | Residential - Commercial   |
|                                 | Building ratio - number of floors       | 65% - Three floors   |
| Economic factors                | Supply and demand                       | Average  |
|                                 | Land prices                             | Average  |
| Legal factors                   | Deficit and trespassing on the property | N.A.   |

## Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(7)** years based on the **(Building permit)**.
- Building permit number **544/1431** dated **13/01/1436 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Commercial office complex)**. Detailed as below:

| Building components |                            |           |                        |
|---------------------|----------------------------|-----------|------------------------|
| #                   | Floor                      | Area (m2) | Use                    |
| 1                   | Basement                   | 9586.5    | Parking                |
| 2                   | Commercial ground floor    | 4703.30   | Trade shows            |
| 3                   | Commercial mezzanine floor | 2349.60   | Trade shows            |
| 4                   | Commercial First floor     | 3406.60   | Administration offices |
| 5                   | Upper extensions           | 1679      | Administration offices |
| 6                   | Fences                     | 184       | Services               |

Property Description

INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

EXTERIOR FINISHES

| Facades       | Facilities        | Doors                  | Floors |
|---------------|-------------------|------------------------|--------|
| Stone - Paint | Cosmetic implants | Electric Securit Glass | Marble |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Central          | 6 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|--------------------|--|---|
| N.A.       | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



Property location

Property is located in: **Riyadh**

Neighborhood: **Al Sulaymaniyah**

Street: **Prince Abdulaziz bin Musaed bin**

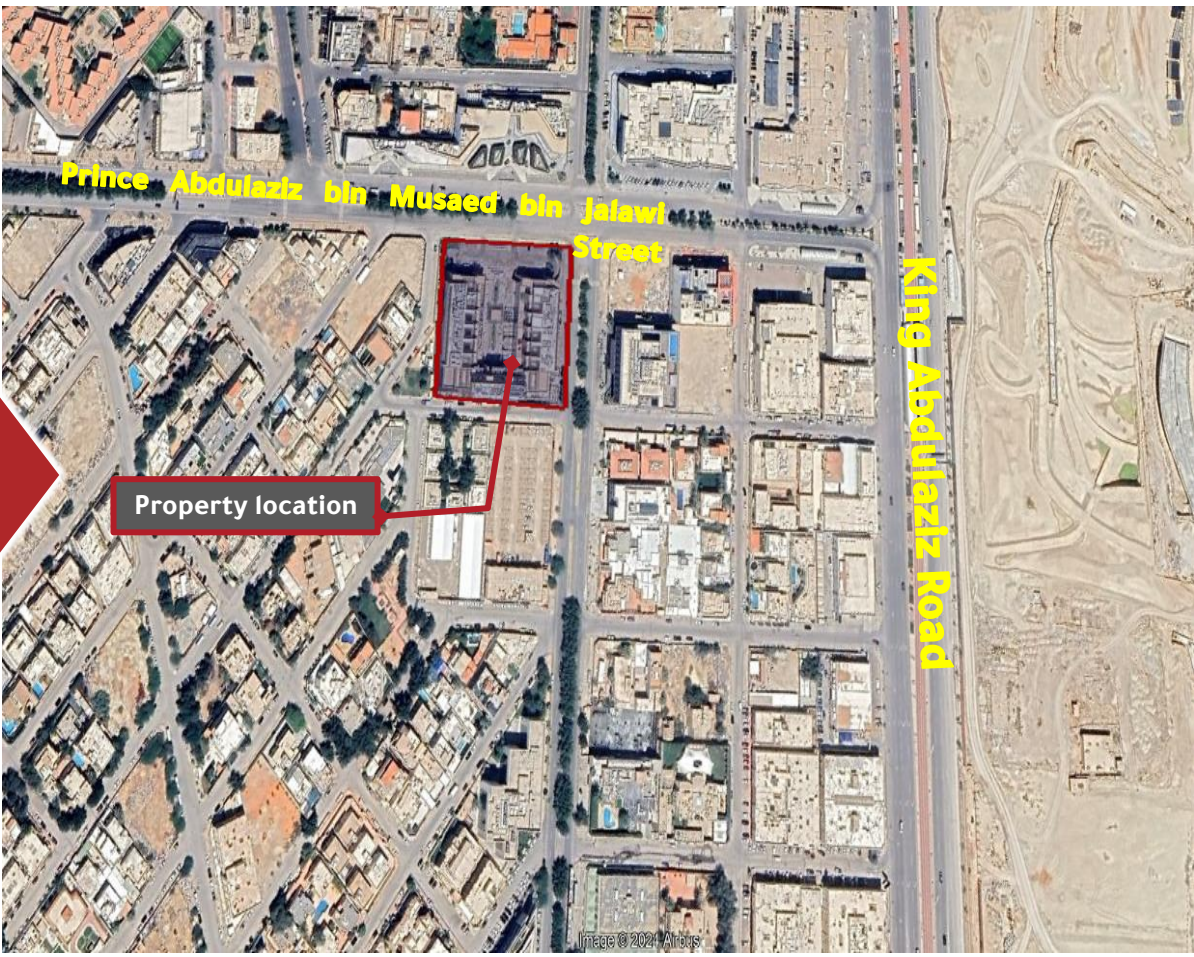
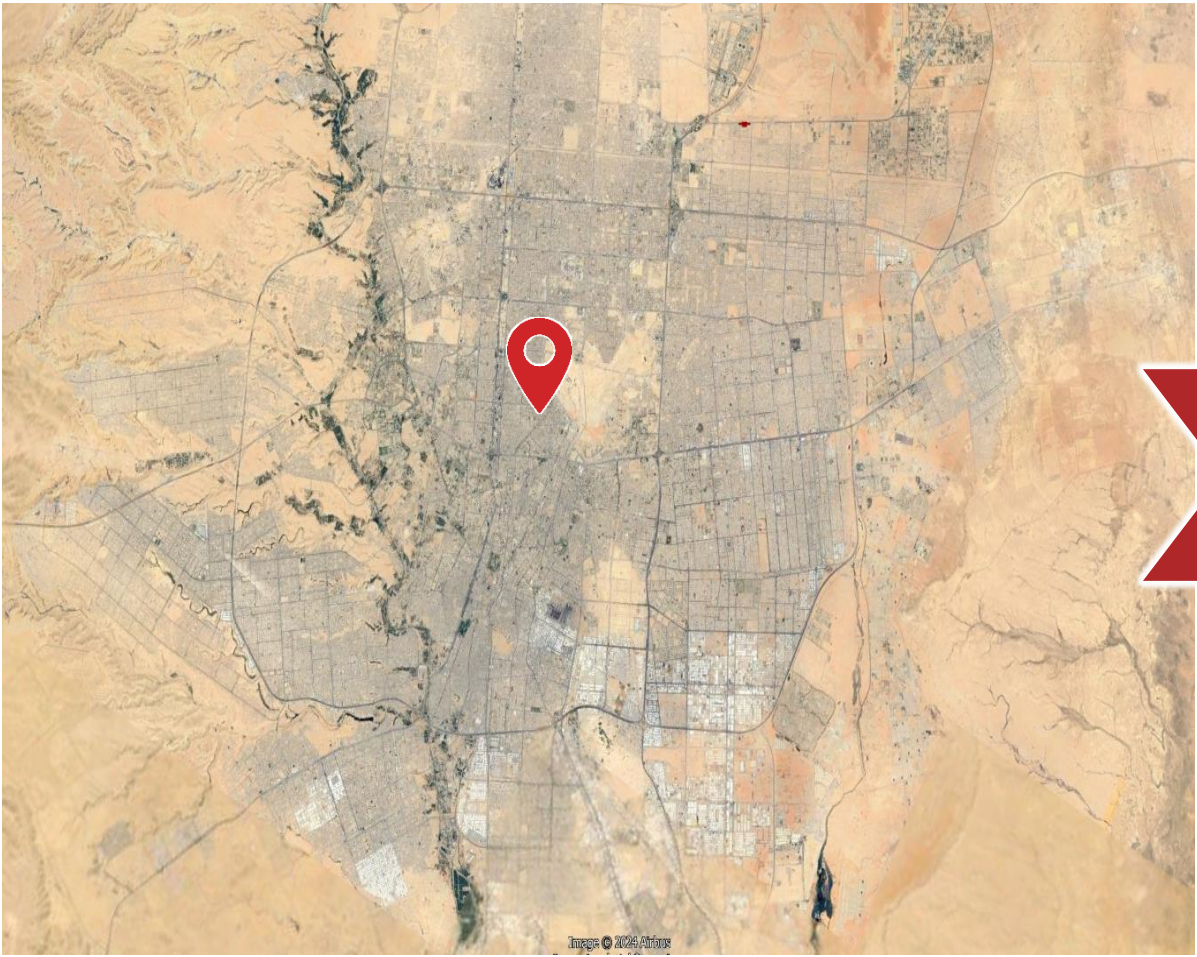
Location coordinates

N :

24.706418

E :

46.707888





## Photographic survey of the Property

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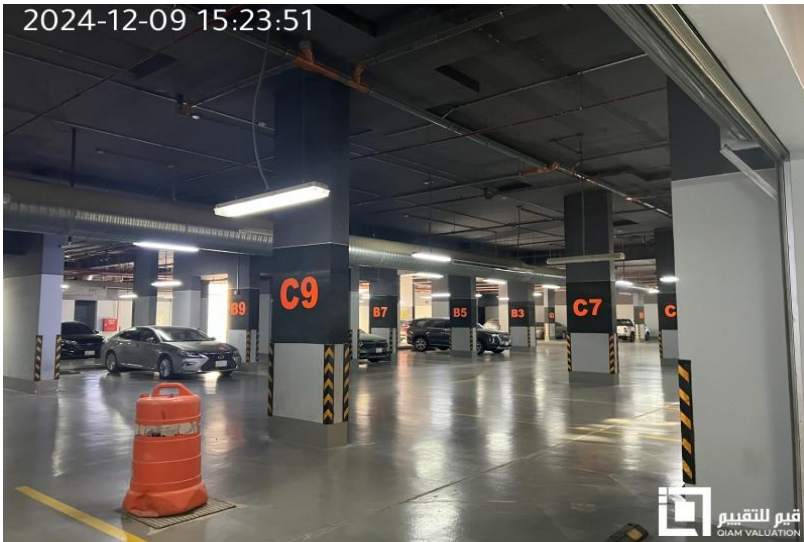
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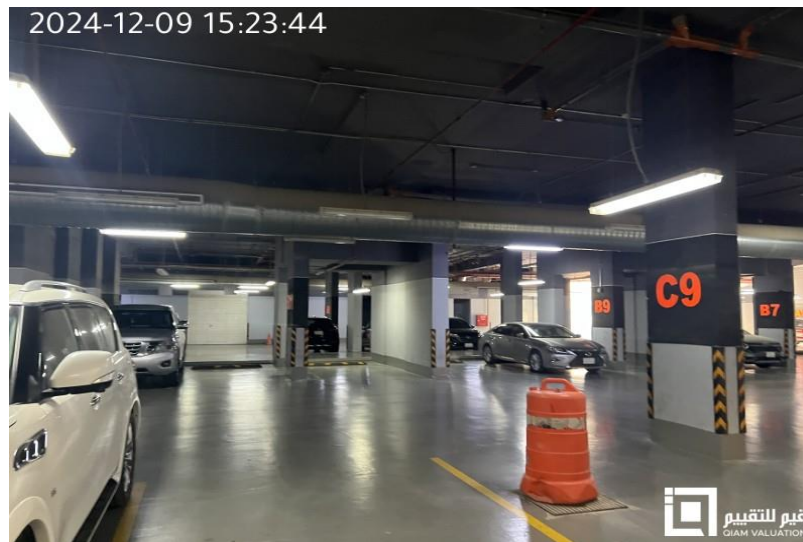
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Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.



## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula (current age of the building / Lifespan) \* 100.

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

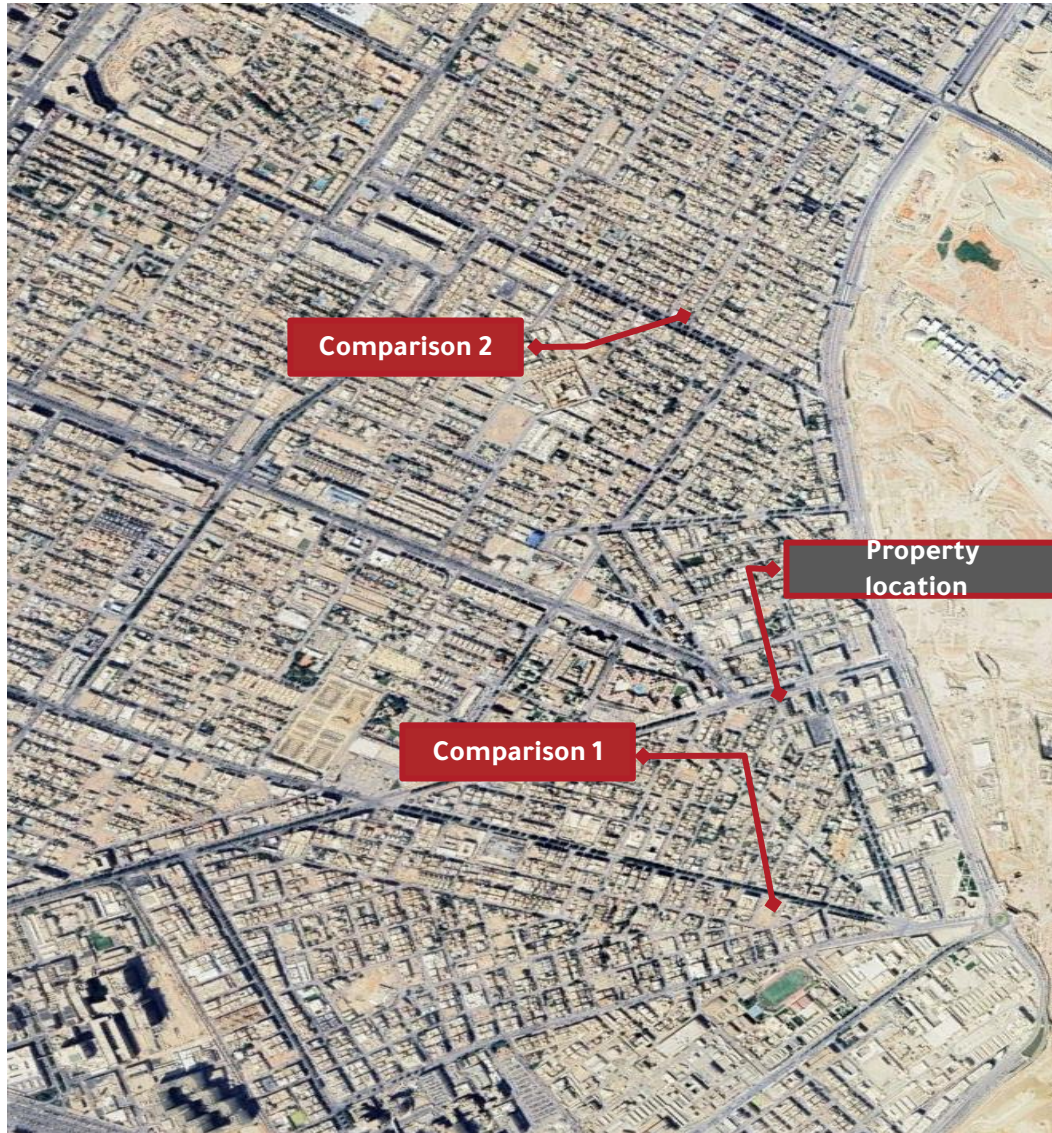
| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation



## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      | 6,000                    |            | 12,000                 |            |
| Condition   | ***                      | Available offer          |            | Available offer        |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | -5.00%                   | - 300      | -5.00%                 | - 600      |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Market conditions value   | ***                      | (300.00)                 |            | (600.00)               |            |
| Value after initial settlements   | ***                      |                          | 5,700      |                        | 11,400     |
| Land area (m²)  | 9600.00                  | 1,980                    | -12%       | 2,200                  | -10%       |
| Ease of access  | Average                  | Average                  | 0%         | High                   | -10%       |
| Property location   | Average                  | Average                  | 0%         | High                   | -10%       |
| Land shape  | Flat                     | Flat                     | 0%         | Flat                   | 0%         |
| Land topography   | Regular                  | Regular                  | 0%         | Regular                | 0%         |
| Land use  | Residential Commercial   | Residential              | 25%        | Residential Commercial | 0%         |
| Surrounding streets   | 4                        | 2                        | 10%        | 3                      | 5%         |
| Total   |                          | 23.00%                   |            | -25.00%                |            |
| Adjustment value per square meter   |                          | 1,311                    |            | 2,850-                 |            |
| Final meter value after Adjustments   |                          | 7,011                    |            | 8,550                  |            |
| Net average value per square meter (SAR / m²)   |                          |                          | 7,781      |                        |            |
| Market value of the land (SAR / m²)   |                          |                          | 74,692,800 |                        |            |



## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs) |                  |          |             |
|--|------------------|----------|-------------|
| Clause                                   | Built up area m2 | SAR / m2 | Value (SAR) |
| Basement                                 | 9586.5           | 2,400    | 23,007,600  |
| Commercial ground floor                  | 4703.3           | 3,200    | 15,050,560  |
| Commercial mezzanine floor               | 2349.6           | 3,200    | 7,518,720   |
| Commercial First floor                   | 3406.6           | 3,200    | 10,901,120  |
| Upper extensions                         | 1679             | 3,200    | 5,372,800   |
| Fences                                   | 184              | 500      | 92,000      |
| Total (SAR)                              | 21,909           |          | 61,942,800  |
| Second: Other costs (indirect)           |                  |          |             |
| Professional fees                        | 2%               |          | 1,238,856   |
| Utilities Network                        | 2%               |          | 1,238,856   |
| Administration costs                     | 2%               |          | 1,238,856   |
| Financing costs (0 years / 0%)           | 0%               |          | -           |
| Developer's profitability                | 15%              |          | 9,291,420   |
| Total (SAR)                              |                  |          | 13,007,988  |
| Total cost of buildings (SAR)            |                  |          | 74,950,788  |

| Third: Depreciation cost   |      |             |
|--|------|-------------|
| Life span of the property (year)   | Year | 50          |
| The current age of the property (year)   | Year | 8           |
| Remaining life of the property (year)  | Year | 42          |
| Depreciation rate  | %    | 16          |
| Depreciation value   | SAR  | 11,992,126  |
| Final value of the building (SAR)  |      | 62,958,662  |
| Fourth: Value of the property according to the Cost Approach                     |      |             |
| Final value of the land (SAR)  |      | 74,692,800  |
| Final value of buildings (SAR)   |      | 62,958,662  |
| Market value of the property according to the Cost Approach (SAR)                |      | 137,651,462 |
| Market value of the property according to the Cost Approach after rounding (SAR) |      | 137,651,000 |

Estimating the value of the rental meter - Market Approach - Comparison method - Commercial

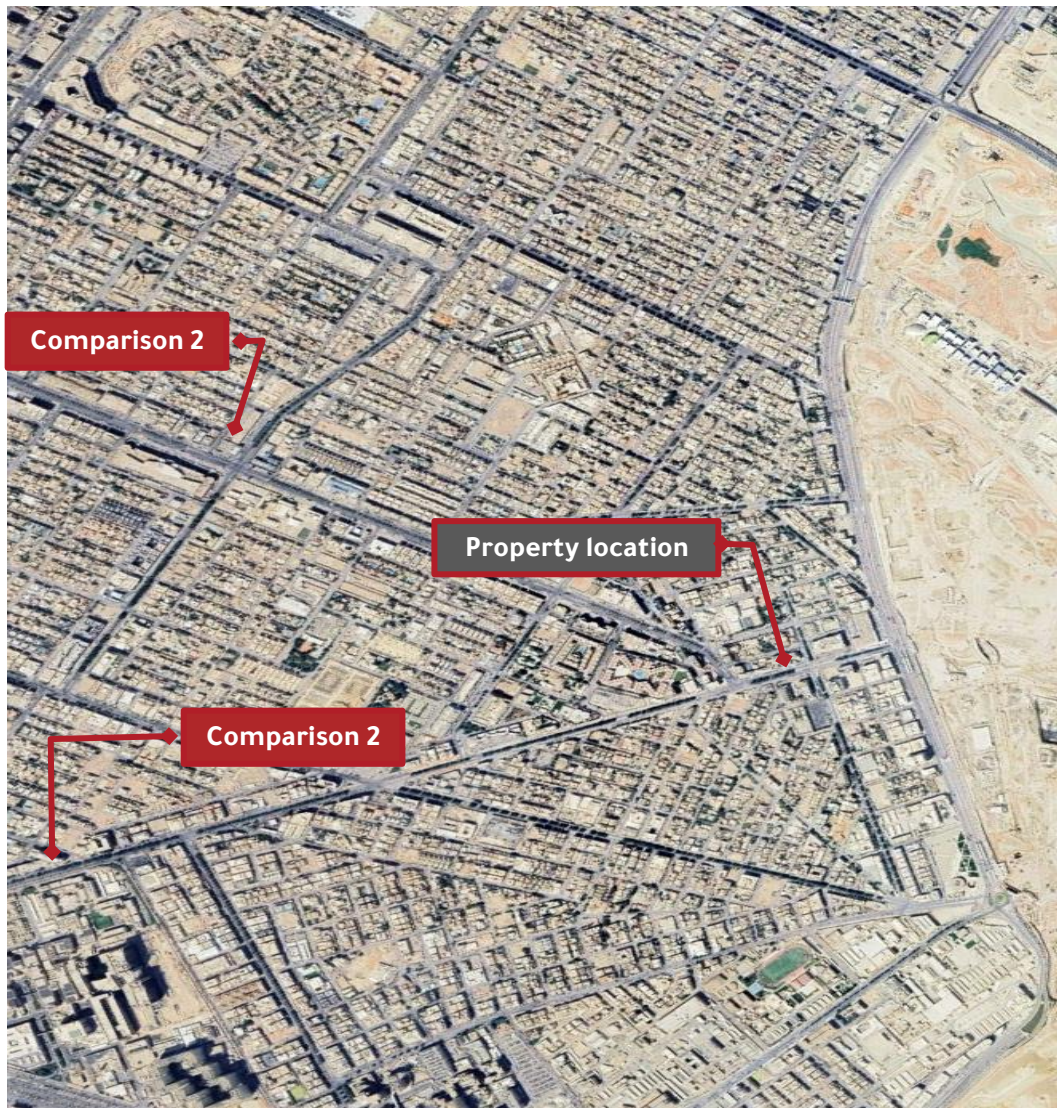


| Estimating the value of the rental meter - Trade shows - According to the Market Approach - Comparison method |                          |                          |            |              |            |
|---|--------------------------|--------------------------|------------|--------------|------------|
| Clause  |                          | Comparative real estates |            |              |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2 |            |
|   |                          | Value                    | Adjustment | Value        | Adjustment |
| Rental price per square meter   | ***                      | 1,650                    |            | 2,350        |            |
| Condition   | ***                      | Ranted                   |            | Ranted       |            |
| valuation/offer date  | 2024                     | 2024                     |            | 2024         |            |
| Market conditions   | ***                      | -10.00%                  | - 165      | -10.00%      | - 235      |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%        | -          |
| Market conditions value   | ***                      | (165.00)                 |            | (235.00)     |            |
| Value after initial settlements   | ***                      | 1,485                    |            | 2,115        |            |
| Area (m2)   | 398                      | 42                       | -15%       | 166          | -3%        |
| Ease of access  | High                     | Average                  | 5%         | Average      | 5%         |
| Property location   | High                     | Average                  | 5%         | Average      | 5%         |
| Parking availability  | High                     | Average                  | 5%         | High         | 5%         |
| Design  | High                     | Average                  | 10%        | High         | 0%         |
| Total   |                          | 10.00%                   |            | 12.00%       |            |
| Adjustment value per square meter   |                          | 149                      |            | 254          |            |
| Final meter value after Adjustments   |                          | 1,634                    |            | 2,369        |            |
| Net average value per square meter (SAR / m²)   |                          |                          | 2,001      |              |            |
| Net average value per meter (SAR/meter) after rounding  |                          |                          | 2,000      |              |            |



## Estimating the value of the rental meter - Market Approach - Comparison method -

Administrative



### Estimating the value of the rental meter - Administrative offices - According to the Market Approach - Comparison method

| Clause   |                          | Comparative real estates |            |              |            |
|--|--------------------------|--------------------------|------------|--------------|------------|
| Adjustments factors  | Property under valuation | Comparison 1             |            | Comparison 2 |            |
|  |                          | Value                    | Adjustment | Value        | Adjustment |
| Rental price per square meter                              | ***                      | 1,250                    |            | 1,400        |            |
| Condition  | ***                      | Ranted                   |            | Ranted       |            |
| valuation/offer date                                       | 2024                     | 2024                     |            | 2024         |            |
| Market conditions  | ***                      | 0.00%                    | -          | 0.00%        | -          |
| Financing terms  | ***                      | 0.00%                    | -          | 0.00%        | -          |
| Market conditions value                                    | ***                      | -                        |            | -            |            |
| Value after initial settlements                            | ***                      | 1,250                    |            | 1,400        |            |
| Area (m2)  | 164.00                   | 40                       | -10%       | 150          | 0%         |
| Ease of access   | High                     | Average                  | 5%         | Average      | 5%         |
| Property location  | High                     | Average                  | 10%        | Average      | 5%         |
| Parking availability                                       | High                     | Average                  | 10%        | Average      | 10%        |
| Design   | High                     | Average                  | 10%        | Average      | 10%        |
| Total  |                          | 25.00%                   |            | 30.00%       |            |
| Adjustment value per square meter                          |                          | 313                      |            | 420          |            |
| Final meter value after Adjustments                        |                          | 1,563                    |            | 1,820        |            |
| Net average value per square meter (SAR / m <sup>2</sup> ) |                          |                          | 1,691      |              |            |
| Net average value per meter (SAR/meter) after rounding     |                          |                          | 1,700      |              |            |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization rate analysis - the method of extracting from the market by looking at the market activity and similar reports of Qiam Investments Company, as well as by looking at the economic reports issued by some research centers and the Qim valuation Company Information Center, it became clear to us that the return in the region ranges from 8% to 7%. Accordingly, the return rate was assumed at 7.5%. There are many factors that affect the return rate, including the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |  |
|--|------|--|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |  |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |  |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |  |
| Special risk premium (the resulting costs of the property) | 1    | According to the condition and circumstances of the property |  |
| Discount rate with all data above                          | 9    | %  |  |

### Discounted cash flow method assumptions:

| Discounted Cash Flow method assumptions |            |                             |       |
|---|------------|-----------------------------|-------|
| Total rental income                     | 18,608,800 | Discount rate               | 9.00% |
| Occupancy rate and credit risk          | 5%         | Capitalization rate         | 7.5%  |
| Operating Expense Rate                  | 15%        | Growth rate - every 3 years | 6%    |

| Annual property income statement   |                 |           |                                    |                     |
|------------------------------------|-----------------|-----------|------------------------------------|---------------------|
| Clause                             | Number of units | Area (m2) | Rental value per meter (SAR/meter) | Rental value (SAR ) |
| Offices                            | 14              | 3839      | 1,700                              | 6,526,300           |
| Showrooms                          | 14              | 5370      | 2,000                              | 10,740,000          |
| Total annual property income (SAR) |                 |           |                                    | 17,266,300          |

### Operating and capital expenditure rate:

Since the property is leased under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate was assumed at 0% for the year 2024 AD. Based on the market survey data, it became clear to us that the operating expense rate ranges between 10% and 15%. Accordingly, a rate of 15% was assumed for the year 2025 AD until the end of the cash flow period.

### Vacancy rate and credit risk:

Since the property is leased under a single contract, the vacancy rate and credit risk were assumed at 0% for the year 2024 AD. Based on the market survey data, it was found that the vacancy rate would be 5% for the year 2025 AD until the end of the cash flow period.

### Rental income:

The property income was analyzed by reviewing the property contract and comparing it to the market to verify that the rental value of the property is 16,000,000 riyals and is leased with a single contract at a fixed value. This was assumed in the income of the year 2024 AD. Based on the near expiration of the contract, the income for the year 2025 was estimated based on market data, where the income was assumed to be 18,608,800 riyals and with a growth rate of 6% every three years.



## Method

| Cash flow - Inflows                |            | Investment years |            |            |            |            |            |            |            |            |            | Reversion value |
|------------------------------------|------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------|
|                                    |            | 2024             | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       |                 |
|                                    |            | 1                | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         |                 |
| Expected growth value              |            | 0.00%            | 0.00%      | 0.00%      | 6.00%      | 0.00%      | 0.00%      | 6.00%      | 0.00%      | 0.00%      | 6.00%      |                 |
| Total rental value                 | 17,266,300 | 16,000,000       | 17,266,300 | 17,266,300 | 18,302,278 | 18,302,278 | 18,302,278 | 19,400,415 | 19,400,415 | 19,400,415 | 20,564,440 |                 |
| Minus vacancy rate and credit risk | 5%         | -                | 863,315    | 863,315    | 915,114    | 915,114    | 915,114    | 970,021    | 970,021    | 970,021    | 1,028,222  |                 |
| Total actual rental income         |            | 16,000,000       | 16,402,985 | 16,402,985 | 17,387,164 | 17,387,164 | 17,387,164 | 18,430,394 | 18,430,394 | 18,430,394 | 19,536,218 |                 |
| minus operating expense ratio      | 15%        | 0                | 2,460,448  | 2,460,448  | 2,608,075  | 2,608,075  | 2,608,075  | 2,764,559  | 2,764,559  | 2,764,559  | 2,930,433  |                 |
| Net Operating Income (NOI)         |            | 16,000,000       | 13,942,537 | 13,942,537 | 14,779,089 | 14,779,089 | 14,779,089 | 15,665,835 | 15,665,835 | 15,665,835 | 16,605,785 |                 |
| Reversion value of the building    |            |                  |            |            |            |            |            |            |            |            |            |                 |
| Net Cash Flow                      |            | 16,000,000       | 13,942,537 | 13,942,537 | 14,779,089 | 14,779,089 | 14,779,089 | 15,665,835 | 15,665,835 | 15,665,835 | 16,605,785 |                 |
| Discount Factor                    |            | 0.9174           | 0.8417     | 0.7722     | 0.7084     | 0.6499     | 0.5963     | 0.5470     | 0.5019     | 0.4604     | 0.4224     | 0.4224          |
| Present Value of Cash Flows        |            | 14,678,899       | 11,735,155 | 10,766,197 | 10,469,880 | 9,605,394  | 8,812,288  | 8,569,748  | 7,862,154  | 7,212,986  | 7,014,463  | 93,526,174      |
| Net present value of the property  |            |                  |            |            |            |            |            |            |            |            |            | 190,253,337     |

|                                       |             |
|---------------------------------------|-------------|
| Final Property Value                  | 190,253,337 |
| Final Property Value (after rounding) | 190,253,000 |

**Final value of the property**

Based on the purpose of the valuation and the nature and characteristics of the property, as it is a commercial and administrative complex property leased under a single contract, the evaluation of the property using the Income Approach (Discounted Cash Flow method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property being evaluated, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                                 |
|---|---|
| 190,253,000                                       | One hundred and ninety million, two hundred and fifty-three thousand Saudi riyals |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**

## Documents received from the client

إمارة الرياض  
الرقم الموحد: ١٤٣٦/٨٤٤٠٧  
www.alriyadh.gov.sa

رقم الرخصة: ١٤٣٦/٩٤٤  
تاريخ الرخصة: ١٤٣٦-١١-١٣  
تاريخ الانتهاء: ١٤٣٩-١١-١٣  
نوع الرخصة: إصدار

رخصة  
بناء معرض تجارية

اسم المالك: خالد بن عبد العزيز بن تلحان  
رقم الإثبات: ١٠٠٢٤٣٤٤٧  
رقم المالك: ٢١٠١١٥٠٣٢١٠٤  
رقم القطعة: ٢٤٩  
الشماري: ٩٨٩  
نوع البناء: سكن  
مساحة الأرض: ٢٠٩٥٨٦,٥ م<sup>2</sup>  
محيط الأسوار: ٣٨٦,٧ م

الجهة: شمال  
شمال شرق: شارع عرض ٢٩,٥  
شرق: شارع عرض ١٢,٧  
جنوب شرق: حديقته مع شارع ١٣  
جنوب: شارع عرض ٤٠  
شرب:

مكونات البناء  
عدد الوحدات  
المساحة  
الاستخدام

قبو  
أرضي تجاري  
مزلتين تجاري  
أول تجاري  
غرفة كهرباء  
ملاحق طويلة  
أسوار

رقم العرض: ٣٩.٥  
العرض: ٩٦  
العمق: ١٠٠  
حديقة مع شارع ١٣

البناء الذي يجب الالتزام به عند تنفيذ البناء هو رخصة البناء وأن تلتزم بالملامح الهندسية المعمورة ولا يجب الالتزام بالملامح المعمورة المعمورة عليه وفق كود البناء السعودي وذلك حسب تقديم وزير الشؤون البلدية والقروية والإسكان رقم ١٦٣٨٤-ج-١٧ م ١٤٣٤ م ٢٠١٧ م قراره غرفة كهرباء بأبعاد ٢٠٩٥٨٦,٥ م ٢٠٩٥٨٦,٥ م مساحات البناء عن ٢٠٩٥٨٦,٥ م

تم أخذ تعهد خطي من المالك بأنه لن توسع له القيمة الكهربائية في حال عدم تلبية العرض التجاري طبقاً لكود البناء السعودي

المكتب المصمم: مكتب لاستشارات الهندسة المعمارية  
رقم الترخيص: ٢٢٤٨٠  
رقم المشروع: ٨  
سند الرسوم مبلغ وقدره: ١١,٥٧ ريال بموجب الإيصال رقم: ٣٦٠٠١٢١٩٣٥  
تواريخ: ١٤٣١-١١-١٢

ملاحظات:

١- نوع الرخصة: إصدار رخصة قروية. ٢- بموجب نظام رخصة البناء القروية الصادر: ٤- بموجب القرار رقم ١١٣٨/١٤٣١ بتاريخ ٢٠١٤-٠٤-٠٤. ٣- مساحة المصمم ايراد: ٢٠٠ جهة الشارع الرئيسي استخدام الموقوف سيارات. ٤- رواد الملاحق القروية عن ٨٠ دور الأول لا يقل عن ٢ م من جهة الشوارع. ٥- القبر موقوف سيارات ويبدأ المخطط به ٢٠ م من جهة المخطط ويكون عرض ١٠ م. ٦- يجب مراعاة التقاع المدني ويمتلك ملك في الرياض وأهله منطقة الرياض قبل البدء بالتنفيذ. ٧- نسبة الميزانين لا تزيد عن ١٠٠٪ من مساحة الدور الأرضي التجاري. ٨- مراعاة خصوصية الجوارين في وضع أعمدة الدور الأول. ٩- أن يكون الميزانين مرتبطين بالدور الأرضي التجاري مباشرة ولا يكون له منفصل مستقل. ١٠- تم عمل عقد إشراك مع مكتب اسس الهندسة لاستشارات الهندسية وعليه يكون مسؤولاً عن تلبية جميع الرخصة والمخططات وعليه ابراز ائتمنة خطياً حال حدوث أي مخالطة كتمت أثناء التنفيذ لإغلاق مسؤولياتهم. ١١- بموجب شهادة التنسيق من شركة القروية رقم ١١٦٢٠٠٠٠٠٠٠٠ بتاريخ ٢٠١٤-٠٤-٠٤.

المختتم الرسمي  
مدير إدارة المرافق  
م/ علي بن أحمد اللوي  
م/ سليمان عبد الرحمن الفراج  
م/ محمد علي التخطيط المعماري  
م/ محمد علي التخطيط المعماري

يجب الالتزام بالشروط الموضحة خلف الرخصة  
أي مخطط أو مخطط يلحق هذه الرخصة.

رقم الصك: 793010004585  
التاريخ: 1442/11/12 هـ

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

صك رهن

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن قطعة الأرض رقم 49 / س من المخطط رقم 689 الواقع في حي السلمانية بمدينة الرياض . وحدودها وأطوالها :  
شمالاً: شارع عرض 39.5م بطول 96 ستة وتسعون متر  
جنوباً: حديقة مع شارع 13م بطول 96 ستة وتسعون متر  
شرقا: شارع عرض 13.7م بطول 100 مائة متر  
غربا: شارع عرض 40م بطول 100 مائة متر  
ومساحتها 9600 تسعة آلاف وستة مائة متر مربعاً المملوكة لشركة تعدين الأولى العقارية بموجب سجل تجاري رقم 1010896622 بموجب الصك الصادر من الموثقين بالرياض 6 برقم 593598002681 في 1442 / 07 / 24 قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضمناً للوفاء بـ 79953565 فقط تسعة وسبعون مليوناً وتسعمائة وثلاثة وخمسون ألفاً وخمسمائة وخمسة وستون ريالاً سعودياً لا غير. تسدد على القسط شهرية عددها 1 قيمة كل قسط 79953565 فقط تسعة وسبعون مليوناً وتسعمائة وثلاثة وخمسون ألفاً وخمسمائة وخمسة وستون ريالاً سعودياً لا غير. تاريخ حلول القسط 1442/11/13 سبب الرهن : كضمان لما يجب عليهم من مستحقات مالية بمبلغ وقدره (79953565) لصالح شركة الراجحي للتطوير المحدودة على أن يكون السداد على قسط واحد بعد سبع سنوات ويدفع بتاريخ 2027-12-30 م وفي حالة عدم السداد فليمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات. واستيفاء مايلي نمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مبالغه شرعاً. وعليه جرى التصديق تحريراً في 1442 / 11 / 12 لا عتماده ،بوصلى الله على نبينا محمد وآله وصحبه وسلم.

الموثق

المختتم الرسمي

ابراهيم عمر محمد الحسين



## Documents received from the client

|  |                             |  |   |                 |                             |                               |
|--|-----------------------------|--|---|-----------------|-----------------------------|-------------------------------|
| الأجرة السنوية<br>للخدمات العامة: (يُدخل<br>ضمن القيمة الإيجارية<br>لعقد الإيجار)  |                             | 0.0  | General Services<br>Amount:                           | والتي تشمل على: | -                           | General Services<br>Included: |
| دورة سداد الإيجار  | نصف سنوي                    | Rent payment cycle   | عدد دفعات الإيجار:                                    | 6               | Number of Rent<br>Payments: |                               |
| دفعة الإيجار الأولى:<br>(تشمل المصروفين)   | 9200000.0                   | First rental<br>payment: (Includes<br>deposit)   | مبلغ ضريبة القيمة<br>المضافة على القيمة<br>الإيجارية: | 7200000.0       | VAT on rental value:        |                               |
| الرقم المشترك<br>.No   | الرقم الضريبي<br>Vat number | نوع الهوية<br>ID Type  | رقم الهوية أو السجل<br>التجاري<br>ID/CR Number        |                 |                             |                               |
| 1  | 310199293800003             | رقم التسجيل  | 1010896622  |                 |                             |                               |
| القيمة السنوية للإيجار:  |                             | 16000000.0   | Annual Rent:  |                 |                             |                               |
| إجمالي قيمة العقد:   |                             | 55200000.0   |   |                 |                             | Total Contract value          |
| يشمل: القيمة الإيجارية، ومبلغ المصروفين، ومبلغ ضريبة القيمة المضافة - إن وجدت - وقيمة الخدمات العامة، والأجرة السنوية للغاز والكهرباء والمياه والصرف الصحي (إذا تحدث كمبالغ ثابتة) . |                             |  |   |                 |                             |                               |
| طرق الدفع المعتمدة   |                             | الدفع عن طريق الوسيط العقاري/المؤجر أو<br>الدفع إلكترونياً من خلال قنوات الدفع المتاحة |   |                 |                             | Approved payment methods      |

| ١٣ جدول سداد الدفعات<br>Rent Payments Schedule |                               |                                |                             |                                 |   |  |  |   |
|--|-------------------------------|--------------------------------|-----------------------------|---------------------------------|---|--|--|---|
| الرقم<br>المسجل<br>No                          | قيمة<br>الإيجار<br>Rent value | ضريبة القيمة<br>المضافة<br>VAT | قيمة<br>الخدمات<br>Services | إجمالي<br>القيمة<br>Total value | تاريخ الإصدار<br>(م)<br>Issued Date(AD) | تاريخ الاستحقاق<br>(م)<br>Due Date(AD) | تاريخ الإصدار<br>(هـ)<br>Issued Date(AH) | تاريخ الاستحقاق<br>(هـ)<br>Due Date(AH) |
| 1  | 8000000.0                     | 1200000.0                      | 0.0                         | 9200000.0                       | 2022-02-20                              | 2022-03-02                             | 1443-07-19                               | 1443-07-29                              |
| 2  | 8000000.0                     | 1200000.0                      | 0.0                         | 9200000.0                       | 2022-08-20                              | 2022-08-30                             | 1444-01-22                               | 1444-02-03                              |
| 3  | 8000000.0                     | 1200000.0                      | 0.0                         | 9200000.0                       | 2023-02-20                              | 2023-03-02                             | 1444-07-29                               | 1444-08-10                              |
| 4  | 8000000.0                     | 1200000.0                      | 0.0                         | 9200000.0                       | 2023-08-20                              | 2023-08-30                             | 1445-02-04                               | 1445-02-14                              |
| 5  | 8000000.0                     | 1200000.0                      | 0.0                         | 9200000.0                       | 2024-02-20                              | 2024-03-01                             | 1445-08-10                               | 1445-08-20                              |
| 6  | 8000000.0                     | 1200000.0                      | 0.0                         | 9200000.0                       | 2024-08-20                              | 2024-08-30                             | 1446-02-16                               | 1446-02-26                              |

قيمة إيجارية متغيرة سنوياً: -

| ١٤ التزامات الطرفين<br>Parties Obligations |
|--|
|--|

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)  
تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت التزامات المؤجر / التزامات المستأجر / أحكام عامة

| ١٥ مواد العقد<br>Contract Terms   |
|---|
| المادة الأولى: البيانات السابقة على إلتزامات الأطراف  |
| تعد البيانات السابقة على إلتزامات الأطراف والمحددة في البنود من (1-14) جزءاً لا يتجزأ من هذا العقد ومفسرة ومكملة له.  |
| المادة الثانية: محل العقد   |
| اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم(9) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. وبمقر المستأجر بمعاينته للوحدة الإيجارية، وقبوله للتعاقب حسب الأوصاف المذكورة، وأنها صالحة لنشاط التجاري المتفق عليه في البند رقم (10). |
| المادة الثالثة: مدة الإيجار وتجديد العقد  |

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يعتبر هذا العقد عقداً موثقاً وستأخذ تنفيذاً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد<br>Contract Data |                                 |                         |                          |            |                           |
|---------------------------------|---------------------------------|-------------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:                  | 20269757823                     | Contract No.            | نوع العقد:               | جديد       | Contract Type             |
| تاريخ إبرام العقد:              | 2021-12-08                      | Contract Sealing Date   | مكان إبرام العقد:        | الرياض     | Contract Sealing Location |
| تاريخ بداية مدة الإيجار:        | 2022-02-20                      | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2025-02-19 | Tenancy End Date          |
| هل العقد مشروط:                 | لا                              | Contract is conditional |                          |            |                           |
| طريقة دفع رسوم<br>العقد:        | الدفع عن طريق<br>الوسيط العقاري | Ejar Fees Paid By       |                          |            |                           |

| ٢ بيانات المؤجر<br>Lessor Data |            |                   |                        |                               |                         |
|--------------------------------|------------|-------------------|------------------------|-------------------------------|-------------------------|
| نوع المنظمة:                   | commercial | Organization Type | اسم<br>الشركة/المؤسسة: | شركة تمدين الدولي<br>العقابية | Company<br>name/Founder |
| رقم السجل التجاري:             | 1010896622 | CR No.            | الرقم الموحد:          | 7010776792                    | Unified Number          |
| جهة الإصدار:                   | -          | Issued by         | تاريخ السجل التجاري:   | 2017-10-04                    | CR Date                 |

| ٣ بيانات مُمَثِّلِ المؤجر<br>Lessor Representative Data |                         |                  |                           |                             |                             |
|---|-------------------------|------------------|---------------------------|-----------------------------|-----------------------------|
| الاسم:  | سلمان حسين بن يحيى مهدي | Name             | الجنسية:                  | المملكة العربية<br>السعودية | Nationality                 |
| نوع الهوية:   | هوية وطنية              | ID Type          | رقم الهوية:               | 1073134924                  | ID No.                      |
| رقم الجوال:   | +966556332153           | Mobile No.       | البريد الإلكتروني:        | muaidis@mulkia.com.sa       | Email                       |
| العنوان الوطني:   | الرياض، الرياض          | National Address | رقم سند التمثيل<br>Number | نوع المستند<br>Type         | تاريخ الإصدار<br>Issue Date |
|   | وكالة شرعية إلكترونية   |                  | 2021-09-16                | 2022-09-05                  |                             |

| ٤ بيانات المستأجر<br>Tenant Data |            |                   |                        |   |                         |
|----------------------------------|------------|-------------------|------------------------|---|-------------------------|
| نوع المنظمة:                     | commercial | Organization Type | اسم<br>الشركة/المؤسسة: | شركة المشاريع الأولى<br>المحدودة (شركة<br>شخص واحد) | Company<br>name/Founder |
| رقم السجل التجاري:               | 1010269036 | CR No.            | الرقم الموحد:          | 7001890933  | Unified Number          |
| جهة الإصدار:                     | -          | Issued by         | تاريخ السجل التجاري:   | 2009-06-03  | CR Date                 |

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General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832

شركة قيم للتقييم - ترخيص رقم 1210000052 تاريخ الانتهاء 1447/05/03 هـ سجل تجاري رقم 1010927632 تاريخ الانتهاء 1449/03/15 هـ الرقم الموحد 920025832 - مكتب رقم 7 مبنى رقم 8484 طريق عثمان بن عفان - الرياض 11666

## Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Al Maather Real Estate

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Malathek building + Parking lot Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Maather** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of the Malazak Building + parking lot for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date **31/12/2024 AD**, **For an amount of only (222,222,000) Two hundred and twenty-two million, two hundred and twenty-two thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |





- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Malathek building + Parking lot   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.



## Work Stages

- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 02



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

Step 04



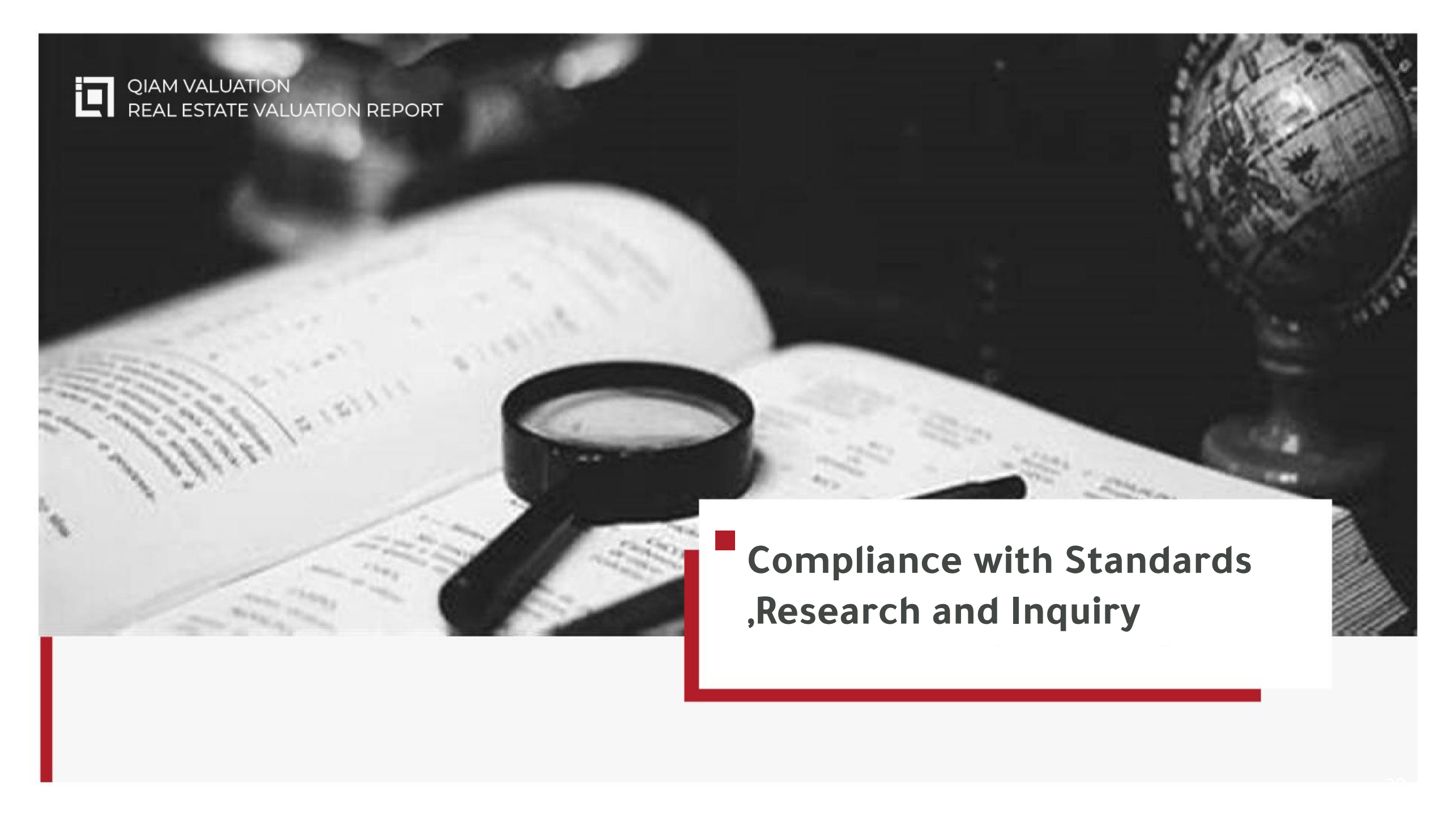
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.



## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.





- **Overview of the economy and the real estate sector in Riyadh city**

Social, service and real estate indicators - Riyadh City - 2023 AD

Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m <sup>2</sup> | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the center of Riyadh..
- The location is close to the main roads that connect it to other parts of Riyadh, such as **(King Fahd Road and Makkah Al-Mukarramah Road)**.
- The location is close to business centers, ministries and major hospitals.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries and major hospitals.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- The location is on a main commercial street.
- The shape of the land is irregular.

### Challenges:

- Seeking to develop in line with the Kingdom's economy and its orientation towards global markets.
- Eliminating all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.
- The location of the property within the city's medium-financially solvent neighborhoods

| Owner name                        | Deed number                  | Deed date                      | Ownership Type |
|-----------------------------------|------------------------------|--------------------------------|----------------|
| Tamdeen First Real Estate Company | 499020006711<br>999020006710 | 02/04/1446 AH<br>02/04/1446 AH | Mortgaged      |

| City - District     | Plot number | Plan number | Land area             |
|---------------------|-------------|-------------|-----------------------|
| Riyadh - Al-Muather | 1 / 168     | 1569        | 3069.37 square meters |
| Riyadh - Al-Muather | 1 / 170     | 1569        | 6217.47 square meters |

| Plot number | Northern border     | Border length | Southern border     | Border length | Eastern border                           | Border length | Western border  | Border length |
|-------------|---------------------|---------------|---------------------|---------------|--|---------------|-----------------|---------------|
| 1 / 168     | Street width 17.46m | 50            | 40m wide street     | 101.6         | Plot 169 and the intersection of streets | 70.13         | 20m wide street | 109.56        |
| 1 / 170     | Plot 167            | 50            | Street width 17.46m | 50            | 15m wide street                          | 61.02         | 20m wide street | 61.76         |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.



## Real estate data and Services available in the real estate area

| Real Estate Data  |   |                |                                    |
|---|---|----------------|------------------------------------|
| City  | Riyadh  | Neighborhood   | Al-Muather                         |
| Street  | King Saud                                       | Property type  | Residential building + parking lot |
| No. land plan   | 1569  | Plot number    | 168/1 - 170/1                      |
| Land Area   | 6217.47 square meters and 3069.37 square meters | Built-up area  | 55,420 square meters               |
| Services and facilities available in the real estate area |   |                |                                    |
| Electricity network                                       | Telephone network                               | Water network  | Sewerage network                   |
| ✓   | ✓   | ✓              | ✓                                  |
| Water drainage network                                    | Mosque  | Dispensary     | Garden                             |
| ✓   | ✓   | ✓              | ✓                                  |
| Public markets  | Civil defense                                   | Police station | Hospital                           |
| ✓   | ✓   | ✓              | ✓                                  |
| Hotels  | Petrol station                                  | Schools        | Governmental services and centers  |
| ✓   | ✓   | ✓              | ✓                                  |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located in the center of Riyadh, in Al-Muather district, on King Saud Street, with easy access to King Fahd Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | وسط المدينة   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Irregular sides and lengths   |
| Building Regulations            | Land use                                | Residential - Commercial - Office   |
|                                 | Building ratio - number of floors       | Ground floor + 11 floors + 50% upper extensions   |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

### Property Description

- The building area was determined based on (**Building permit**).
- There is an error in the building permit as the tenth floor was not recorded, although it is present in reality.
- The age of the property was determined as (7) years based on (**Building permit**).
- Building permit number **16964/1433** dated **02/25/1437 AH**
- The state of the property on the date of valuation (**31/12/2024**)

When examining the property, it became clear to us that it is a (**Residential building + backyard designated for parking**). Detailed as below:

| Building components |                  |           |   |
|---------------------|------------------|-----------|---|
| #                   | Floor            | Area (m2) | Use   |
| 1                   | Basement         | 6217.47   | Parking lots                                      |
| 2                   | Ground floor     | 2721.50   | 8 trade shows                                     |
| 3                   | First floor      | 4033.50   | 18 residential units                              |
| 4                   | Second floor     | 4033.50   | 18 residential units                              |
| 5                   | Third floor      | 4033.50   | 18 residential units                              |
| 6                   | Fourth floor     | 4033.50   | 18 residential units                              |
| 7                   | Fifth floor      | 4033.50   | 18 residential units                              |
| 8                   | Sixth floor      | 4033.50   | 18 residential units                              |
| 9                   | Seventh floor    | 4033.50   | 18 residential units                              |
| 10                  | Eighth floor     | 4033.50   | 18 residential units                              |
| 11                  | Ninth floor      | 4033.50   | 18 residential units                              |
| 12                  | Tenth floor      | 4033.50   | 18 residential units                              |
| 13                  | Upper extensions | 2012.70   | 7 residential units + swimming pool + health club |
| 14                  | Electric room    | 100       | Services  |

Property Description

INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

EXTERIOR FINISHES

| Facades | Facilities        | Doors                  | Floors |
|---------|-------------------|------------------------|--------|
| Stone   | Cosmetic implants | Electric Securit Glass | Marble |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Central          | 2 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|--------------------|--|---|
| N.A.       | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: Al-Muather

Street: King Saud

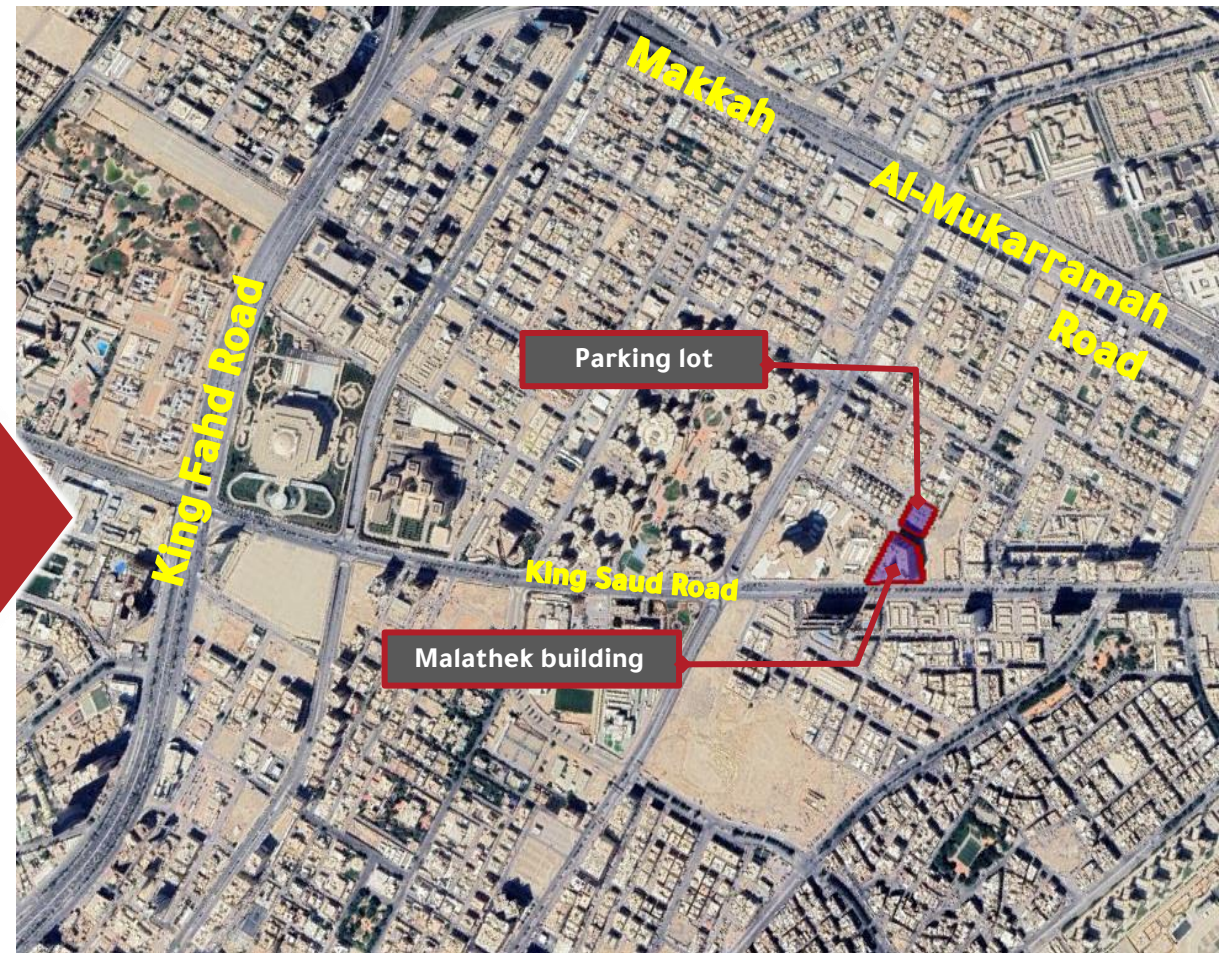
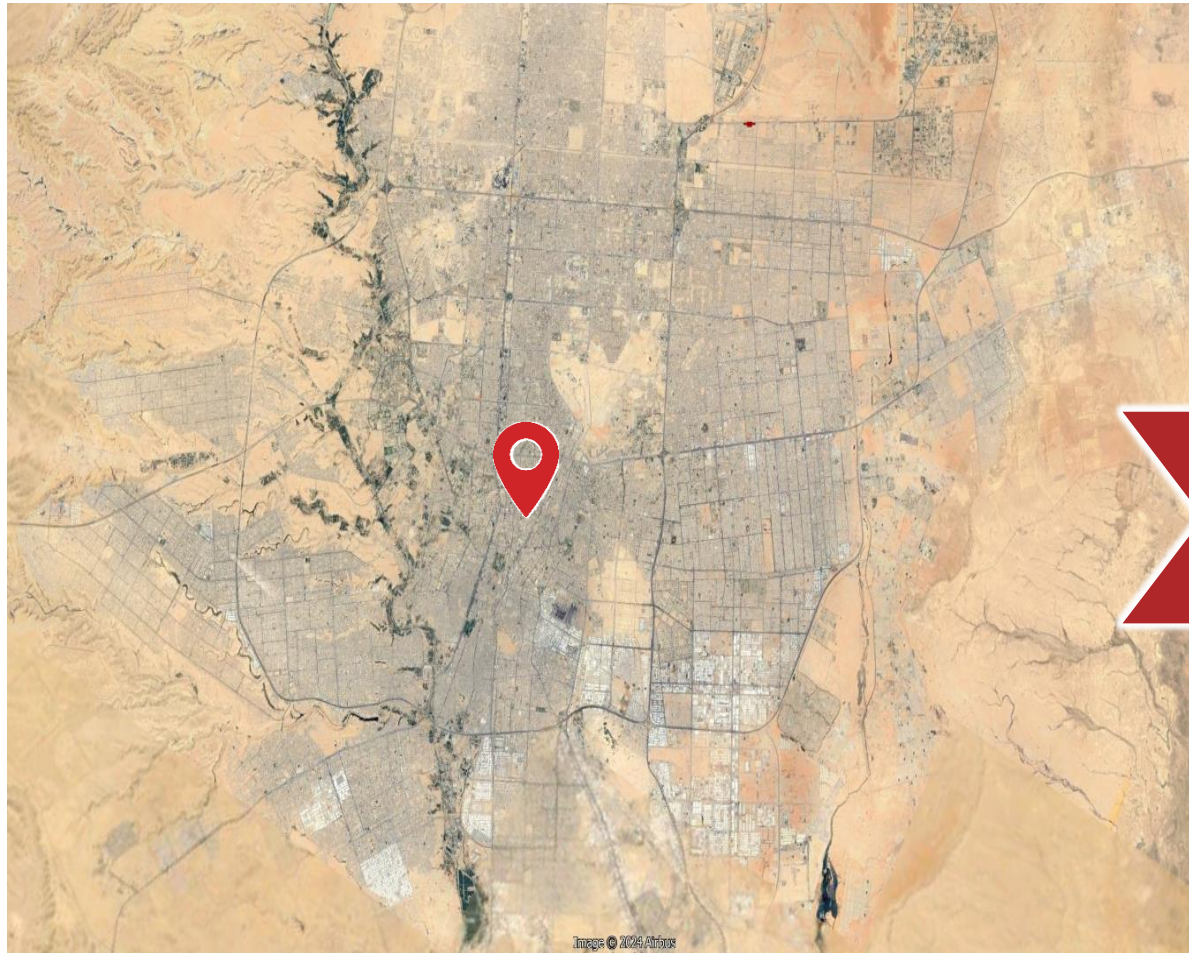
Location coordinates

N :

24.678306°

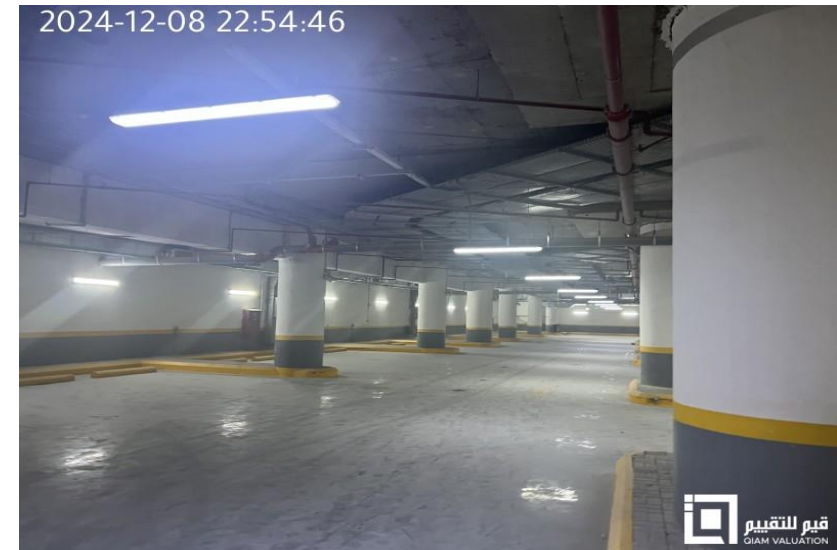
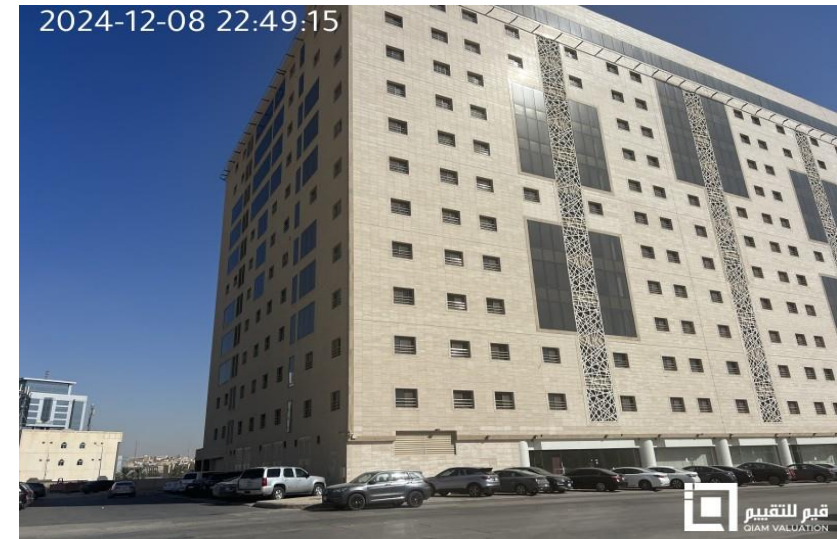
E :

46.704917°





## Photographic survey of the Property





## Photographic survey of the Property

2024-12-08 22:55:43



2024-12-08 22:55:23



2024-12-08 22:55:32



2024-12-08 22:55:05



2024-12-08 22:55:27



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Development



## Valuation

## Valuation Approaches



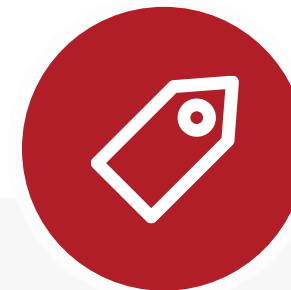
### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.



## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula (current age of the building / Lifespan) \* 100.

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>                     | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

### Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation



Estimating the value of the land (The Building) - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      | 12,000                   |            | 18,000                 |            |
| Condition   | ***                      | Available offer          |            | Available offer        |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | -10.00%                  | - 1,200    | -10.00%                | - 1,800    |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Market conditions value   | ***                      | (1,200.00)               |            | (1,800.00)             |            |
| Value after initial settlements   | ***                      | 10,800                   |            | 16,200                 |            |
| Land area (m²)  | 6217.47                  | 1,978                    | -7%        | 1,867                  | -7%        |
| Ease of access  | High                     | High                     | 0%         | High                   | 0%         |
| Property location   | Average                  | Low                      | 5%         | High                   | -10%       |
| Land shape  | Flat                     | Flat                     | 0%         | Flat                   | 0%         |
| Land topography   | Irregular                | Regular                  | -5%        | Regular                | -5%        |
| Land use  | Residential Commercial   | Residential Commercial   | 0%         | Residential Commercial | 0%         |
| Surrounding streets   | 3                        | 3                        | 0%         | 3                      | 0%         |
| Total   |                          | -7.00%                   |            | -22.00%                |            |
| Adjustment value per square meter   |                          | 756-                     |            | 3,564-                 |            |
| Final meter value after Adjustments   |                          | 10,044                   |            | 12,636                 |            |
| Net average value per square meter (SAR / m²)   |                          |                          | 11,340     |                        |            |
| Market value of the land (SAR / m²)   |                          |                          | 70,506,110 |                        |            |



Estimating the value of the land (Parking lot) - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      | 6,500                    |            | 7,000                  |            |
| Condition   | ***                      | Available offer          |            | Available offer        |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | -5.00%                   | - 325      | -5.00%                 | - 350      |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Market conditions value   | ***                      | (325.00)                 |            | (350.00)               |            |
| Value after initial settlements   | ***                      | 6,175                    |            | 6,650                  |            |
| Land area (m²)  | 3069.37                  | 1,990                    | -7%        | 750                    | -10%       |
| Ease of access  | High                     | Average                  | 5%         | Average                | 5%         |
| Property location   | High                     | Average                  | 5%         | Average                | 5%         |
| Land shape  | Flat                     | Flat                     | 0%         | Flat                   | 0%         |
| Land topography   | Regular                  | Regular                  | 0%         | Regular                | 0%         |
| Land use  | Residential              | Residential              | 0%         | Residential Commercial | 0%         |
| Surrounding streets   | 3                        | 2                        | 5%         | 2                      | 5%         |
| Total   |                          | 8.00%                    |            | 5.00%                  |            |
| Adjustment value per square meter   |                          | 494                      |            | 333                    |            |
| Final meter value after Adjustments   |                          | 6,669                    |            | 6,983                  |            |
| Net average value per square meter (SAR / m²)   |                          | 6,826                    |            |                        |            |
| Market value of the land (SAR / m²)   |                          | 20,950,752               |            |                        |            |
| Total   |                          | 20,951,000               |            |                        |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

## Property Valuation - Cost Approach - Replacement Method

### First: Construction Costs (Direct Costs)

| Clause   | Built up area<br>m2 | SAR / m2 | Value (SAR)        |
|--|---------------------|----------|--------------------|
| Basement   | 6217.47             | 2,200    | 13,678,434         |
| Ground floor                                       | 2721.5              | 2,800    | 7,620,200          |
| Floors 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10 - 11 | 44368.5             | 2,800    | 124,231,800        |
| Upper extensions                                   | 2012.7              | 2,800    | 5,635,560          |
| Electric room                                      | 100                 | 1,000    | 100,000            |
| <b>Total (SAR)</b>                                 | <b>55,420</b>       |          | <b>151,265,994</b> |

### Second: Other costs (indirect)

|                                  |     |                    |
|----------------------------------|-----|--------------------|
| Professional fees                | 1%  | 1,512,660          |
| Utilities Network                | 1%  | 1,512,660          |
| Administration costs             | 1%  | 1,512,660          |
| Financing costs (0 years / 0%)   | 0%  | -                  |
| Developer's profitability        | 15% | 22,689,899         |
| <b>Total (SAR)</b>               |     | <b>27,227,879</b>  |
| <b>Total building cost (SAR)</b> |     | <b>178,493,873</b> |

### Third: Depreciation cost

|  |      |            |
|--|------|------------|
| Life span of the property (year)       | Year | 50         |
| The current age of the property (year) | Year | 7          |
| Remaining life of the property (year)  | Year | 43         |
| Depreciation rate                      | %    | 14         |
| Depreciation value                     | SAR  | 24,989,142 |

### Final value of the building (SAR)

153,504,731

### Fourth: Value of the property according to the Cost Approach

|   |             |
|---|-------------|
| Final value of the land -Building (SAR)     | 70,506,110  |
| Final value of the land - Parking lot (SAR) | 20,951,000  |
| Final value of the buildings (SAR)          | 153,504,731 |

### Market value of the property according to the Cost Approach (SAR)

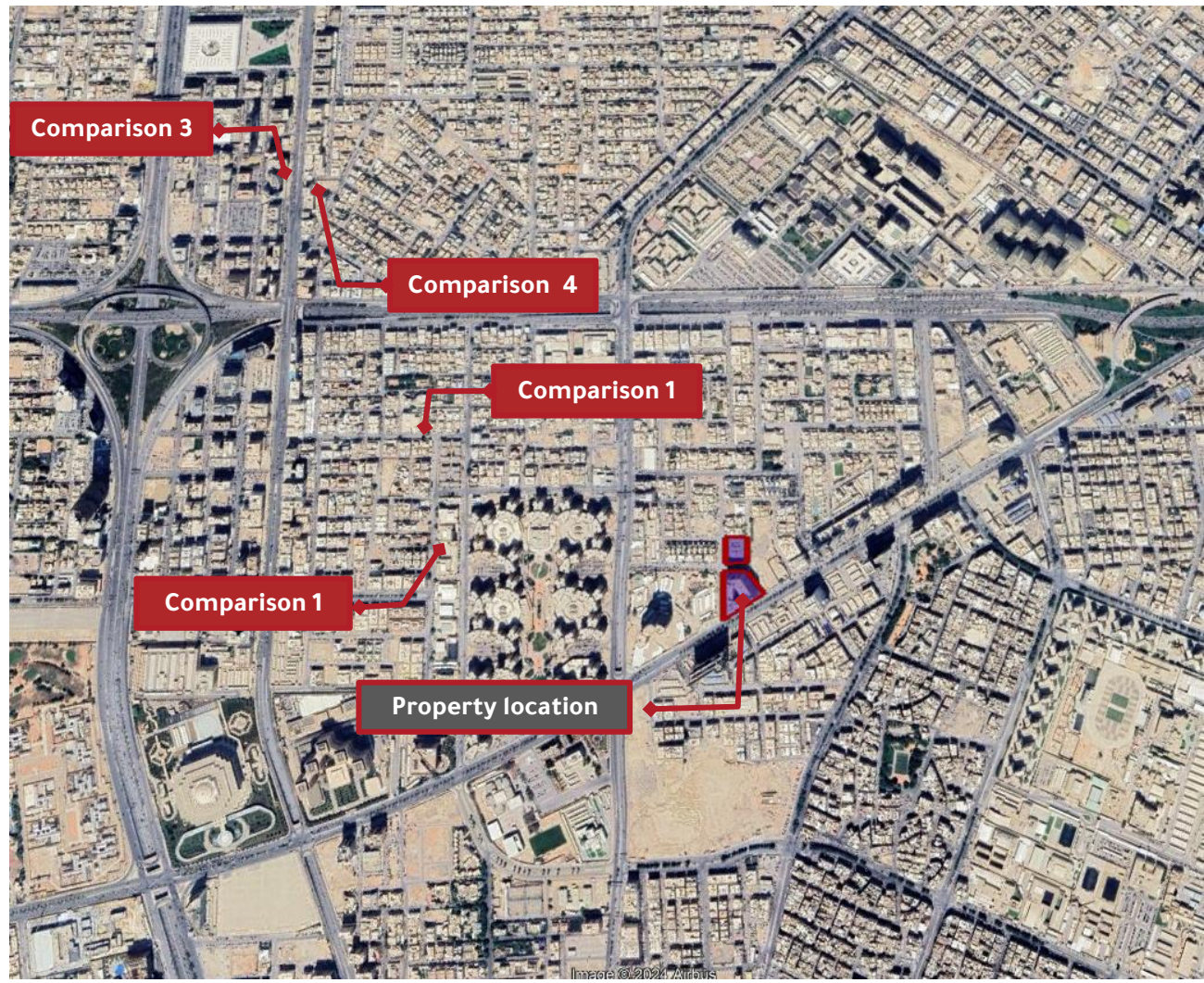
244,961,841

### Market value of the property according to the Cost Approach after rounding (SAR)

244,962,000



## Market Survey Data Analysis - Residential Units



### Market Survey Results - Residential Units

| # | Comparison | Area (m2) | Rental price per meter | Rental value |
|---|------------|-----------|------------------------|--------------|
| 1 | Apartment  | 150       | 453                    | 68,000       |
| 2 | Apartment  | 220       | 454                    | 100,000      |
| 3 | Trade show | 63        | 873                    | 55,000       |
| 4 | Trade show | 300       | 833                    | 250,000      |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 8% to 9%. Accordingly, the return rate was assumed to be 9%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

### Vacancy rate and credit risk:

Since the property is leased under a single contract, the vacancy rate and credit risk have been assumed at 0%.

### Rental income:

The property income was analyzed by reviewing the property contracts and comparing it to the market to verify that the rental value of the property is 20,000,000 riyals with one contract and a fixed rental value throughout the contract period.

| Annual property income statement   |                 |           |                                    |                            |
|------------------------------------|-----------------|-----------|------------------------------------|----------------------------|
| Clause                             | Number of units | Area (m2) | Rental value per meter (SAR/meter) | Rental value (SAR / Saudi) |
| Apartments                         | 205             | 37104.96  | 472                                | 17,500,000                 |
| Trade shows                        | 8               | 2721.5    | 919                                | 2,500,000                  |
| Total annual property income (SAR) |                 |           |                                    | 20,000,000                 |

## Market Value Calculation - Direct Capitalization Method

| Market Value Calculation - Income Approach - Direct Capitalization Method                   |             |
|---|-------------|
| Clause  | Value       |
| Gross rental income   | 20,000,000  |
| Vacancy rate and credit risk  | 0%          |
| Actual gross income   | 20,000,000  |
| Operating expense ratio   | 0%          |
| Net operating income  | 20,000,000  |
| Rate of return  | 9%          |
| Market value of property according to income capitalization method                          | 222,222,222 |
| Market value of the property according to the income capitalization method (after rounding) | 222,222,000 |



Final value of the property

Based on the purpose of the valuation and the nature and characteristics of the property, being a **residential tower property + land designated as parking spaces** rented under one contract, the valuation of the property using the Income Approach (Direct Capitalization method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach for the building and the market method for the back land as a basis for the fair value of the property being evaluated, which is as follows:

| Price of (Malaehak Building) on the date of measurement in numbers (Saudi Riyals) | Price of (Malaehak Building) on the date of measurement written in (Saudi Riyals)    |
|---|--|
| 222,222,000   | Two hundred and twenty-two million, two hundred and twenty-two thousand Saudi riyals |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**

## Documents received from the client



الرقم: 499020006711  
التاريخ: 2024/08/08  
1446/2/4

وثيقة تملك عقار



السوق العقارية  
Real Estate Market

البيانات الأساسية

|                       |              |                     |              |
|-----------------------|--------------|---------------------|--------------|
| رقم الوثيقة           | 499020006711 | تاريخ الوثيقة       | 1446/2/4     |
| القيود                | مرهون        | الحالة              | فعال         |
| تاريخ الوثيقة السابقة | 1446/1/17    | المساحة             | 3,069.37     |
| نوع العملية           | صفقة تمويل   | رقم الوثيقة السابقة | 381968000267 |

القيود

|        |                                 |             |                |                 |
|--------|---------------------------------|-------------|----------------|-----------------|
| التقيد | الجهة المرهنة                   | رقم المنشأة | قيمة الرهن     | تاريخ الاستحقاق |
| مرهون  | شركة الراجحي المصرفية للاستثمار | 7000102744  | ر.س 69,938,388 |                 |

الملاك

|            |  |             |
|------------|--|-------------|
| رقم الهوية | الاسم                                    | نسبة التملك |
| 7010776792 | شركة تمدين الاولى العقارية شركة شخص واحد | % 100       |

العقار

|                     |            |                   |               |
|---------------------|------------|-------------------|---------------|
| رقم الهوية العقارية | نوع العقار | مساحة العقار (م²) | نوع الاستخدام |
| لا يوجد             | قطعة الأرض | 3,069.37          | لا يوجد       |
| لا يوجد             | البلك      | المجاورة / الجزء  | لا يوجد       |
| لا يوجد             | الموقع     | نموذج العقار      | لا يوجد       |
| رقم القطعة          | رقم المخطط | الحي              | المدينة       |
| 1 / 168             | 1569       | المعذر            | الرياض        |

|       |       |                    |          |
|-------|-------|--------------------|----------|
| الحد  | الترع | وصف الحد           | الطول م² |
| شمالا | قطعة  | رقم 167            | 50       |
| جنوبا | شارع  | مستحدث بعرض 17.46م | 50       |
| شرقا  | شارع  | عرض 15م            | 61.02    |
| غربا  | شارع  | عرض 20م            | 61.76    |

صدرت هذه الوثيقة من منصة البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر خدمات وزارة العدل.

الصفحة 1 من 1



الرقم: 999020006710  
التاريخ: 2024/08/08  
1446/2/4

وثيقة تملك عقار



السوق العقارية  
Real Estate Market

البيانات الأساسية

|                       |              |                     |              |
|-----------------------|--------------|---------------------|--------------|
| رقم الوثيقة           | 999020006710 | تاريخ الوثيقة       | 1446/2/4     |
| القيود                | مرهون        | الحالة              | فعال         |
| تاريخ الوثيقة السابقة | 1446/1/17    | المساحة             | 6,217.47     |
| نوع العملية           | صفقة تمويل   | رقم الوثيقة السابقة | 981968000268 |

القيود

|        |                                 |             |                 |                 |
|--------|---------------------------------|-------------|-----------------|-----------------|
| التقيد | الجهة المرهنة                   | رقم المنشأة | قيمة الرهن      | تاريخ الاستحقاق |
| مرهون  | شركة الراجحي المصرفية للاستثمار | 7000102744  | ر.س 141,670,712 |                 |

الملاك

|            |  |             |
|------------|--|-------------|
| رقم الهوية | الاسم                                    | نسبة التملك |
| 7010776792 | شركة تمدين الاولى العقارية شركة شخص واحد | % 100       |

العقار

|                     |            |                   |               |
|---------------------|------------|-------------------|---------------|
| رقم الهوية العقارية | نوع العقار | مساحة العقار (م²) | نوع الاستخدام |
| لا يوجد             | قطعة الأرض | 6,217.47          | لا يوجد       |
| لا يوجد             | البلك      | المجاورة / الجزء  | لا يوجد       |
| لا يوجد             | الموقع     | نموذج العقار      | لا يوجد       |
| رقم القطعة          | رقم المخطط | الحي              | المدينة       |
| 1 / 170             | 1569       | المعذر            | الرياض        |

|       |       |                       |                      |
|-------|-------|-----------------------|----------------------|
| الحد  | الترع | وصف الحد              | الطول م²             |
| شمالا | شارع  | مستحدث عرض 17.46م     | 50                   |
| جنوبا | شارع  | عرض 40م               | 101.6                |
| شرقا  | قطعة  | رقم 169 + ملتقى شوارع | منكسر 3.76م + 66.83م |
| غربا  | شارع  | عرض 20م               | 109.56               |

صدرت هذه الوثيقة من منصة البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر خدمات وزارة العدل.

الصفحة 1 من 1



## Documents received from the client







## شهادة اشغال OCCUPANCY CERTIFICATE

رقم ثابت الهاتف

٧٠٠١٦٠٧٥٨٤

تاريخ الشهادة

١٤٤٥-١١-٢٢

رقم الشهادة

١٥٥٥-١٤٤٥

**اسم المالك**

شركة ملاك للاستثمار والتطوير العقاري

**رقم رخصة البناء**

١٤٣٣-١٠٠٠٨

**رقم رخصة البناء**

١٦٦٦٤

**رقم المخطط**

١٥٦٦

**رقم قطع الأراضي**

١٦١٧٠

**المكتب القديم**

علم المعمار للاستشارات الهندسية - الرياض

**مقاول البناء**

**المكتب المشرف**

**تاريخ وثيقة الملكية**

١٤٣٢-٠٦-٢٩

**رقم وثيقة الملكية**

٥١٠١٠٧٠٢٦٦٣٢

**نوع وثيقة الملكية**

مسك

**بيانات الجاني**

عنوان الجاني

**وصف الوكيل**

مكاتب تجارية

**إحداثيات**

المساحة

**البلدية**

بلدية المنزه

**المنطقة**

منطقة الرياض

**الشارع**

شارع المعذر

**الحي**

حي المشيماية

**الملاحظات والتراوات**

(حد المسطحات : ٧) (حد الترسبات : ١٠)

١/٧) يوجد رخصة غير نظامية في مساحة المبنى العقاري

٢/٧) - طبق المادة ١/١٤ من لائحة الجوازات والتراوات، حتى رخصة نسبة البناء من الحد المسموح به في الترخيص بما يختلف أنظمة البناء بجملة (٢٠٠ ريال \* ١٠١٣) =

- نظرية التكلفة تتجاوز التكلفة غير نظامية في مساحة المبنى العقاري (٤٠٠ ريال \* ٢٠١٣) = (٨٠٥٦٠٠ ريال) ليصبح إجمالي قيمة المسطحة ٢٨٨٢٠٠ ريال

٣/٧) - يوجد مكيفات بنظام التبريد التبريدية بحدود الدور الأرضي و يوجد غرفة حارس مقيمة من الترخيص الضريبية بالأرداء الجنوبي و يوجد جدران مغطاة بالأرداء الطرقي

- الترخيص بزيادة المسطحات المغطاة بحدود التبريدية بحدود الدور الأرضي

- الترخيص بزيادة الجدران المغطاة في الأرداء الغربي و تطلق المادة ٣/١٤ من لائحة المعاد ٢٠١٤

المسموح بها بجملة ٥٠٠ ريال


[www.alriyadh.gov.sa](http://www.alriyadh.gov.sa)


amanatalriyadh

[illegible]



## Documents received from the client

| 10   |   | صلاحيات المستأجر            |   | Tenant Authority          |                             |
|--|---|-----------------------------|---|---------------------------|-----------------------------|
|  |   |                             |   | المصلحة                   |                             |
| ١  | حق للمستأجر تأجير الوحدة الإيجارية الموصوفة في البند رقم (٩) أو جزء منها للغير          |                             |   |                           |                             |
| ٢  | مراجعة الجهات الحكومية والرسمية والجهات المعنية فيما يخص الوحدة العقارية المستأجرة      |                             |   |                           |                             |
| ٣  | إجراء الترميمات والتجديدات على الوحدة الإيجارية التي لا تخضع لتغييرات أساسية على العقار |                             |   |                           |                             |
| ٤  | لتحويل الوحدة الإيجارية سواء بالزيادة أو النقصان أو التغير                              |                             |   |                           |                             |
| 11   |   | البيانات المالية            |   | Financial Data            |                             |
| أجرة الشهي (لا تدخل ضمن القيمة الإيجارية لعقد الإيجار):  |   | -                           | Brokerage Fee (Not included in total contract amount):    |                           |                             |
| مبلغ الضمان (لا يدخل ضمن القيمة الإيجارية لعقد الإيجار): |   | -                           | Security Deposit (Not included in total contract amount): |                           |                             |
| أجرة الكهرباء  | -   | Electricity Annual Amount   | أجرة الغاز  | -                         | Gas Annual Amount           |
| أجرة المياه  | -   | Water Annual Amount         | أجرة المواقف  | -                         | Parking Annual Amount       |
| قيمة الإيجار   | 17500000.00   | Annual Rent                 | عدد المواقف المستأجرة:                                    | Parking Lots Rented:      |                             |
| دفعات الإيجار الدورية:                                   | 8750000.00  | Regular Rent Payment:       | دورة سداد الإيجار   | تلف سنوي                  |                             |
| دفعات الإيجار الأخيرة:                                   | 8750000.00  | Last Rent Payment:          | عدد دفعات الإيجار:  | 10                        |                             |
| إجمالي قيمة العقد:                                       |   | 87500000.00                 |   | Total Contract value      |                             |
| قنوات الدفع المتاحة                                      |   | مدى سداد                    |   | Available payment methods |                             |
| 12   |   | جدول سداد الدفوعات          |   | Rent Payments Schedule    |                             |
| الرقم المستقل  | تاريخ الاستحقاق (م)   | نهاية مهلة السداد (م)       | الفترة الإيجارية (م)                                      | تاريخ الاستحقاق (م)       | نهاية مهلة السداد (م)       |
| No.  | Due Date(AD)  | End of payment deadline(AD) | Rental Period   | Due Date(AH)              | End of payment deadline(AH) |
| 1  | 2024-09-06  | 2024-10-06                  | 181 يوم   | 1446-03-03                | 1446-04-03                  |
| 2  | 2025-03-06  | 2025-04-05                  | 184 يوم   | 1446-09-06                | 1446-10-07                  |
| 3  | 2025-09-06  | 2025-10-06                  | 181 يوم   | 1447-03-14                | 1447-04-14                  |
| 4  | 2026-03-06  | 2026-04-05                  | 184 يوم   | 1447-09-17                | 1447-10-17                  |
| 5  | 2026-09-06  | 2026-10-06                  | 181 يوم   | 1448-03-24                | 1448-04-25                  |
| 6  | 2027-03-06  | 2027-04-05                  | 184 يوم   | 1448-09-27                | 1448-10-28                  |
| 7  | 2027-09-06  | 2027-10-06                  | 182 يوم   | 1449-04-05                | 1449-05-06                  |
| 8  | 2028-03-06  | 2028-04-05                  | 184 يوم   | 1449-10-10                | 1449-11-10                  |
| 9  | 2028-09-06  | 2028-10-06                  | 181 يوم   | 1450-04-16                | 1450-05-17                  |

( 71 )

|  |  |   |  |   |  |   |  |
|--|--|---|--|---|--|---|--|
|                 |  |  |  |  |  |  |  |
|  |  |   |  |   |  | TENANCY CONTRACT  |  |
| يعبر هذا العقد عقدا موثقاً وسدّاً<br>تفصيلاً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ. |  |   |  |   |  |   |  |
| بيانات العقد   |  |   |  | 1   |  |   |  |
| رقم سجل العقد:   |  | 10290767384 / 1-0   |  | Contract No.  |  | نوع العقد:  |  |
| تاريخ إبرام العقد:   |  | 2024-10-13  |  | Contract Sealing Date   |  | مكان إبرام العقد:   |  |
| تاريخ بداية مدة الإيجار:   |  | 2024-09-06  |  | Tenancy Start Date  |  | تاريخ نهاية مدة الإيجار:  |  |
| 2029-09-05   |  |   |  |   |  | 2029-09-05  |  |
| بيانات المؤجر  |  |   |  | 2   |  |   |  |
| نوع المنظمة:   |  | التجارية  |  | Organization Type   |  | اسم الشركة/المؤسسة:   |  |
| شركة تمدين دولي العقارية شركة شخص واحد   |  |   |  |   |  |   |  |
| رقم السجل التجاري:   |  | 1010896622  |  | CR No.  |  | الرقم الموحد  |  |
| 7010776792   |  |   |  |   |  |   |  |
| جهة الإصدار:   |  | -   |  | Issued by   |  | تاريخ السجل التجاري:  |  |
| 2017-10-04   |  |   |  |   |  |   |  |
| بيانات مُمثِّل المؤجر  |  |   |  | 3   |  |   |  |
| الاسم:   |  | منى محمد بن خالد العتيبي  |  | Name  |  |   |  |
| الجنسية:   |  | المملكة العربية السعودية  |  | Nationality   |  |   |  |
| نوع الهوية:  |  | هوية وطنية  |  | ID Type   |  | رقم الهوية:   |  |
| رقم الجوال:  |  | +966553350422   |  | Mobile No.  |  | البريد الإلكتروني:  |  |
| National Address   |  | الرياض، الرياض  |  |   |  |   |  |
| رقم سند التمثيل  |  | نوع المستند   |  | تاريخ النصدار   |  | تاريخ الانتهاء  |  |
| Number   |  | Type  |  | Issue Date  |  | Expiry Date   |  |
| 46313345   |  | وكالة شرعية إلكترونية   |  | 2024-07-21  |  | 2029-05-28  |  |
| بيانات المستأجر  |  |   |  | 4   |  |   |  |
| نوع المنظمة:   |  | التجارية  |  | Organization Type   |  | اسم الشركة/المؤسسة:   |  |
| شركة أبراج المربع للتطوير والاستثمار العقاري شركة مساهمة ميسطة                                     |  |   |  |   |  |   |  |
| رقم السجل التجاري:   |  | 1010474456  |  | CR No.  |  | الرقم الموحد  |  |
| 7005025874   |  |   |  |   |  |   |  |
| جهة الإصدار:   |  | -   |  | Issued by   |  | تاريخ السجل التجاري:  |  |
| 2018-10-03   |  |   |  |   |  |   |  |
| بيانات مُمثِّل المستأجر  |  |   |  | 5   |  |   |  |
| الاسم:   |  | عبدالعزى عبدالرحمن مهنا الياس   |  | Name  |  |   |  |
| الجنسية:   |  | المملكة العربية السعودية  |  | Nationality   |  |   |  |
| نوع الهوية:  |  | هوية وطنية  |  | ID Type   |  | رقم الهوية:   |  |
| رقم الجوال:  |  | 1023043159  |  | ID No.  |  |   |  |

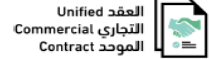
( 1 )

## Documents received from the client

|  |   |  |  |
|--|---|--|--|
| Unit Finishing Fee<br>(Not included in<br>total contract<br>amount): | ريال لكل متر مربع من<br>مساحة<br>الوحدة الإيجارية | -  | مبلغ تجهيز الوحدة الإيجارية (لا يدخل ضمن القيمة<br>الإجمالية لعقد الإيجار)   |
| Retainer Fee (Included in total contract<br>amount):                 |   | -  | مبلغ العريون المُتفق عليه (يدخل ضمن القيمة<br>الإجمالية لعقد الإيجار):   |
| Gas Annual Amount:   | -   | الأجرة السنوية للغاز:  | Electricity Annual<br>Amount:<br>الأجرة السنوية<br>للكهرباء:   |
|  |   | -  | الأجرة السنوية للمياه:   |
| General Services<br>Included:  | -   | والتي تشمل على:  | General Services<br>Amount:<br>0.0   |
| Number of Rent<br>Payments:  | 10  | عدد دفعات الإيجار:   | نصف سنوي   |
| VAT on rental value:   | 1875000.00  | مبلغ ضريبة القيمة<br>المضافة على القيمة<br>الإيجارية:                                  | First rental<br>payment: (Includes<br>deposit)<br>1437500.00   |
|  |   | رقم الهوية أو السجل<br>التجاري<br>ID/CR Number   | نوع الهوية<br>ID Type  |
|  |   | 3101992938   | tin_number 310199293800003   |
|  |   | Annual Rent:   | 2500000.00   |
| Total Contract value   | 14375000.00                                       |  | القيمة السنوية للإيجار:  |
|  |   |  | اجمالي قيمة العقد:   |
|  |   |  | يشمل: القيمة الإيجارية ومبلغ العريون. ومبلغ ضريبة القيمة المضافة - إن وجدت - وقيمة الخدمات العامة، والأجرة السنوية ل(الغاز والكهرباء والمياه<br>والصرف الصحي إذا تددت كمبالغ ثابتة). |
| Approved payment methods   |   | الدفع عن طريق الوسيط العقاري/المؤجر أو<br>الدفع إلكترونياً من خلال قنوات الدفع المتاحة | طرق الدفع المعتمدة   |

| 13 جدول سداد الدفعات Rent Payments Schedule |                       |                      |                      |                                 |                                    |                                |                               |                       |  |
|---|-----------------------|----------------------|----------------------|---------------------------------|------------------------------------|--------------------------------|-------------------------------|-----------------------|--|
| تاريخ المستحق<br>(هـ)                       | تاريخ الإصدار<br>(هـ) | تاريخ المستحق<br>(م) | تاريخ الإصدار<br>(م) | إجمالي<br>القيمة<br>Total value | قيمة المرافق<br>التيئة<br>Services | ضريبة القيمة<br>المضافة<br>VAT | قيمة<br>الإيجار<br>Rent value | رقم<br>المستحق<br>No. |  |
| 1446-03-13                                  | 1446-03-03            | 2024-09-16           | 2024-09-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 1                     |  |
| 1446-09-16                                  | 1446-09-06            | 2025-03-16           | 2025-03-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 2                     |  |
| 1447-03-24                                  | 1447-03-14            | 2025-09-16           | 2025-09-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 3                     |  |
| 1447-09-27                                  | 1447-09-17            | 2026-03-16           | 2026-03-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 4                     |  |
| 1448-04-05                                  | 1448-03-24            | 2026-09-16           | 2026-09-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 5                     |  |
| 1448-10-08                                  | 1448-09-27            | 2027-03-16           | 2027-03-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 6                     |  |
| 1449-04-15                                  | 1449-04-05            | 2027-09-16           | 2027-09-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 7                     |  |
| 1449-10-20                                  | 1449-10-10            | 2028-03-16           | 2028-03-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 8                     |  |
| 1450-04-26                                  | 1450-04-16            | 2028-09-16           | 2028-09-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 9                     |  |
| 1450-11-01                                  | 1450-10-21            | 2029-03-16           | 2029-03-06           | 1437500.00                      | 0.00                               | 187500.00                      | 1250000.00                    | 10                    |  |

7



يعتبر هذا العقد عقداً موثقاً وسعداً تنفيذياً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| 1 بيانات العقد Contract Data |                   |                         |                          |            |
|------------------------------|-------------------|-------------------------|--------------------------|------------|
| رقم سجل العقد:               | 20277100162 / 1-0 | Contract No.            | نوع العقد:               | جديد       |
| تاريخ إبرام العقد:           | 2024-09-29        | Contract Sealing Date   | مكان إبرام العقد:        | الرياض     |
| تاريخ بداية مدة الإيجار:     | 2024-09-06        | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2029-09-05 |
| معلق بشرط:                   | لا                | Contract is conditional |                          |            |

| 2 بيانات المؤجر Lessor Data |            |                   |                      |  |
|-----------------------------|------------|-------------------|----------------------|--|
| نوع المنظمة:                | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة تمدين الأولى العقارية شركة شخص واحد |
| رقم السجل التجاري:          | 1010896622 | CR No.            | الرقم الموحد         | 7010776792                               |
| جهة الإصدار:                | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                               |

| 3 بيانات ممثل المؤجر Lessor Representative Data |                          |                  |                            |               |
|---|--------------------------|------------------|----------------------------|---------------|
| الاسم:  | منى محمد بن خالد العتيبي | Name             |                            |               |
| الجنسية:  | المملكة العربية السعودية | Nationality      |                            |               |
| نوع الهوية:                                     | هوية وطنية               | ID Type          | رقم الهوية:                | 1038893804    |
| رقم الجوال:                                     | +966553350422            | Mobile No.       | البريد الإلكتروني:         | null@null.com |
| العنوان الوطني:                                 | الرياض، الرياض           | National Address |                            |               |
| رقم سند التمثيل Number                          | 46313345                 | رقم المستند Type | تاريخ الانتهاء Expiry Date | 2029-05-28    |

| 4 بيانات المستأجر Tenant Data |            |                   |                      |  |
|-------------------------------|------------|-------------------|----------------------|--|
| نوع المنظمة:                  | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة أبراج المربع للتطوير والاستثمار العقاري شركة مساهمة مبسطة |
| رقم السجل التجاري:            | 1010474456 | CR No.            | الرقم الموحد         | 7005025874   |
| جهة الإصدار:                  | -          | Issued by         | تاريخ السجل التجاري: | 2018-10-03   |

1



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

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# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



Vivienda Hotel Villas

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Vivienda Hotel Villas Complex Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Hada** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Vivienda Hotel Villas Complex property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **In the amount of only (140,190,000) One hundred and forty million, one hundred and ninety thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH



**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**



# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013<ul style="list-style-type: none"><li>▪ Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul></li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Vivienda Hotel Villas   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.



Scope of work Standard No. 101

Report currency

Saudi riyal

Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

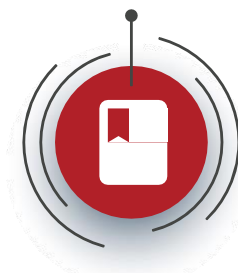
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 04



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

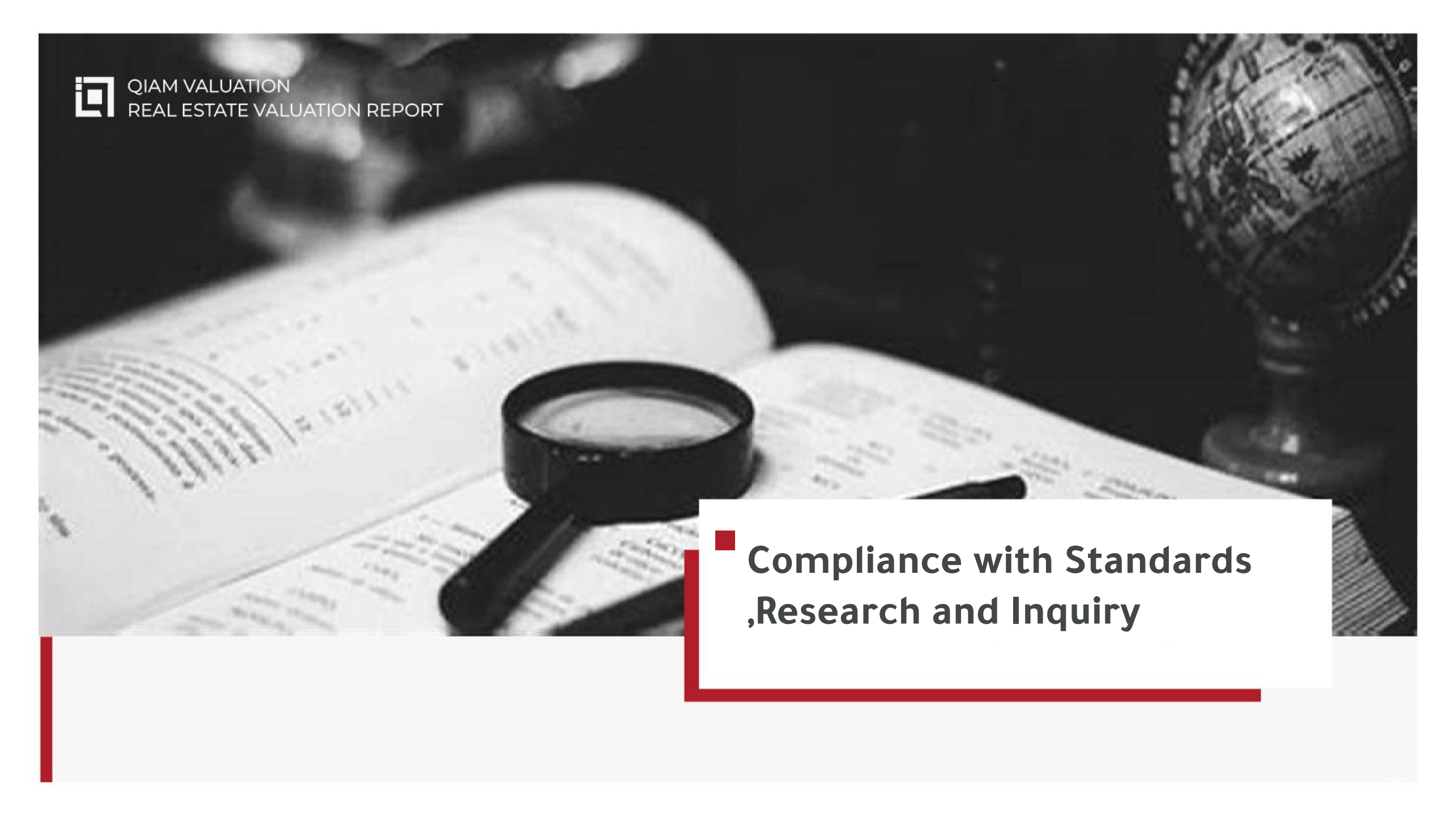
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task



## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



■ An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia

## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.





## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in Riyadh city**

Social, service and real estate indicators - Riyadh City - 2023 AD

Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m <sup>2</sup> | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the center of Riyadh.
- The location is close to the main roads that connect it to other parts of Riyadh, such as **(Al-Diwan Road, Khurais Road)**.
- The location is close to business centers, ministries, archaeological sites, and events.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- The location is on a secondary commercial street.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.



## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 393010004592 | 12/11/1442 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District  | Plot number | Plan number | Land area           |
|------------------|-------------|-------------|---------------------|
| Riyadh - Al Hada | 1 / 5       | N.A.        | 10000 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border | Border length |
| 20m wide corridor    | 97.88         | 40m wide street | 98.42         | 20m wide street | 97            | Plot No. 6/1   | 107           |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

Real estate data and Services available in the real estate area

| Real Estate Data  |                     |                |                                   |
|---|---------------------|----------------|-----------------------------------|
| City  | Riyadh              | Neighborhood   | Al-Hada                           |
| Street  | King Saud Road      | Property type  | Hotel villa complex               |
| No. land plan   | N.A.                | Plot number    | 1 / 5                             |
| Land Area   | 10000 square meters | Built-up area  | 7747 square meters                |
| Services and facilities available in the real estate area |                     |                |                                   |
| Electricity network                                       | Telephone network   | Water network  | Sewerage network                  |
| ✓   | ✓                   | ✓              | ✓                                 |
| Water drainage network                                    | Mosque              | Dispensary     | Garden                            |
| ✓   | ✓                   | ✓              | ✓                                 |
| Public markets  | Civil defense       | Police station | Hospital                          |
| ✓   | ✓                   | ✓              | ✓                                 |
| Hotels  | Petrol station      | Schools        | Governmental services and centers |
| ✓   | ✓                   | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located in the middle of the west of Riyadh city in Al Hada district on King Saud Street with easy access to Al Diwan Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | Midwest City  |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Residential   |
|                                 | Building ratio - number of floors       | Residential villas, ground floor + first floor + 50% upper extensions   |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(9)** years based on the **(Building permit)**.
- Building permit number **5961/1434** dated **23/03/1434 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Hotel villa complex)**. Detailed as below:

| Building components |                          |           |                    |
|---------------------|--------------------------|-----------|--------------------|
| #                   | Floor                    | Area (m2) | Use                |
| 1                   | Basement                 | 138       | Parking            |
| 2                   | Residential ground floor | 3070      | Residential Villas |
| 3                   | Residential first floor  | 3586      | Residential Villas |
| 4                   | Electricity room         | 20        | Services           |
| 5                   | Upper extensions         | 552       | Residential Villas |
| 6                   | Fences                   | 400.65    | Services           |

## Property Description

## INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

## EXTERIOR FINISHES

| Facades       | Facilities        | Doors                  | Floors |
|---------------|-------------------|------------------------|--------|
| Stone - Paint | Cosmetic implants | Electric Securit Glass | Marble |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|--------------------|--|---|
| N.A.       | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Hada**

Street: **King Saud Road**

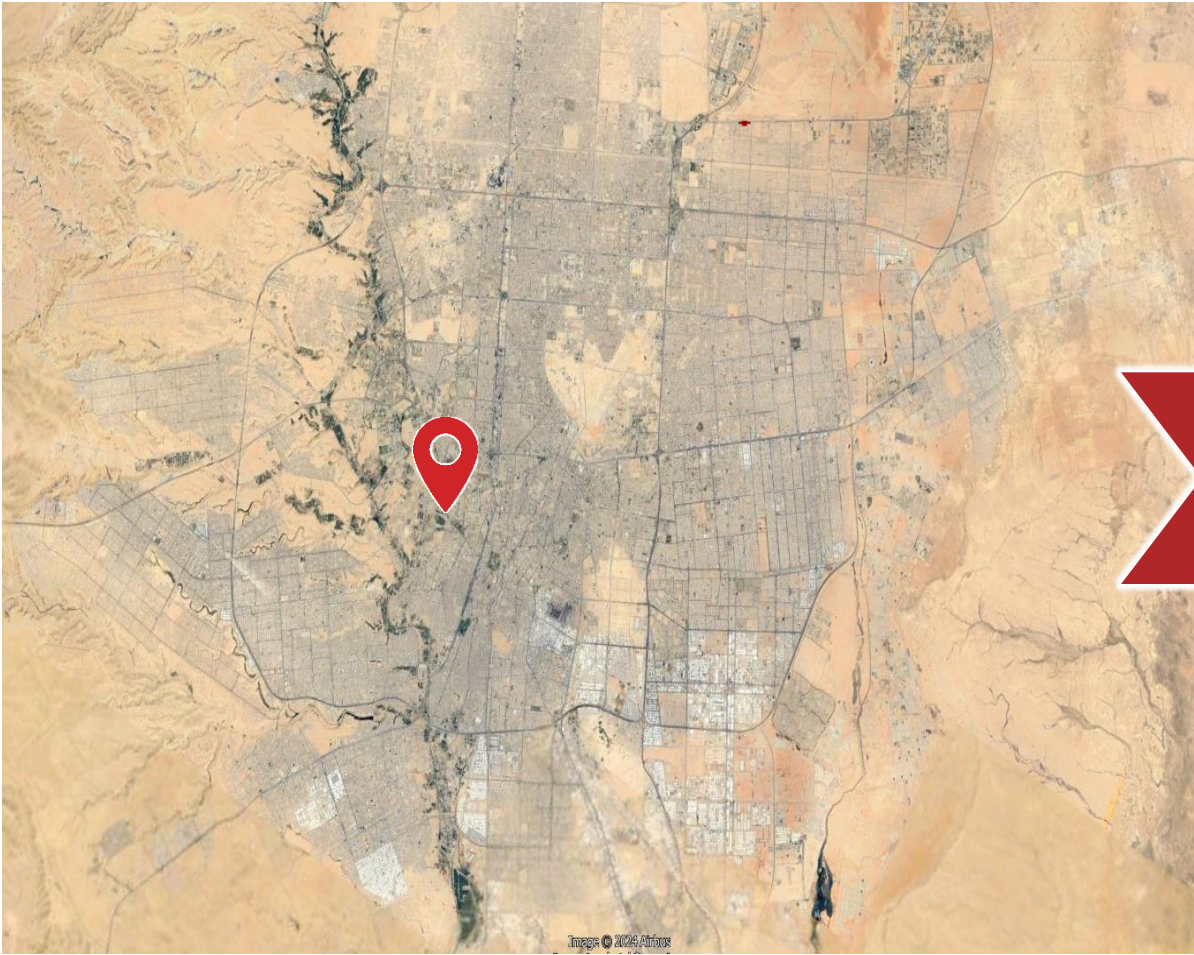
Location coordinates

N :

24.65039

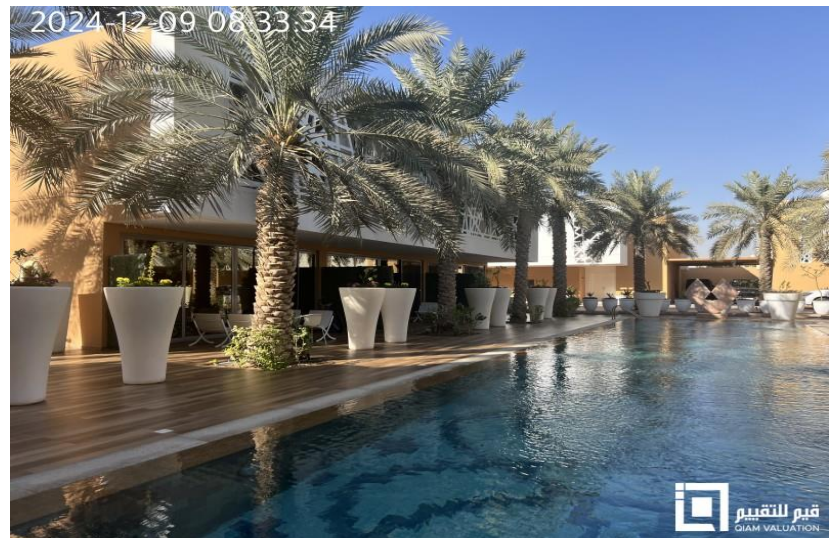
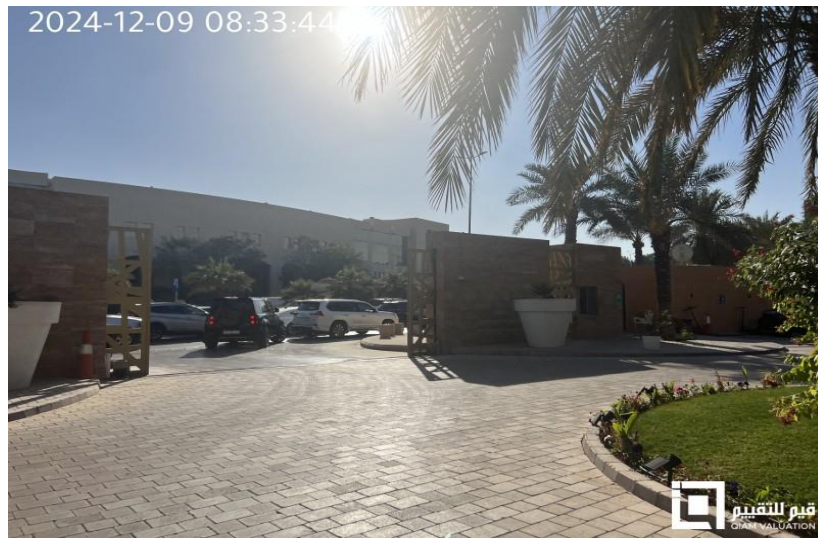
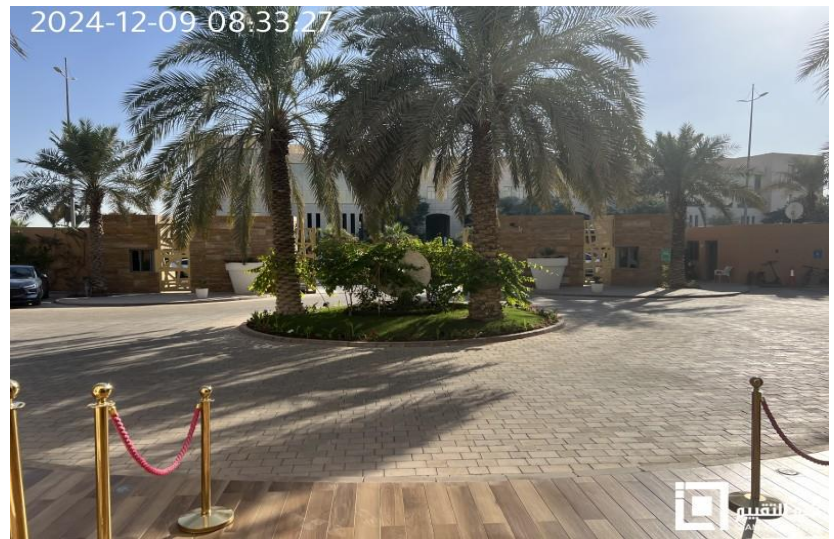
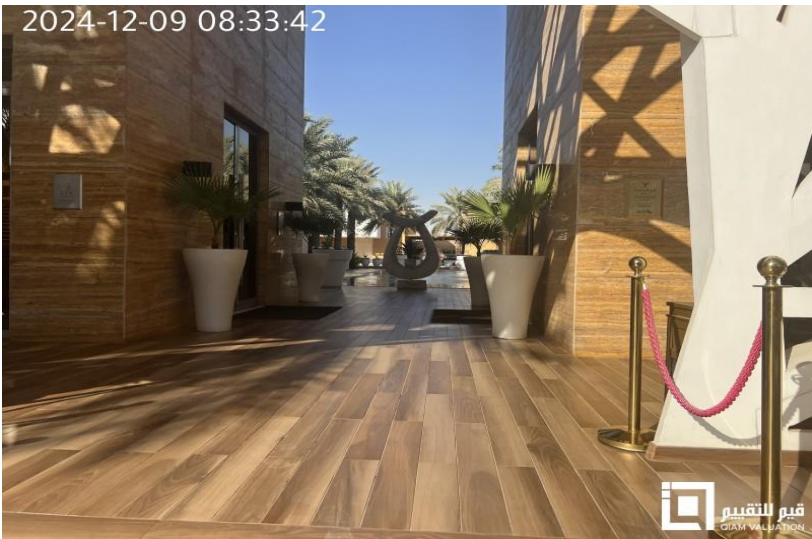
E :

46.6478





## Photographic survey of the Property







Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.



## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>                     | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

### Hierarchy:

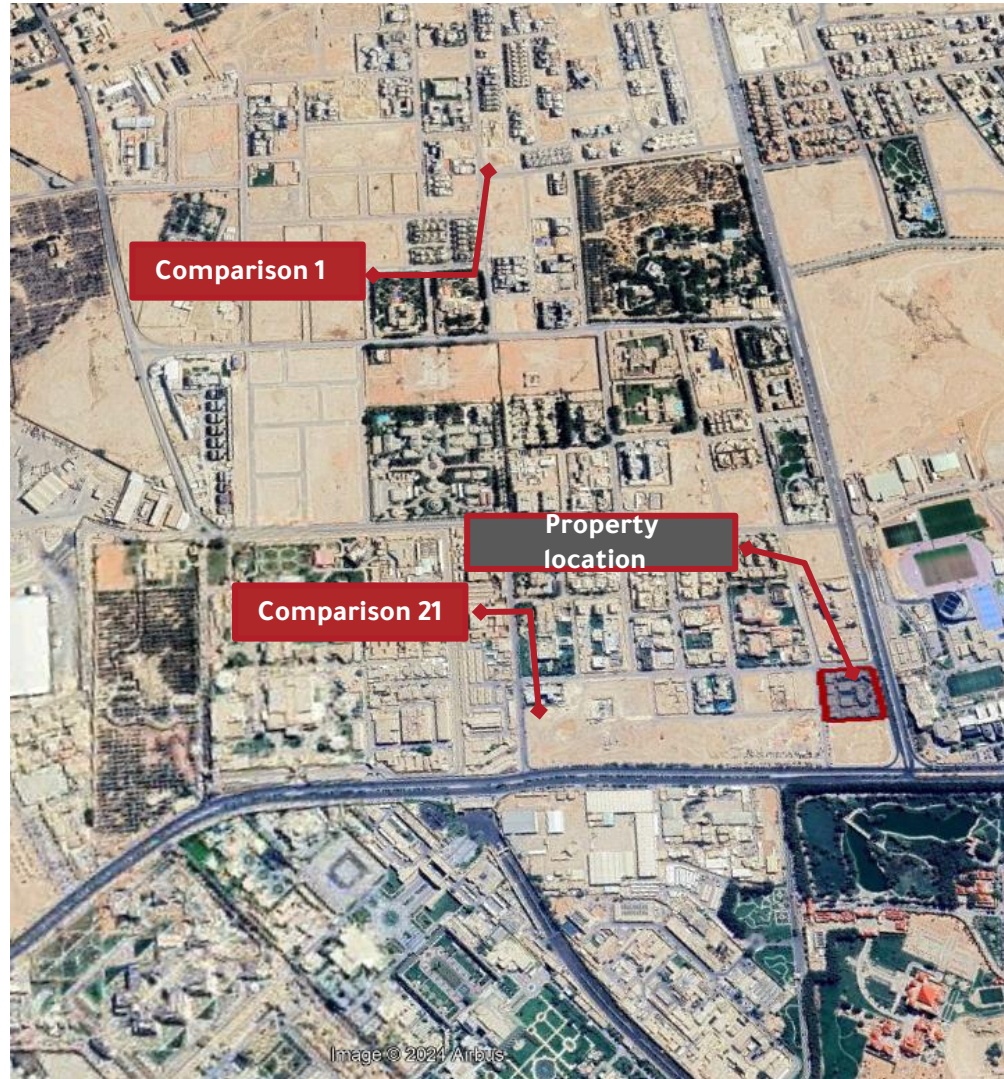
The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



### Valuating the land according to Market Approach - Method of comparison with similar sales

| Clause  | Comparative real estates |                 |            |                 |            |
|---|--------------------------|-----------------|------------|-----------------|------------|
|   | Property under valuation | Comparison 1    |            | Comparison 2    |            |
| Adjustments factors                           |                          | Value           | Adjustment | Value           | Adjustment |
| Price per square meter                        | ***                      | 6,800           |            | 6,750           |            |
| Condition                                     | ***                      | Available offer |            | Available offer |            |
| Date of valuation/offer                       | 2024                     | 2024            |            | 2024            |            |
| Market Condition                              | ***                      | %10.00-         | 680 -      | %10.00-         | 675 -      |
| Financing terms                               | ***                      | %0.00           | -          | %0.00           | -          |
| Market conditions value                       | ***                      | (680.00)        |            | (675.00)        |            |
| Value after initial settlements               | ***                      | 6,120           |            | 6,075           |            |
| Land area (m²)                                | 10000.00                 | 1,618           | %13-       | 2,000           | %10-       |
| Ease of access                                | High                     | Average         | %5         | Average         | %5         |
| Property location                             | High                     | Average         | %5         | Average         | %5         |
| Land shape                                    | Flat                     | Flat            | %0         | Flat            | %0         |
| Land topography                               | Regular                  | Regular         | %0         | Regular         | %0         |
| Land use                                      | Commercial Residential   | Residential     | %10        | Residential     | %10        |
| Surrounding streets                           | 3                        | 1               | %10        | 3               | %0         |
| Total   |                          | %17.50          |            | %10.00          |            |
| Adjustment value per square meter             |                          | 1,071           |            | 608             |            |
| Final meter value after Adjustments           |                          | 7,191           |            | 6,683           |            |
| Net average value per square meter (SAR / m²) |                          | 6,937           |            |                 |            |
| Market value of the land (SAR / m²)           |                          | 69,367,500      |            |                 |            |



## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs) |                  |          |                   |
|--|------------------|----------|-------------------|
| Clause                                   | Built up area m2 | SAR / m2 | Value (SAR)       |
| Basement                                 | 138              | 2,400    | 331,200           |
| Residential ground floor                 | 3070             | 5,000    | 15,350,000        |
| Residential first floor                  | 3586             | 5,000    | 17,930,000        |
| Upper extensions                         | 552              | 5,000    | 2,760,000         |
| Fences                                   | 400.65           | 1,000    | 400,650           |
| <b>Total (SAR)</b>                       | <b>7,747</b>     |          | <b>36,771,850</b> |
| Second: Other costs (indirect)           |                  |          |                   |
| Professional fees                        | %2               |          | 735,437           |
| Utilities Network                        | %2               |          | 735,437           |
| Administration costs                     | %2               |          | 735,437           |
| Financing costs (0 years / 0%)           | %0               |          | -                 |
| Developer's profitability                | %15              |          | 5,515,778         |
| <b>Total (SAR)</b>                       |                  |          | <b>7,722,089</b>  |
| <b>Total cost of buildings (SAR)</b>     |                  |          | <b>44,493,939</b> |

| Third: Depreciation cost  |      |                    |
|---|------|--------------------|
| Life span of the property (year)  | Year | 50                 |
| The current age of the property (year)  | Year | 8                  |
| Remaining life of the property (year)   | Year | 42                 |
| Depreciation rate   | %    | 16                 |
| Depreciation value  | SAR  | 7,119,030          |
| <b>Final value of the building (SAR)</b>  |      | <b>37,374,908</b>  |
| Fourth: Value of the property according to the Cost Approach                            |      |                    |
| <b>Final value of the land (SAR)</b>  |      | <b>69,367,500</b>  |
| <b>Final value of buildings (SAR)</b>   |      | <b>37,374,908</b>  |
| <b>Market value of the property according to the Cost Approach (SAR)</b>                |      | <b>106,742,408</b> |
| <b>Market value of the property according to the Cost Approach after rounding (SAR)</b> |      | <b>106,742,000</b> |



Analysis of valuation assumptions data - Discounted Cash Flow Methods

Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 8%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1.5  | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | .10% | %  |

Assumptions:

| Discounted Cash Flow method assumptions |            |  |     |
|---|------------|--|-----|
| Total hotel income                      | 11,703,124 | Discount rate  | %10 |
| Occupancy rate                          | %100       | Capitalization rate                                    | %8  |
| Operating Expense Rate                  | %0         | Growth rate - annual from year 3 according to contract | %7  |

Rental income:

The property income was analyzed by reviewing the property contract and comparing it to the market, as the rental value of the property is 11,703,124 riyals for the period from 2024 to 2027, and the rental value increases by 7% for every three years according to the contract.

Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows                   |            | Investment years |            |            |            |            |            |            |            |            |            | Reversion value |
|---------------------------------------|------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------|
|                                       |            | 2024             | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       |                 |
|                                       |            | 1                | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         |                 |
| Expected growth value                 |            | %0.00            | %0.00      | %0.00      | %7.00      | %0.00      | %0.00      | %0.00      | %0.00      | %7.00      | %0.00      |                 |
| Total rental value                    | 11,703,124 | 11,703,124       | 11,703,124 | 11,703,124 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 13,398,907 | 13,398,907 |                 |
| Occupancy rate                        | %100       | 11,703,124       | 11,703,124 | 11,703,124 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 13,398,907 | 13,398,907 |                 |
| Actual gross income                   |            | 11,703,124       | 11,703,124 | 11,703,124 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 13,398,907 |            |                 |
| Minus operating expense ratio         | %0         | -                | -          | -          | -          | -          | -          | -          | -          | -          | -          |                 |
| Net Operating Income (NOI)            |            | 11,703,124       | 11,703,124 | 11,703,124 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 13,398,907 | 13,398,907 |                 |
| Reversion value of the building       |            |                  |            |            |            |            |            |            |            |            |            |                 |
| Net Cash Flow                         |            | 11,703,124       | 11,703,124 | 11,703,124 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 12,522,343 | 13,398,907 | 13,398,907 |                 |
| Discount Factor                       |            | 0.9091           | 0.8264     | 0.7513     | 0.6830     | 0.6209     | 0.5645     | 0.5132     | 0.4665     | 0.4241     | 0.3855     | 0.3855          |
| Present Value of Cash Flows           |            | 10,639,204       | 9,672,003  | 8,792,730  | 8,552,929  | 7,775,390  | 7,068,536  | 6,425,942  | 5,841,765  | 5,682,444  | 5,165,859  | 64,573,232      |
| Net present value of the property     |            |                  |            |            |            |            |            |            |            |            |            | 140,190,033     |
| Final Property Value                  |            |                  |            |            |            |            |            |            |            |            |            | 140,190,033     |
| Final Property Value (after rounding) |            |                  |            |            |            |            |            |            |            |            |            | 140,190,000     |



**Final value of the property**

Based on the purpose of the valuation and the nature and characteristics of the property, as it is a hotel villa complex property leased under a single contract, the valuation of the property using the Income Approach (Direct Capitalization method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                           |
|---|---|
| 140,190,000                                       | One hundred and forty million, one hundred and ninety thousand Saudi riyals |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005



## **Appendix**

## Documents received from the client

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

رقم الرخصة: ١٤٣٤/٥٩٦٦  
تاريخ الرخصة: ١٤٣٤-٠٣-٢٣  
تاريخ الانتهاء: ١٤٣٧-٠٣-٢٣  
نوع الرخصة: تعديل مخططات البناء

اسم المالك: عبد الله حمود بن عبد العزيز  
رقم الإحداثيات: ١٠٥٣٣٤١٦٥٤  
رقم المالك: ٣١٠١٢٤٠٠٩٥٦٨  
رقم القطعة: ٢٠  
الشارع: شارع الأمير فيصل بن فهد  
حي: الهدى  
مساحة الأرض: ١٠٠٠٠ م<sup>2</sup>  
مخطط الأساس: م / ط

الجهة: شمال  
الحدود: ٩٧,٨٨  
الارتفاع: ٢٠  
العرض: ٢٠  
العمق: ٢٠  
الارتفاع: ٢٠  
العرض: ٢٠  
العمق: ٢٠

مكونات البناء:  
عدد الوحدات: ٢٤  
المساحة: ٣٠٧,٠٠٠ م<sup>2</sup>  
الارتفاع: ٢٠  
العرض: ٢٠  
العمق: ٢٠

المكتب المصمم: بدر فهد السديري للشهادة المعمارية  
رقم الترخيص: ٠٧٣١٩  
رقم المشروع: ٢٤٨٤  
رمز النظام: ٣٤٠٠٧٩٥٢٩٤  
مناسيب الشوارع المحيطة: مستوى  
سند الرسوم مبلغ وقدره: ٢٤٨٤ ريال بموجب الإيصالات رقم: ٣٤٠٠٧٩٥٢٩٤  
ملاحظات: ملحق ١: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٢: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٣: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٤: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٥: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٦: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٧: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٨: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٩: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٠: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١١: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٢: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٣: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٤: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٥: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٦: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٧: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٨: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ١٩: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣  
ملحق ٢٠: تاريخ الترخيص: ١٤٣٤-٠٣-٢٣

الختم الرسمي  
الختم الرسمي  
الختم الرسمي

يجب الالتزام بالشروط الموضحة خلف الرخصة

رقم الصك: 393010004592  
التاريخ: 1442/11/12 هـ

صك رهن

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن قطعة الأرض رقم 1 / 5 الواقع في حي الهدى بمدينة الرياض، وحدودها وأطوالها:  
شمالاً: شارع عرض 20 متر بطول 97.88 سبعة و تسعون متر و ثمانية و ثمانون سنتمتر  
جنوباً: شارع عرض 40 متر بطول 98.42 ثمانية و تسعون متر و اثنين و اربعون سنتمتر  
شرقا: شارع عرض 20 متر بطول 97 سبعة و تسعون متر  
غربا: قطعة رقم 1 / 6 بطول 107.35 مائة و سبعة متراً و خمسة و ثلاثون سنتمتراً  
ومساحتها 10000 عشرة الاف متر مربعاً المجزاء حسب المحضر رقم 1829 في 1 / 1 / 1422 هـ والمقيد برقم 31 / 725 في 4 / 1 / 1431 هـ. المملوكة لشركة تدوين الاولى العقارية بموجب سجل تجاري رقم 1010896622 بموجب الصك الصادر من  
الموثقين بالرياض 6 برقم 393598002679 في 24 / 07 / 1442 قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح شركة  
الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضماناً للوفاء به 48638419 فقط ثمانية و اربعون مليوناً و  
ستمائة و ثمانية و ثلاثون ألفاً و اربعمائة و تسعة عشر ريالاً سعودياً لا غير. تسدد على أقساط شهرية عددها 1 قيمة كل قسط  
48638419 فقط ثمانية و اربعون مليوناً و ستمائة و ثمانية و ثلاثون ألفاً و اربعمائة و تسعة عشر ريالاً سعودياً لا غير. تاريخ حلول  
القسط 1442/11/13 سبب الرهن: كضمان لما يجب عليهم بعد سيع سنوات ويدفع بتاريخ 2027-12-20 وفي حالة عدم  
الراجحي للتطوير المحدودة على أن يكون المداد على قسط واحد بعد سيع سنوات ويدفع بتاريخ 2027-12-20 وفي حالة عدم  
السداد ففلمترهن بيع العقار بالقيمة التي تنتهي عندها الرغبات، واستيفاء مائتي ذمة الراهن من مبلغ وما نقص برجع فيه عليه بعد  
اكتمال مايلزم شرعاً، وعليه جرى التصديق تحريراً في 12 / 11 / 1442 لا عتماده، ووصلني الله على نبينا محمد وآله وصحبه وسلم.

الموثق

ابراهيم عمر محمد الحسين

الختم الرسمي

## Documents received from the client

|            |            |            |            |            |   |           |            |    |
|------------|------------|------------|------------|------------|---|-----------|------------|----|
| 1452/07/01 | 1452/06/15 | 2030-10-28 | 2030-10-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 41 |
| 1452/10/05 | 1452/09/19 | 2031-01-28 | 2031-01-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 42 |
| 1453/01/06 | 1452/12/21 | 2031-04-28 | 2031-04-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 43 |
| 1453/04/08 | 1453/03/23 | 2031-07-28 | 2031-07-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 44 |
| 1453/07/12 | 1453/06/26 | 2031-10-28 | 2031-10-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 45 |
| 1453/10/15 | 1453/09/30 | 2032-01-28 | 2032-01-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 46 |
| 1454/01/18 | 1454/01/03 | 2032-04-28 | 2032-04-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 47 |
| 1454/04/20 | 1454/04/05 | 2032-07-28 | 2032-07-13 | 3600173.90 | - | 469587.90 | 3130586.00 | 48 |
| 1454/07/23 | 1454/07/08 | 2032-10-28 | 2032-10-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 49 |
| 1454/10/27 | 1454/10/12 | 2033-01-28 | 2033-01-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 50 |
| 1455/01/28 | 1455/01/13 | 2033-04-28 | 2033-04-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 51 |
| 1455/05/01 | 1455/04/16 | 2033-07-28 | 2033-07-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 52 |
| 1455/08/05 | 1455/07/19 | 2033-10-28 | 2033-10-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 53 |
| 1455/11/08 | 1455/10/22 | 2034-01-28 | 2034-01-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 54 |
| 1456/02/09 | 1456/01/24 | 2034-04-28 | 2034-04-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 55 |
| 1456/05/12 | 1456/04/27 | 2034-07-28 | 2034-07-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 56 |
| 1456/08/16 | 1456/08/01 | 2034-10-28 | 2034-10-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 57 |
| 1456/11/18 | 1456/11/03 | 2035-01-28 | 2035-01-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 58 |
| 1457/02/20 | 1457/02/05 | 2035-04-28 | 2035-04-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 59 |
| 1457/05/23 | 1457/05/08 | 2035-07-28 | 2035-07-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 60 |
| 1457/08/27 | 1457/08/12 | 2035-10-28 | 2035-10-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 61 |
| 1457/11/30 | 1457/11/15 | 2036-01-28 | 2036-01-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 62 |
| 1458/03/02 | 1458/02/16 | 2036-04-28 | 2036-04-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 63 |
| 1458/06/05 | 1458/05/19 | 2036-07-28 | 2036-07-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 64 |
| 1458/09/09 | 1458/08/23 | 2036-10-28 | 2036-10-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 65 |
| 1458/12/12 | 1458/11/26 | 2037-01-28 | 2037-01-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 66 |
| 1459/03/12 | 1459/02/27 | 2037-04-28 | 2037-04-13 | 3852186.05 | - | 502459.05 | 3349727.00 | 67 |
| 1459/06/15 | 1459/05/29 | 2037-07-28 | 2037-07-13 | 3852192.95 | - | 502459.95 | 3349733.00 | 68 |

### ١٢ التزامات الطرفين

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)

تحويل الالتزامات الأطراف بعد تعديلها إلى المدة الخامسة تحت (الالتزامات المؤجر / التزامات المستأجر / أحكام عامة)

### ١٣ مواد العقد

المادة الأولى: البيانات السابقة على التزامات الأطراف

تعد البيانات السابقة على التزامات الأطراف والمحددة في البنود من (12-11) جزءاً لا يتجزأ من هذا العقد ومفسرة ومكملة له.

### المادة الثانية: محل العقد

اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم (7) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد، ويقر المستأجر بمسؤوليته لتودية الإيجارية ووفوقه للتعاقب حسب الأوصاف المذكورة، وأنها مملوكة للنشاط التجاري المتعلق عليه في البند رقم (8).

### المادة الثالثة: مدة الإيجار وتجديد العقد

٢-١ مدة هذا العقد (6209) يوماً تبدأ من تاريخ 2020-10-28 الموافق 1442/03/11 هـ وتنتهي بتاريخ 2037-10-27 الموافق 1459/09/18 هـ. وفي حال وجود اختلاف بين الترتيبين العشري والميلادي، يُسَلَّم بالتاريخ الميلادي في جميع بنود العقد.

| رقم (المستأجر) | لمدة الإيجار | شريحة البسط المدفوعة | قيمة المبالغ المستحقة | التاريخ الإصدار (م) | التاريخ المستحق (م) | تاريخ الإصدار (هـ) | تاريخ المستحق (هـ) |
|----------------|--------------|----------------------|-----------------------|---------------------|---------------------|--------------------|--------------------|
| 1              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2020-10-13          | 1442/02/26         | 2020-10-28         |
| 2              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2021-01-13          | 1442/05/29         | 2021-01-28         |
| 3              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2021-04-13          | 1442/09/01         | 2021-04-28         |
| 4              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2021-07-13          | 1442/12/03         | 2021-07-28         |
| 5              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2021-10-13          | 1443/03/07         | 2021-10-28         |
| 6              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2022-01-13          | 1443/06/10         | 2022-01-28         |
| 7              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2022-04-13          | 1443/09/12         | 2022-04-28         |
| 8              | 2734375.00   | 410156.25            | -                     | 3144531.25          | 2022-07-13          | 1443/12/14         | 2022-07-28         |
| 9              | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2022-10-13          | 1444/03/17         | 2022-10-28         |
| 10             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2023-01-13          | 1444/06/20         | 2023-01-28         |
| 11             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2023-04-13          | 1444/09/22         | 2023-04-28         |
| 12             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2023-07-13          | 1444/12/25         | 2023-07-28         |
| 13             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2023-10-13          | 1445/03/28         | 2023-10-28         |
| 14             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2024-01-13          | 1445/07/01         | 2024-01-28         |
| 15             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2024-04-13          | 1445/10/04         | 2024-04-28         |
| 16             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2024-07-13          | 1446/01/07         | 2024-07-28         |
| 17             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2024-10-13          | 1446/04/10         | 2024-10-28         |
| 18             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2025-01-13          | 1446/07/13         | 2025-01-28         |
| 19             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2025-04-13          | 1446/10/16         | 2025-04-28         |
| 20             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2025-07-13          | 1447/01/18         | 2025-07-28         |
| 21             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2025-10-13          | 1447/04/21         | 2025-10-28         |
| 22             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2026-01-13          | 1447/07/24         | 2026-01-28         |
| 23             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2026-04-13          | 1447/10/25         | 2026-04-28         |
| 24             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2026-07-13          | 1448/01/28         | 2026-07-28         |
| 25             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2026-10-13          | 1448/05/02         | 2026-10-28         |
| 26             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2027-01-13          | 1448/08/05         | 2027-01-28         |
| 27             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2027-04-13          | 1448/11/06         | 2027-04-28         |
| 28             | 2925781.00   | 438867.15            | -                     | 3364648.15          | 2027-07-13          | 1449/02/09         | 2027-07-28         |
| 29             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2027-10-13          | 1449/05/13         | 2027-10-28         |
| 30             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2028-01-13          | 1449/08/16         | 2028-01-28         |
| 31             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2028-04-13          | 1449/11/18         | 2028-04-28         |
| 32             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2028-07-13          | 1450/02/20         | 2028-07-28         |
| 33             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2028-10-13          | 1450/05/24         | 2028-10-28         |
| 34             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2029-01-13          | 1450/08/28         | 2029-01-28         |
| 35             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2029-04-13          | 1450/11/29         | 2029-04-28         |
| 36             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2029-07-13          | 1451/03/01         | 2029-07-28         |
| 37             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2029-10-13          | 1451/06/05         | 2029-10-28         |
| 38             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2030-01-13          | 1451/09/09         | 2030-01-28         |
| 39             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2030-04-13          | 1451/12/10         | 2030-04-28         |
| 40             | 3130586.00   | 469587.90            | -                     | 3600173.90          | 2030-07-13          | 1452/03/12         | 2030-07-28         |

11



العقد الموحد  
التجاري  
Unified Commercial Contract

يعتبر هذا العقد عقداً موثقاً وسيداً تطبيقياً بموجب قرار مجلس الوزراء رقم (١٣٣٨/١٣) وتاريخ ١٤٣٨/١٣ هـ

### بنود العقد

### ١ بيانات العقد

|                                  |                                   |                         |            |
|----------------------------------|-----------------------------------|-------------------------|------------|
| رقم سجل العقد                    | 1-0 / 300002468668                | نوع العقد               | جديد       |
| تاريخ إبرام العقد                | 2021-03-15                        | مكان إبرام العقد        | الرياض     |
| تاريخ بداية مدة الإيجار          | 2020-10-28                        | تاريخ نهاية مدة الإيجار | 2037-10-27 |
| معلق بشرط                        | لا                                |                         |            |
| الشرط الملحق عليه بداية الإيجار: | -                                 |                         |            |
| طريقة دفع رسوم العقد:            | الدفع عن طريق رصيد الوسيط العقاري |                         |            |

### ٢ بيانات المؤجر

|                       |  |
|-----------------------|--|
| الاسم                 | شركة تمدين الأولى العقارية ويمثلها سلمان حسين بن بجوي معدي |
| الجنسية               | السعودية   |
| رقم الهوية            | 1073134924   |
| رقم الدوال            | 00966556332153   |
| الموقع الوطني         | 2239 ، الأمير محمد بن عبدالعزيز ، العليا ، الرياض ، -      |
| رقم الوكالة:          | 411561630  |
| تاريخ إصدار الوكالة:  | 1441/07/15   |
| تاريخ انتهاء الوكالة: | 1446/09/10   |

### ٣ بيانات المستأجر

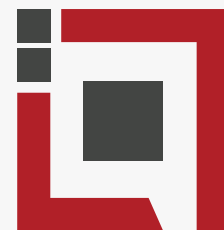
|                       |  |
|-----------------------|--|
| اسم الشركة/المؤسسة:   | شركة فرص للاستثمار والتطوير العقاري مساهمة محفلة |
| رقم السجل التجاري:    | 1010223681                                       |
| رقم الرخصة:           | -  |
| البريد الإلكتروني:    | -  |
| الموقع الوطني:        | -  |
| اسم مالك المؤسسة      | محمد صالح حمد المالك                             |
| الجنسية               | السعودية   |
| رقم الهوية            | 1012971949                                       |
| رقم الدوال            | 00966544666333                                   |
| الموقع الوطني         | 7315 ، الملك فهد ، العليا ، الرياض ، -           |
| بيانات ممثل المستأجر: | المستأجر ممثل لنفسه                              |

### ٤ بيانات المنشأة العقارية والوسيط

اسم المنشأة العقارية

٥





General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Technology Commercial Complex  
BLK 6

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Technology Commercial Complex BLK 6 Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Technology Commercial Complex **BLK 6** property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (31,237,000) Thirty-one million, two hundred and thirty-seven thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

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- **The specific assumptions and limitations of the report**



## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Technology Commercial Complex - BLK 6   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

Scope of work Standard No. 101

Report currency

Saudi riyal

Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

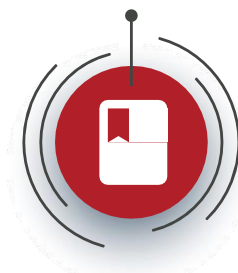
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



Step 04



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..



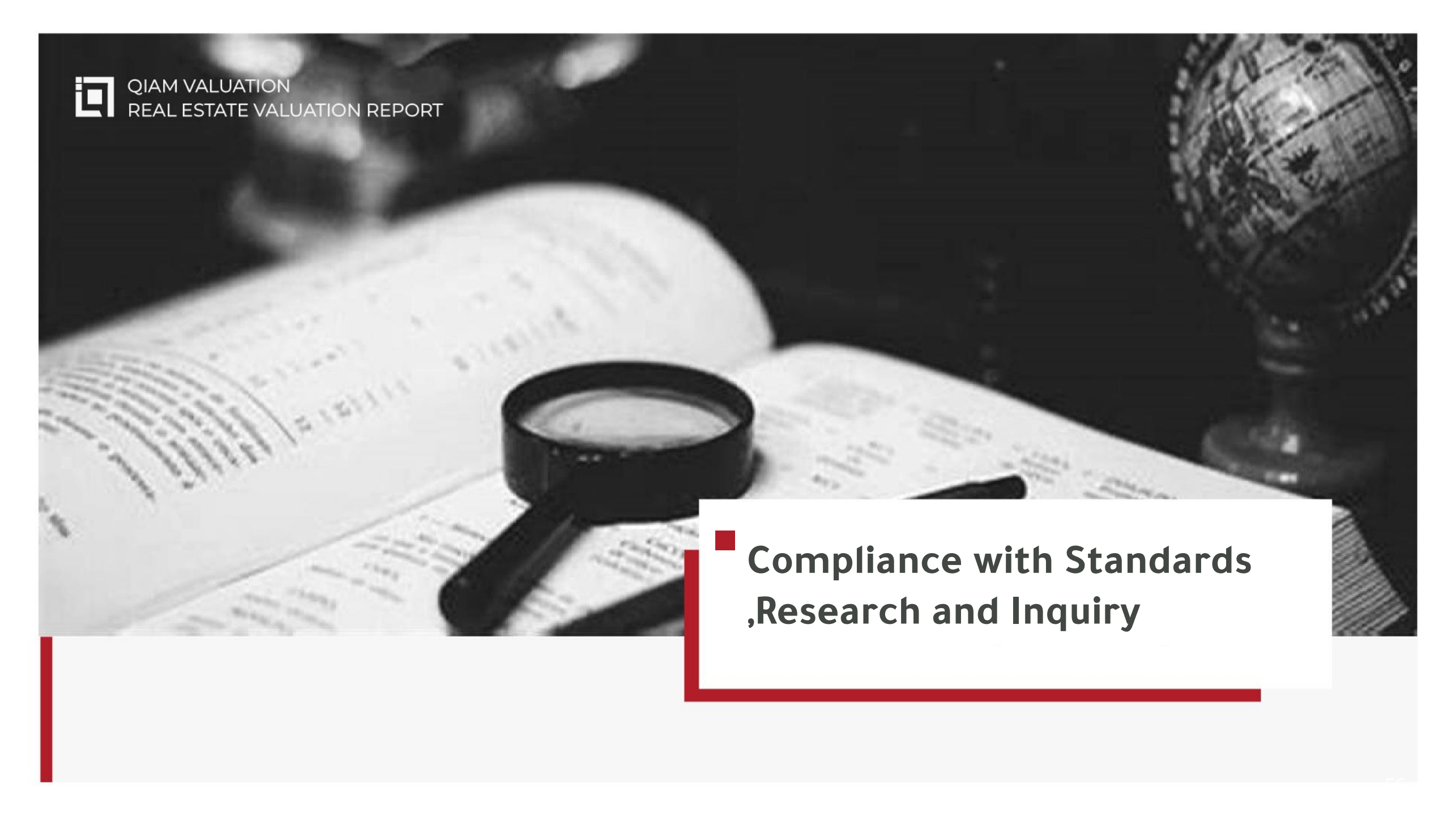
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period





## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.





- **Overview of the economy and the real estate sector in Riyadh city**



## Social, service and real estate indicators - Riyadh City - 2023 AD

### Social and service indicators:

|   |                                     |                              |  |                             |                           |
|---|-------------------------------------|------------------------------|--|-----------------------------|---------------------------|
| <b>882</b><br>Public and private school | <b>30+ML</b><br>Traveler            | <b>1.2ML</b><br>Student      | <b>4.78ML</b><br>Size of the workforce | <b>7.67ML</b><br>Population | <b>1,973KM</b><br>Area    |
| <b>2</b><br>Airports                    | <b>7.8+K</b><br>Tourist and visitor | <b>70+</b><br>Markets (mall) | <b>4300</b><br>Factory in the area     | <b>112</b><br>Hospital      | <b>7</b><br>Universities  |
| <b>110</b><br>Number of hotels          | <b>%68</b><br>Hospitality Occupancy | <b>20+K</b><br>Hotel room    | <b>20</b><br>5 Star Class              | <b>43</b><br>4 Star Class   | <b>28</b><br>3 Star Class |

### Real estate indicators:

|   |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| <b>150+ML</b><br>Rental spaces<br>Commercial / m² | <b>2.6+Billion</b><br>Total value of residential<br>transactions | <b>661+K</b><br>Residential rental deal | <b>101+Billion</b><br>Total value of rental deals | <b>7.6+Billion</b><br>Total value of sales<br>transactions | <b>71+K</b><br>Executed transaction |
|---|--|---|---|--|-------------------------------------|



## Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the industrial and storage area near the Eastern Ring Road.
- The location is close to the main axial roads that connect it to parts of Riyadh, such as **(Eastern Ring Road, Southern Ring Road)**.
- The location is close to the storage and industrial trade centers in Riyadh.

### Weak points:

- Changing the building regulations in the property area.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type |
|-----------------------------------|--------------|---------------|----------------|
| Tamdeen First Real Estate Company | 393010005763 | 13/03/1443 AH | Mortgaged      |

➤ **Location- plan number - plot number - land area:**

| City - District       | Plot number               | Plan number | Land area              |
|-----------------------|---------------------------|-------------|------------------------|
| Riyadh - Al Faisaliah | From plot 556 to plot 577 | 3251        | 14713.87 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 20m wide street      | 89.34         | 25m wide street | 57.61         | 25m wide street | 203.11        | 25m wide street | 214.14        |

### Assumptions regarding ownership of the property

**For the purposes of this report, we assume that there is good, valid and free ownership and that the property is mortgaged to Al Rajhi Development Company Limited.**

## Real estate data and Services available in the real estate area

| Real Estate Data  |                        |                |                                   |
|---|------------------------|----------------|-----------------------------------|
| City  | Riyadh                 | Neighborhood   | Al-Faisaliah                      |
| Street  | Unnamed                | Property type  | Industrial workshops              |
| No. land plan   | 3251                   | Plot number    | From 556 to 577                   |
| Land Area   | 14713.87 square meters | Built-up area  | 12045 square meters               |
| Services and facilities available in the real estate area |                        |                |                                   |
| Electricity network                                       | Telephone network      | Water network  | Sewerage network                  |
| ✓   | ✓                      | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                 | Dispensary     | Garden                            |
| ✓   | ✓                      | ✓              | ✓                                 |
| Public markets  | Civil defense          | Police station | Hospital                          |
| ✓   | ✓                      | ✓              | ✓                                 |
| Hotels  | Petrol station         | Schools        | Governmental services and centers |
| ✓   | ✓                      | ✓              | ✓                                 |



Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located south of Riyadh in Al Faisaliah district with easy access to the Eastern Ring Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | South of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Commercial - Industrial   |
|                                 | Building ratio - number of floors       | 70% - 2 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

## Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(10)** years based on the **(Building permit)**.
- Building permit number **10137/1432** dated **01/06/1432 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Car workshop)**. Detailed as below:

| Building components |              |           |                          |
|---------------------|--------------|-----------|--------------------------|
| #                   | Floor        | Area (m2) | Use                      |
| 1                   | Ground floor | 12045     | Car maintenance workshop |

## Property Description

## INTERIOR FINISHES

| Doors        | Ceiling     | Wall Cladding       | Floors                |
|--------------|-------------|---------------------|-----------------------|
| Drawing iron | Iron hangar | Paint - Iron Hangar | Epoxy casting - tiles |
| Windows      | Health kits | Stairs              | Insulation type       |
| ---          | ---         | ---                 | Thermal - Hydro       |

## EXTERIOR FINISHES

| Facades     | Facilities | Doors                               | Floors  |
|-------------|------------|-------------------------------------|---------|
| Iron hangar | ----       | Electric Securit Glass - Drawn Iron | asphalt |

## Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Faisaliah**

Street: **Unnamed**

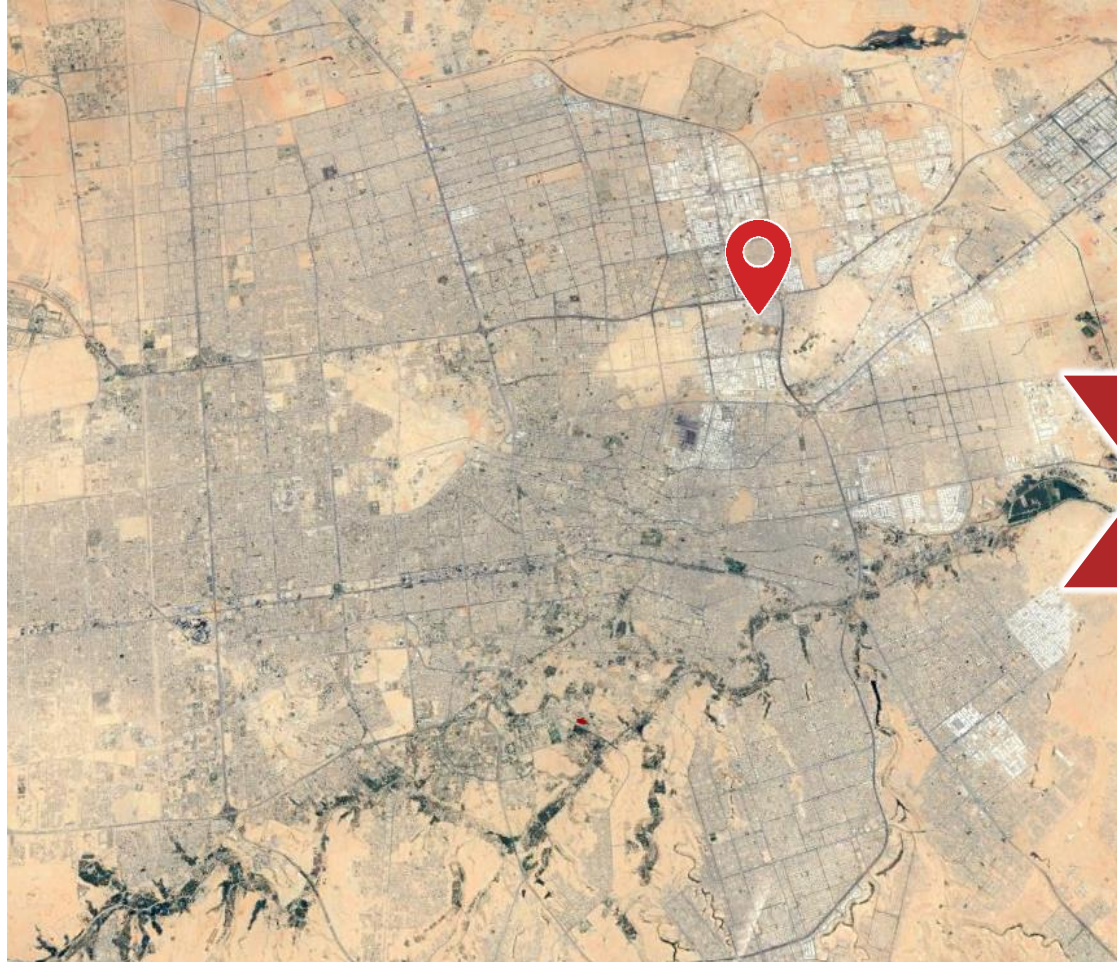
Location coordinates

N :

24.636006

E :

46.798832





Property location







Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.



Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

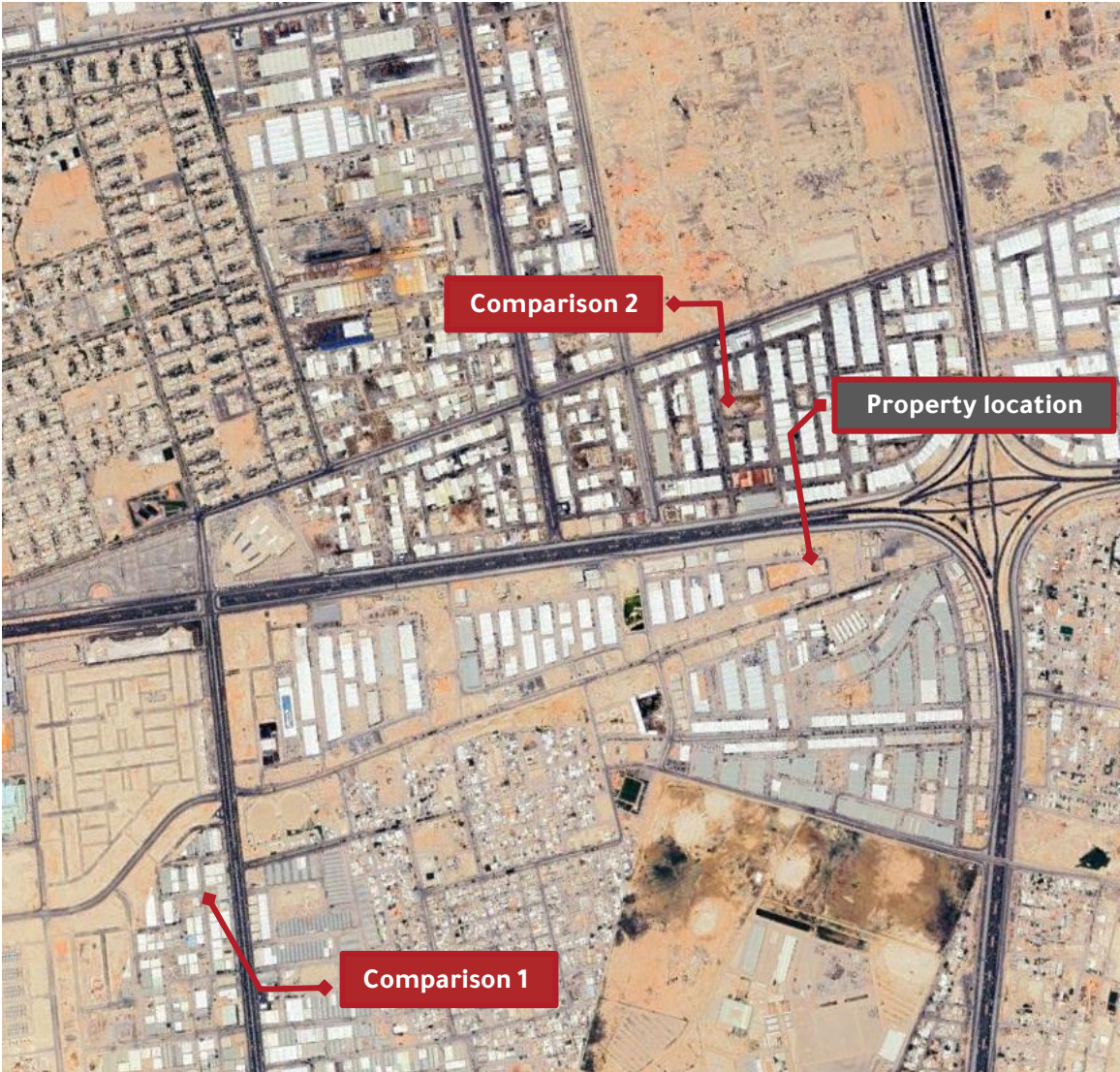
The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |              |                 |            |
|---|--------------------------|--------------------------|--------------|-----------------|------------|
| Clause  |                          | Comparative real estates |              |                 |            |
| Adjustments factors   | Property under valuation | Comparison 1             | Comparison 2 |                 |            |
|   |                          | Value                    | Adjustment   | Value           | Adjustment |
| Price per square meter  | ***                      | 2,400                    |              | 2,100           |            |
| Condition   | ***                      | Available offer          |              | Available offer |            |
| Date of valuation/offer   | 2024                     | 2024                     |              | 2024            |            |
| Market Condition  | ***                      | %10.00-                  | 240 -        | %10.00-         | 210 -      |
| Financing terms   | ***                      | %0.00                    | -            | %0.00           | -          |
| Market conditions value   | ***                      | (240.00)                 |              | (210.00)        |            |
| Value after initial settlements   | ***                      | 2,160                    |              | 1,890           |            |
| Land area (m²)  | 14713.87                 | 1,373                    | %15-         | 1,446           | %15-       |
| Ease of access  | High                     | High                     | %0           | Average         | %5         |
| Property location   | High                     | High                     | %0           | Average         | %5         |
| Land shape  | Irregular                | Regular                  | %5-          | Regular         | %5-        |
| Land topography   | Flat                     | Flat                     | %0           | Flat            | %0         |
| Land use  | Industrial               | Industrial               | %0           | Industrial      | %0         |
| Surrounding streets   | 4                        | 3                        | %5           | 2               | %10        |
| Total   |                          | %15.00-                  |              | %0.00           |            |
| Adjustment value per square meter   |                          | -324                     |              | -               |            |
| Final meter value after Adjustments   |                          | 1,836                    |              | 1,890           |            |
| Net average value per square meter (SAR / m²)   |                          |                          |              | 1,863           |            |
| Market value of the land (SAR / m²)   |                          |                          |              | 27,411,940      |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.



Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)   |                  |          |             |
|--|------------------|----------|-------------|
| Clause   | Built up area m2 | SAR / m2 | Value (SAR) |
| Ground Floor   | 12045            | 850      | 10,238,250  |
| Total (SAR)  | 12,045           |          | 10,238,250  |
| Second: Other costs (indirect)   |                  |          |             |
| Professional fees  | %2               |          | 204,765     |
| Utilities Network  | %2               |          | 204,765     |
| Administration costs   | %2               |          | 204,765     |
| Financing costs (0 years / 0%)   | %0               |          | -           |
| Developer's profitability  | %15              |          | 1,535,738   |
| Total (SAR)  |                  |          | 2,150,033   |
| Total cost of buildings (SAR)  |                  |          | 12,388,283  |
| Third: Depreciation cost   |                  |          |             |
| Life span of the property (year)   | Year             |          | 30          |
| The current age of the property (year)   | Year             |          | 10          |
| Remaining life of the property (year)  | Year             |          | 20          |
| Depreciation rate  | %                |          | 33          |
| Depreciation value   | SAR              |          | 4,129,428   |
| Final value of the building (SAR)  |                  |          | 8,258,855   |
| Fourth: Value of the property according to the Cost Approach                     |                  |          |             |
| Final value of the land (SAR)  |                  |          | 27,411,940  |
| Final value of buildings (SAR)   |                  |          | 8,258,855   |
| Market value of the property according to the Cost Approach (SAR)                |                  |          | 35,670,795  |
| Market value of the property according to the Cost Approach after rounding (SAR) |                  |          | 35,671,000  |



Market Survey Data Analysis



Market Survey Results - Rental Values - Workshops and Warehouses

| # | Comparison | Area (m2) | Rental price per meter |
|---|------------|-----------|------------------------|
| 1 | Warehouses | 2062      | 170                    |
| 2 | Warehouses | 2020      | 140                    |
| 3 | Warehouses | 1325      | 188                    |
| 4 | Workshops  | 1800      | 240                    |
| 5 | Workshops  | 1200      | 250                    |

Analysis of valuation assumptions data - Discounted Cash Flow Methods

Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1    | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 9%   | %  |

Assumptions:

| Discounted Cash Flow method assumptions |           |                                    |    |
|---|-----------|------------------------------------|----|
| Total property income                   | 2,100,000 | Discount rate                      | %9 |
| Occupancy rate                          | %100      | Capitalization rate                | %7 |
| Operating Expense Rate                  | %0        | Growth rate - annual from 4th year | %5 |

Rental income:

The property income was analyzed by reviewing the property contract and comparing it to the market, as the rental value of the property is 2,100,000 riyals until 2025, then increases by 5% for the period from 2025 to 2029, and the rental value increases by 5% until the end of the contract. At the end of the contract, an increase of 15% was assumed due to the increase in the rental value in the property area.

Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

## Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows               |           | Investment years |           |           |           |           |           |           |           |           |           | Reversion value |
|-----------------------------------|-----------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|
|                                   |           | 2024             | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      |                 |
|                                   |           | 1                | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        |                 |
| Expected growth value             |           | %0.00            | %5.00     | %0.00     | %0.00     | %0.00     | %4.99     | %0.00     | %0.00     | %15.00    | %0.00     |                 |
| Total rental value                | 2,100,000 | 2,100,000        | 2,205,000 | 2,205,000 | 2,205,000 | 2,205,000 | 2,315,000 | 2,315,000 | 2,315,000 | 2,662,250 | 2,662,250 |                 |
| Occupancy rate                    | %100      | 2,100,000        | 2,205,000 | 2,205,000 | 2,205,000 | 2,205,000 | 2,315,000 | 2,315,000 | 2,315,000 | 2,662,250 | 2,662,250 |                 |
| Actual gross income               |           | 2,100,000        | 2,205,000 | 2,205,000 | 2,205,000 | 2,205,000 | 2,315,000 | 2,315,000 | 2,315,000 | 2,662,250 | 2,662,250 |                 |
| minus operating expense ratio     | %0        | -                | -         | -         | -         | -         | -         | -         | -         | -         | -         |                 |
| Net Operating Income (NOI)        |           | 2,100,000        | 2,205,000 | 2,205,000 | 2,205,000 | 2,205,000 | 2,315,000 | 2,315,000 | 2,315,000 | 2,662,250 | 2,662,250 |                 |
| Reversion value of the building   |           |                  |           |           |           |           |           |           |           |           |           |                 |
| Net Cash Flow                     |           | 2,100,000        | 2,205,000 | 2,205,000 | 2,205,000 | 2,205,000 | 2,315,000 | 2,315,000 | 2,315,000 | 2,662,250 | 2,662,250 |                 |
| Discount Factor                   |           | 0.9174           | 0.8417    | 0.7722    | 0.7084    | 0.6499    | 0.5963    | 0.5470    | 0.5019    | 0.4604    | 0.4224    | 0.4224          |
| Present Value of Cash Flows       |           | 1,926,606        | 1,855,904 | 1,702,665 | 1,562,078 | 1,433,099 | 1,380,359 | 1,266,384 | 1,161,820 | 1,225,774 | 1,124,563 | 16,597,433      |
| Net present value of the property |           |                  |           |           |           |           |           |           |           |           |           | 31,236,684      |

|                                       |            |
|---------------------------------------|------------|
| Final Property Value                  | 31,236,684 |
| Final Property Value (after rounding) | 31,237,000 |

Final value of the property

Based on the purpose of the valuation and the nature and characteristics of the property, as it is an (Industrial building) property leased under a single contract, the valuation of the property using the Income Approach (Discounted Cash flows) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                      |
|---|--|
| 31,237,000  | Thirty-one million, two hundred and thirty-seven thousand Saudi riyals |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005





## **Appendix**

## Documents received from the client

[illegible]

رقم الصك: 393010005763  
التاريخ: 1443/03/13 هـ

وزارة العدل  
أبراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

مک رہن

[illegible]

الموثق

الختم الرسمي

ابراهيم عمر محمد الحسين

## Documents received from the client

|  |  |  |   |
|--|--|--|---|
| الأجرة السنوية للمياه:   | 0  | Water Annual Amount:                     |   |
| الأجرة السنوية للخدمات العامة: (يدخل ضمن القيمة الإيجارية لعقد الإيجار)  | 0.0  | General Services Amount:                 | والتي تشمل على: -   |
| دورة سداد الإيجار  | حسب اختيار العميل لدفعة السداد   | Rent payment cycle                       | عدد دفعات الإيجار: 10                                     |
| دفعه الإيجار الأولى: (تشمل المهورون)   | 2415000.0  | First rental payment: (Includes deposit) | مبلغ ضريبة القيمة المضافة على القيمة الإيجارية: 3309750.0 |
| الرقم المسلسل .No.   | 310199293800003  | رقم الهوية ID Type                       | رقم الهوية أو السجل التجاري ID/CR Number                  |
| 1  | رقم التسجيل  | 1010896622                               |   |
| القيمة السنوية للإيجار:  | 2206500.0  | Annual Rent:                             |   |
| اجمالي قيمة العقد:   | 25374750.0   | Total Contract value                     |   |
| يشمل: القيمة الإيجارية، ومبلغ ضريبة المهورون، ومبلغ ضريبة القيمة المضافة، إن وجدت - وقيمة الخدمات العامة، والأجرة السنوية لـ الماء والكهرباء، والمياه والصرف الصحي (إذا أخذت كميالو ثابتة) . |  |  |   |
| طرق الدفع المعتمدة   | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونيا من خلال قنوات الدفع المتاحة | Approved payment methods                 |   |

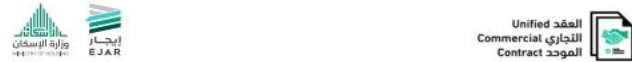
| ١٣ جدول سداد الدفعات |                         |                          |                          |                           |                               |                              |                               |                              |  |
|----------------------|-------------------------|--------------------------|--------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|--|
| الرقم المسلسل .No    | قيمة الإيجار Rent value | قيمة الضريبة المضافة VAT | قيمة الخدمات Total value | إجمالي القيمة Total value | تاريخ الإصدار Issued Date(AD) | تاريخ الاستحقاق Due Date(AD) | تاريخ الإصدار Issued Date(AH) | تاريخ الاستحقاق Due Date(AH) |  |
| 1                    | 2100000.0               | 315000.0                 | 0.0                      | 2415000.0                 | 2021-12-22                    | 2022-01-01                   | 1443-05-18                    | 1443-05-28                   |  |
| 2                    | 2100000.0               | 315000.0                 | 0.0                      | 2415000.0                 | 2022-12-22                    | 2023-01-01                   | 1444-06-08                    | 1444-06-18                   |  |
| 3                    | 2100000.0               | 315000.0                 | 0.0                      | 2415000.0                 | 2023-12-22                    | 2024-01-01                   | 1445-06-19                    | 1445-06-29                   |  |
| 4                    | 2205000.0               | 330750.0                 | 0.0                      | 2535750.0                 | 2024-12-22                    | 2025-01-01                   | 1446-07-01                    | 1446-06-21                   |  |
| 5                    | 2205000.0               | 330750.0                 | 0.0                      | 2535750.0                 | 2025-12-22                    | 2026-01-01                   | 1447-07-12                    | 1447-07-02                   |  |
| 6                    | 2205000.0               | 330750.0                 | 0.0                      | 2535750.0                 | 2026-12-22                    | 2027-01-01                   | 1448-07-23                    | 1448-07-13                   |  |
| 7                    | 2205000.0               | 330750.0                 | 0.0                      | 2535750.0                 | 2027-12-22                    | 2028-01-01                   | 1449-08-04                    | 1449-07-24                   |  |
| 8                    | 2315000.0               | 347250.0                 | 0.0                      | 2662250.0                 | 2028-12-22                    | 2029-01-01                   | 1450-08-16                    | 1450-08-06                   |  |
| 9                    | 2315000.0               | 347250.0                 | 0.0                      | 2662250.0                 | 2029-12-22                    | 2030-01-01                   | 1451-08-26                    | 1451-08-16                   |  |
| 10                   | 2315000.0               | 347250.0                 | 0.0                      | 2662250.0                 | 2030-12-22                    | 2031-01-01                   | 1452-09-07                    | 1452-08-27                   |  |

قيمة إيجارية متغيرة سنوياً :-

| ١٤ التزامات الطرفين   |  |
|---|--|
| Parties Obligations   |  |
| يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)                             |  |
| تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة) |  |
| ١٥ مواد العقد   |  |
| Contract Terms  |  |

13

## Documents received from the client



يعتبر هذا العقد عقداً موثقاً وسأداً تنفيذياً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |             |                         |                          |
|--------------------------|-------------|-------------------------|--------------------------|
| رقم سجل العقد:           | 20745637513 | Contract No.            | نوع العقد:               |
| تاريخ إبرام العقد:       | 2021-09-22  | Contract Sealing Date   | مكان إبرام العقد:        |
| تاريخ بداية مدة الإيجار: | 2021-12-22  | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: |
| معلق بشرط                | نعم         | Contract is conditional |                          |

الشروط المعطى عليه بداية الإيجار: تعليق العقد بدفع الإيجار

|                       |        |                   |
|-----------------------|--------|-------------------|
| طريقة دفع رسوم العقد: | المؤجر | Ejar Fees Paid By |
|-----------------------|--------|-------------------|

| ٢ بيانات المؤجر    |            |                   |                      |
|--------------------|------------|-------------------|----------------------|
| نوع المنظمة:       | commercial | Organization Type | اسم الشركة/المؤسسة:  |
| رقم السجل التجاري: | 1010896622 | CR No.            | رقم المودع:          |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: |

| ٣ بيانات ممثل المؤجر   |                          |                  |                            |
|------------------------|--------------------------|------------------|----------------------------|
| الاسم:                 | سلمان حسين بن يحيى معوي  | Name             |                            |
| الجنسية:               | المملكة العربية السعودية | Nationality      |                            |
| نوع الهوية:            | هوية وطنية               | ID Type          | رقم الهوية:                |
| رقم الدوال:            | +966556332153            | Mobile No.       | البريد الإلكتروني:         |
| العنوان الوطني:        | الرياض، الرياض           | National Address |                            |
| رقم سند التمثيل Number | 43661903                 | رقم المستند Type | تاريخ الانتهاء Expiry Date |
|                        | وكالة شرعية إلكترونية    | 2021-09-16       | 2022-09-05                 |

| ٤ بيانات المستأجر  |            |                   |                     |
|--------------------|------------|-------------------|---------------------|
| نوع المنظمة:       | commercial | Organization Type | اسم الشركة/المؤسسة: |
| رقم السجل التجاري: | 1010713552 | CR No.            | رقم المودع:         |

1

General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

✉ [info@qiam.com.sa](mailto:info@qiam.com.sa)

🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832

شركة قيم للتقييم - ترخيص رقم 1210000052 تاريخ الانتهاء 1447/05/03 هـ سجل تجاري رقم 1010927632 تاريخ الانتهاء 1449/03/15 هـ الرقم الموحد 920025832 - مكتب رقم 7 مبنى رقم 8484 طريق عثمان بن عفان - الرياض 11666

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Technology Commercial Complex  
BLK 7



## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Technology Commercial Complex BLK 7 Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Technology Commercial Complex **BLK 7** property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (13,502,000) Thirteen million five hundred and two thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




Valuation report filing code

At the Saudi Authority for Accredited Valuers

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
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| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
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- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work



Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Technology Commercial Complex - BLK 7   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

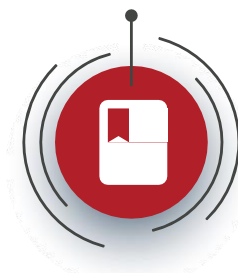
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 02



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

Step 04



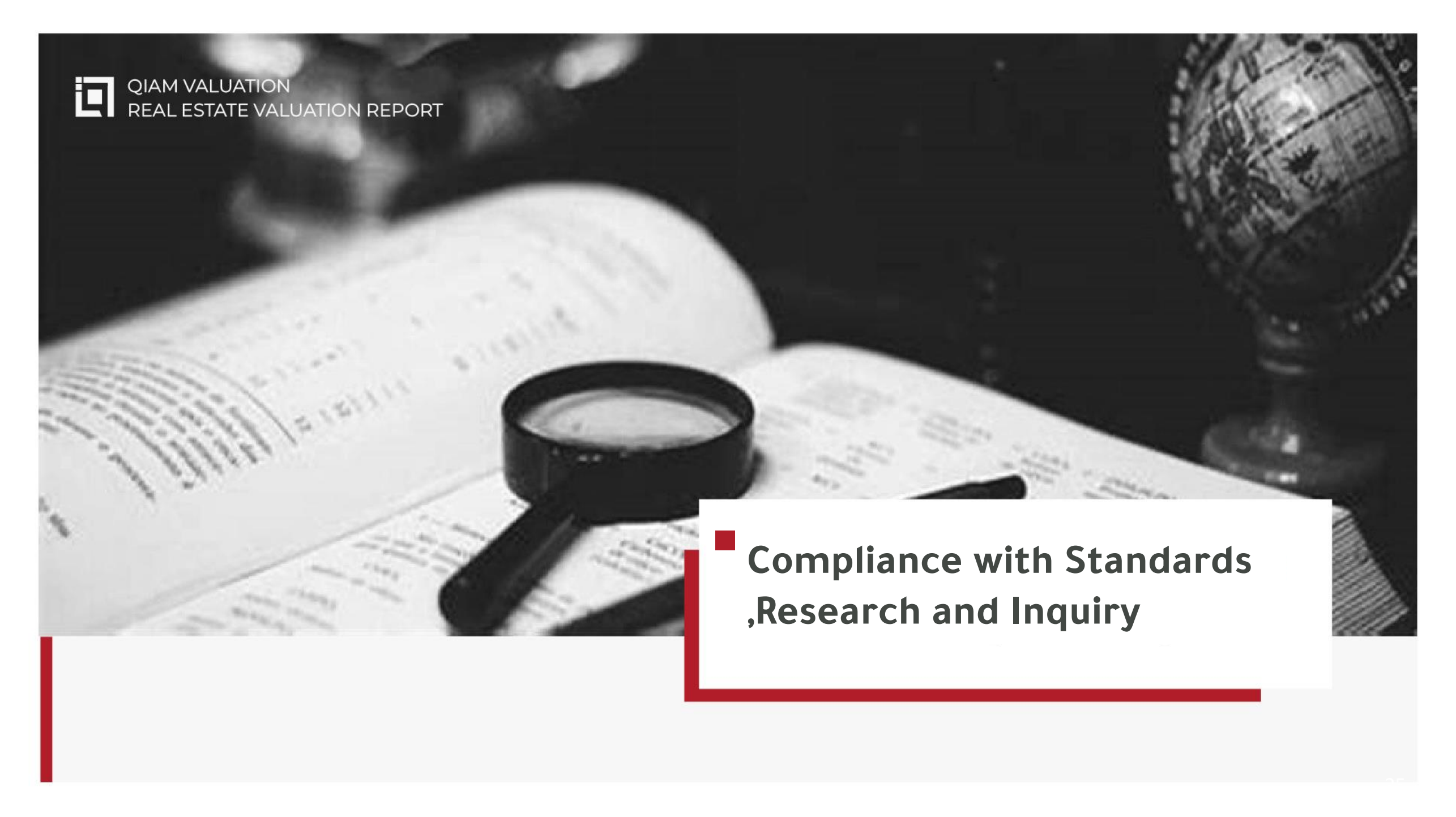
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry



## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the industrial and storage area near the Eastern Ring Road.
- The location is close to the main axial roads that connect it to parts of Riyadh, such as **(Eastern Ring Road, Southern Ring Road)**.
- The location is close to the storage and industrial trade centers in Riyadh.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- Changing the building regulations in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.



### Ownership Data

➤ Title deed information

| Owner name                        | Deed number  | Deed date     | Ownership Type |
|-----------------------------------|--------------|---------------|----------------|
| Tamdeen First Real Estate Company | 393010004591 | 13/03/1443 AH | Mortgaged      |

➤ Location- plan number - plot number - land area:

| City - District       | Plot number               | Plan number | Land area            |
|-----------------------|---------------------------|-------------|----------------------|
| Riyadh - Al Faisaliah | From plot 546 to plot 555 | 3251        | 4865.5 square meters |

➤ Borders and lengths:

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 20m wide street      | 101.75        | 20m wide street | 92.87         | 25m wide street | 50            | 25m wide street | 50.8          |

### Assumptions regarding ownership of the property

For the purposes of this report, we assume that there is good, valid and free ownership and that the property is mortgaged to Al Rajhi Development Company Limited.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                      |                |                                   |
|---|----------------------|----------------|-----------------------------------|
| City  | Riyadh               | Neighborhood   | Al-Faisaliah                      |
| Street  | Unnamed              | Property type  | Industrial workshops              |
| No. land plan   | 3251                 | Plot number    | From 546 to 555                   |
| Land Area   | 4865.5 square meters | Built-up area  | 3663.78 square meters             |
| Services and facilities available in the real estate area |                      |                |                                   |
| Electricity network                                       | Telephone network    | Water network  | Sewerage network                  |
| ✓   | ✓                    | ✓              | ✓                                 |
| Water drainage network                                    | Mosque               | Dispensary     | Garden                            |
| ✓   | ✓                    | ✓              | ✓                                 |
| Public markets  | Civil defense        | Police station | Hospital                          |
| ✓   | ✓                    | ✓              | ✓                                 |
| Hotels  | Petrol station       | Schools        | Governmental services and centers |
| ✓   | ✓                    | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located south of Riyadh in Al Faisaliah district with easy access to the Eastern Ring Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | South of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Commercial - Industrial   |
|                                 | Building ratio - number of floors       | 70% - 2 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(10)** years based on the **(Building permit)**.
- Building permit number **10144/1432** dated **01/06/1432 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Car workshop)**. Detailed as below:

| Building components |              |           |                          |
|---------------------|--------------|-----------|--------------------------|
| #                   | Floor        | Area (m2) | Use                      |
| 1                   | Ground floor | 3663.78   | Car maintenance workshop |

## Property Description

## INTERIOR FINISHES

| Doors        | Ceiling     | Wall Cladding       | Floors                |
|--------------|-------------|---------------------|-----------------------|
| Drawing iron | Iron hangar | Paint - Iron Hangar | Epoxy casting - tiles |
| Windows      | Health kits | Stairs              | Insulation type       |
| ---          | ---         | ---                 | Thermal - Hydro       |

## EXTERIOR FINISHES

| Facades     | Facilities | Doors                               | Floors  |
|-------------|------------|-------------------------------------|---------|
| Iron hangar | -----      | Electric Securit Glass - Drawn Iron | asphalt |

## Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Faisaliah**

Street: **Unnamed**

Location coordinates

N :

24.636959

E :

46.798171





## Photographic survey of the Property





Development



## Valuation

## Valuation Approaches



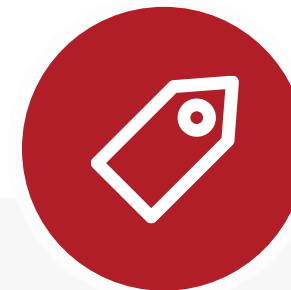
### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.



## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>                     | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

### Hierarchy:

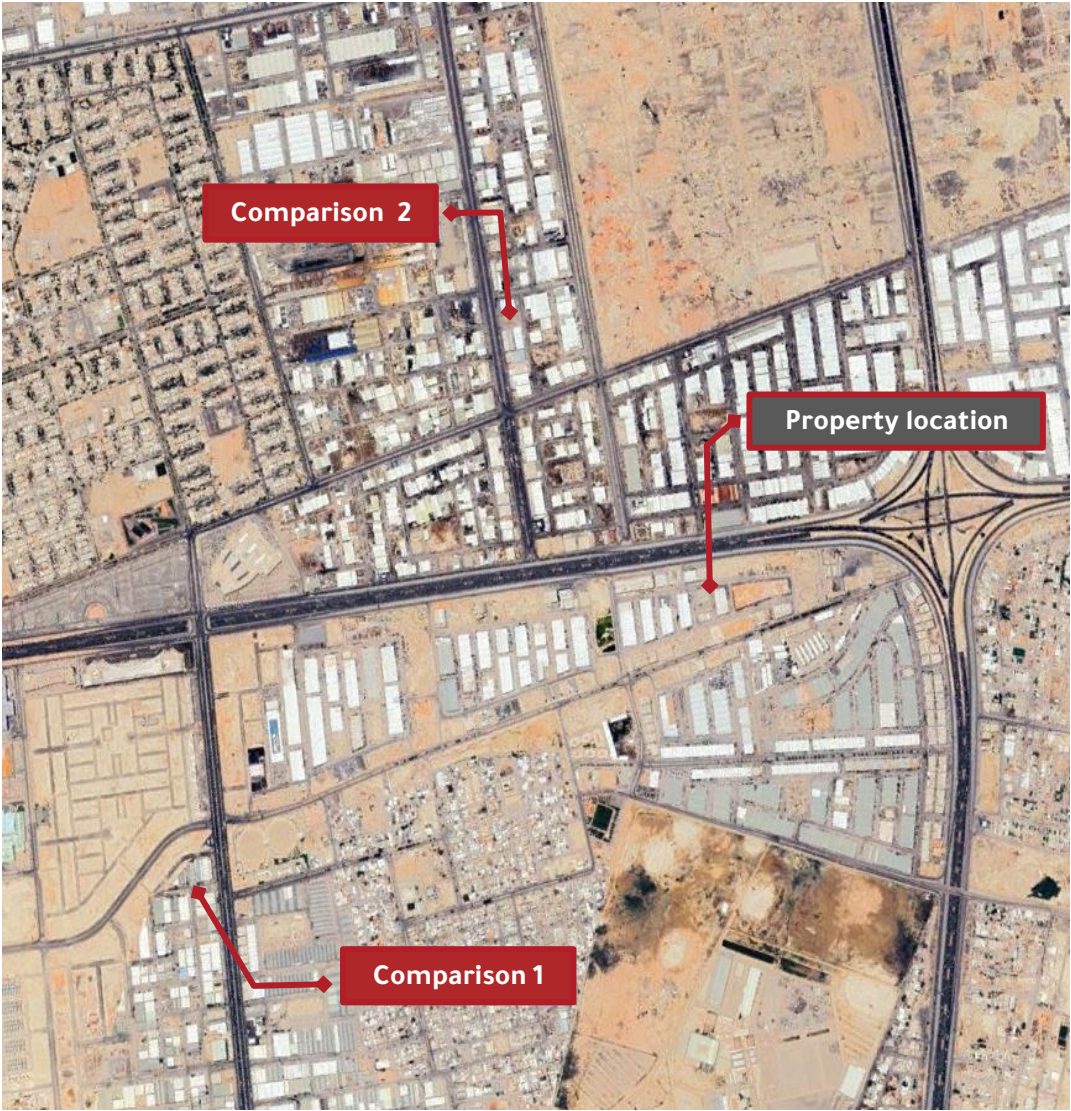
The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |                 |            |                 |            |   |
|---|--------------------------|--------------------------|-----------------|------------|-----------------|------------|---|
| Clause  |                          | Comparative real estates |                 |            |                 |            |   |
| Adjustments factors   | Property under valuation | Comparison 1             |                 |            | Comparison 2    |            |   |
|   |                          | Value                    | Adjustment      |            | Value           | Adjustment |   |
|   | Price per square meter   | ***                      | 2,400           |            | 2,100           |            |   |
|   | Condition                | ***                      | Available offer |            | Available offer |            |   |
|   | Date of valuation/offer  | 2024                     | 2024            |            | 2024            |            |   |
|   | Market Condition         | ***                      | %5.00-          | 120 -      | %5.00-          | 105        | - |
|   | Financing terms          | ***                      | %0.00           | -          | %0.00           | -          |   |
|   | Market conditions value  | ***                      | (120.00)        |            | (105.00)        |            |   |
| Value after initial settlements   |                          | ***                      | 2,280           |            | 1,995           |            |   |
| Land area (m²)  | 4865.50                  | 1,373                    | %7-             | 1,446      | %7-             |            |   |
| Ease of access  | High                     | High                     | %0              | Average    | %5              |            |   |
| Property location   | High                     | High                     | %0              | Average    | %5              |            |   |
| Land shape  | Regular                  | Regular                  | %0              | Regular    | %0              |            |   |
| Land topography   | Flat                     | Flat                     | %0              | Flat       | %0              |            |   |
| Land use  | Industrial               | Industrial               | %0              | Industrial | %0              |            |   |
| Surrounding streets   | 4                        | 3                        | %5              | 2          | %10             |            |   |
| Total   |                          | %2.00-                   |                 |            | %13.00          |            |   |
| Adjustment value per square meter   |                          | -46                      |                 |            | 259             |            |   |
| Final meter value after Adjustments   |                          | 2,234                    |                 |            | 2,254           |            |   |
| Net average value per square meter (SAR / m²)   |                          |                          |                 | 2,244      |                 |            |   |
| Market value of the land (SAR / m²)   |                          |                          |                 | 10,920,007 |                 |            |   |



## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

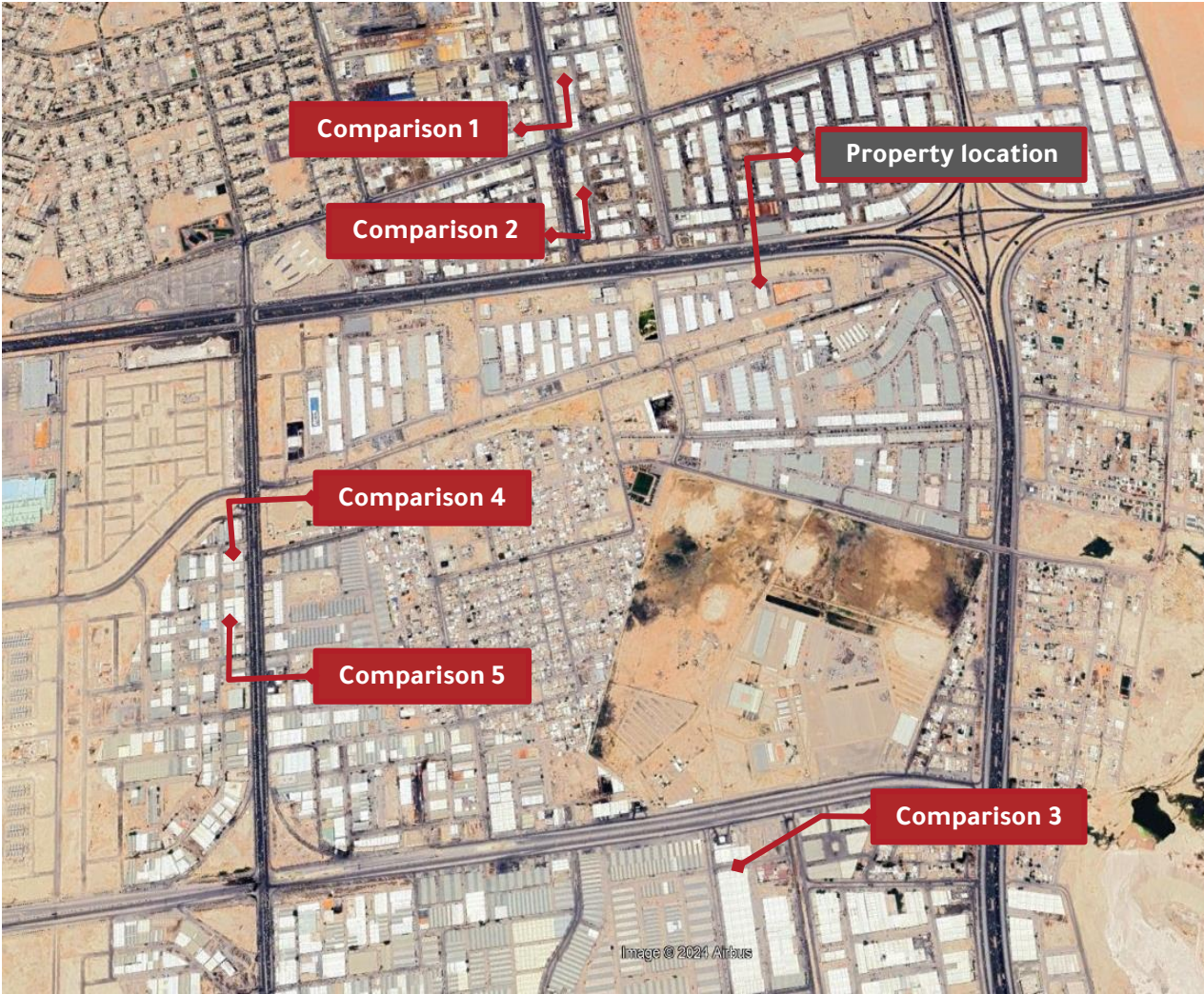
**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

## Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)  |                  |          |                   |
|---|------------------|----------|-------------------|
| Clause  | Built up area m2 | SAR / m2 | Value (SAR)       |
| Ground floor  | 3664             | 800      | 2,931,200         |
| <b>Total (SAR)</b>  | <b>3,664</b>     |          | <b>2,931,200</b>  |
| Second: Other costs (indirect)  |                  |          |                   |
| Professional fees   | %2               |          | 58,624            |
| Utilities Network   | %2               |          | 58,624            |
| Administration costs  | %2               |          | 58,624            |
| Financing costs (0 years / 0%)  | %0               |          | -                 |
| Developer's profitability   | %15              |          | 439,680           |
| <b>Total (SAR)</b>  |                  |          | <b>615,552</b>    |
| <b>Total cost of buildings (SAR)</b>  |                  |          | <b>3,546,752</b>  |
| Third: Depreciation cost  |                  |          |                   |
| Life span of the property (year)  | Year             |          | 30                |
| The current age of the property (year)  | Year             |          | 10                |
| Remaining life of the property (year)   | Year             |          | 20                |
| Depreciation rate   | %                |          | 33                |
| Depreciation value  | SAR              |          | 1,182,251         |
| <b>Final value of the building (SAR)</b>  |                  |          | <b>2,364,501</b>  |
| Fourth: Value of the property according to the Cost Approach                            |                  |          |                   |
| <b>Final value of the land (SAR)</b>  |                  |          | <b>10,920,007</b> |
| <b>Final value of buildings (SAR)</b>   |                  |          | <b>2,364,501</b>  |
| <b>Market value of the property according to the Cost Approach (SAR)</b>                |                  |          | <b>13,284,508</b> |
| <b>Market value of the property according to the Cost Approach after rounding (SAR)</b> |                  |          | <b>13,285,000</b> |

Market Survey Data Analysis



Market Survey Results - Rental Values - Workshops and Warehouses

| # | Comparison | Area (m2) | Rental price per meter |
|---|------------|-----------|------------------------|
| 1 | Warehouses | 2062      | 170                    |
| 2 | Warehouses | 2020      | 140                    |
| 3 | Warehouses | 1325      | 188                    |
| 4 | Workshops  | 1800      | 240                    |
| 5 | Workshops  | 1200      | 250                    |

Analysis of valuation assumptions data - Discounted Cash Flow Methods

Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 9.5% | %  |

Assumptions:

| Discounted Cash Flow method assumptions |         |                                    |      |
|---|---------|------------------------------------|------|
| Total property income                   | 962,876 | Discount rate                      | %9.5 |
| Occupancy rate                          | %100    | Capitalization rate                | %7   |
| Operating Expense Rate                  | %0      | Growth rate - annual from 4th year | %5   |

Rental income:

The property income was analyzed by reviewing the property contracts and comparing it to the market, as the rental value of the property for all contracts is 962,876 riyals for the period from 2024 to 2027, and the rental value increases by 5% until the end of the contract. At the end of the contract, an increase of 15% was assumed due to the increase in the rental value in the property area.

Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows                   |         | Investment years |         |         |           |           |           |           |           |        |        | Reversion value |
|---------------------------------------|---------|------------------|---------|---------|-----------|-----------|-----------|-----------|-----------|--------|--------|-----------------|
|                                       |         | 2024             | 2025    | 2026    | 2027      | 2028      | 2029      | 2030      | 2031      | 2032   | 2033   |                 |
|                                       |         | 1                | 2       | 3       | 4         | 5         | 6         | 7         | 8         | 9      | 10     |                 |
| Expected growth value                 |         | %0.00            | %0.00   | %0.00   | %5.19     | %0.00     | %0.00     | %0.00     | %15.00    | %0.00  | %0.00  |                 |
| Total rental value                    | 962,876 | 962,876          | 962,876 | 962,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,164,808 | -      | -      |                 |
| Occupancy rate                        | %100    | 962,876          | 962,876 | 962,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,164,808 | -      | -      |                 |
| Actual gross income                   |         | 962,876          | 962,876 | 962,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,164,808 | -      | -      |                 |
| minus operating expense ratio         | %0      | -                | -       | -       | -         | -         | -         | -         | -         | -      | -      |                 |
| Net Operating Income (NOI)            |         | 962,876          | 962,876 | 962,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,164,808 | -      | -      |                 |
| Reversion value of the building       |         |                  |         |         |           |           |           |           |           |        |        |                 |
| Net Cash Flow                         |         | 962,876          | 962,876 | 962,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,012,876 | 1,164,808 | 0      | 0      |                 |
| Discount Factor                       |         | 0.9132           | 0.8340  | 0.7617  | 0.6956    | 0.6352    | 0.5801    | 0.5298    | 0.4838    | 0.4418 | 0.4035 | 0.4035          |
| Present Value of Cash Flows           |         | 879,339          | 803,049 | 733,378 | 704,531   | 643,407   | 587,586   | 536,608   | 563,561   | 0      | 0      | 8,050,878       |
| Net present value of the property     |         |                  |         |         |           |           |           |           |           |        |        | 13,502,338      |
| Final Property Value                  |         |                  |         |         |           |           |           |           |           |        |        | 13,502,338      |
| Final Property Value (after rounding) |         |                  |         |         |           |           |           |           |           |        |        | 13,502,000      |



Final value of the property

Based on the purpose of the valuation and the nature and characteristics of the property, as it is an industrial building property leased under a single contract, the valuation of the property using the Income Approach (Discounted Cash flows) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)           |
|---|---|
| 13,502,000  | Thirteen million five hundred and two thousand Saudi riyals |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005



## **Appendix**

## Documents received from the client

[illegible]

رقم الصك: 393010004591  
التاريخ: 1442/11/12 هـ

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

صک رہن

[illegible]

## الموئقي

الختم الرسمي

ابراهيم عمر محمد الحسين

## Documents received from the client

| قيمة إيجارية متغيرة سنوياً: نعم |               |               |               |               |               |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| السنة الأولى                    | السنة الثانية | السنة الثالثة | السنة الرابعة | السنة الخامسة | السنة السادسة | السنة السابعة | السنة الثامنة | السنة التاسعة | السنة العاشرة |
| 0                               | 0             | +10%          | +10%          | +10%          | +10%          | +20%          | +20%          | +20%          | +20%          |

### ١٤ التزامات الطرفين

يتم تحديد الطرف الذي يحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)

تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة)

### ١٥ مواد العقد

المادة الأولى: البيانات السابقة على إلتزامات الأطراف

تعد البيانات السابقة على إلتزامات الأطراف والمحددة في البنود من (1-14) جزء لا يتجزأ من هذا العقد ومفسرة ومكملة له.

المادة الثانية: محل العقد

اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم(9) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. ويقر المستأجر بمصالحته للوحدة الإيجارية، ويقولها للعائد حسب الأوصاف المذكورة، وأنها صالحة للنشاط التجاري المتفق عليه في البند رقم (10).

المادة الثالثة: مدة الإيجار وتجديد العقد

٣-١ مدة هذا العقد (3651) يوماً تبدأ من تاريخ 29-06-2022 إلى الموافق 01-02-2022 م، وتنتهي بتاريخ 18-10-2032-31-01 م، وفي حال وجود اتفاق بين الطرفين الهجري والميلادي، يُعمل بالتاريخ الميلادي في جميع بنود العقد.

٣-2 تنتهي مدة الإيجار مع انتهاء مدة العقد. وإذا رغب الطرفان بالتجديد، فتمتد كلفة عقد جديد يُتفق عليه الطرفان.

المادة الرابعة: الأجرة

إجمالي قيمة العقد ( 6497500.٠ ) ريال سعودي، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (17) من هذا العقد وكما هو مبدول في البند (1٣) من هذا العقد.

المادة الخامسة: الإلتزامات تقسم إلى (التزامات المؤجر / التزامات المستأجر/ أحكام عامة) بعد تحديدها في (البند 12)

٥-١ التزامات المستأجر

٥-١-١ يلتزم المستأجر بدفع قيمة الأجرة في المواعيد المتفق عليها.

٥-١-٢ يلتزم المستأجر بالتقيد بفساحة ومواصفات الوحدة الخاصة بالوحدة الإيجارية والمحددة في البند (9) من هذا العقد.

٥-١-٣ يلتزم المستأجر أن يفتتح ويشارك بنشاطه التجاري خلال مدة لا تتجاوز ( 10 ) يوماً من تاريخ العقد وفي حالة انتهاء هذه المدة دون افتتاح الوحدة الإيجارية وبند النشاط التجاري وبعد عدم تجايبه مع أشهر المؤجر خلال ( 10 ) يوماً فيقوم للمؤجر فسخ العقد من يده دون الحاجة إلى إيداع أو حكم قضائي ويمتنع للمؤجر حينها تأجير الوحدة الإيجارية لتأجير مع المحافظة على حقوق المستأجر بالمطالبة بأعلى قيمة العقد المدفوعة بعد خصم العيرون والسعي وقيمة الإيجار ومتعاريف الخدمات العامة من تاريخ بداية الإيجار إلى تاريخ الفسخ والقفل.

٥-١-٤ يلتزم المستأجر بتسليم الوحدات الإيجارية للمؤجر عند انتهاء مدة إيجار هذا العقد.

٥-١-٥ يلتزم المستأجر باستعمال الوحدات الإيجارية محل هذا العقد الاستعمال المعتاد له وطبقاً للأنظمة والأعراف والتقاليد العربية في المملكة العربية السعودية، وتعمل جميع الجهات التي قد تفرض عليه من الجهات المختصة.

٥-١-٦ يلتزم المستأجر بالمحافظة على الأجزاء والمرافق المشتركة التابعة للمنفق الشتمل على الوحدات الإيجارية المؤجرة مثل دورات المياه المشتركة والأسطح ومخارج الطوارئ والممرات والسلالم والممرات وغيرها وأن يستعملها استعمالاً عادلاً مراعياً للفرض المخصص لها.

٥-١-٧ يلتزم المستأجر بجميع تكاليف الصيانة الاستهلاكية المعقدة المترتبة على التمتع بالوحدات الإيجارية، فيما عدا أعمال الصيانة البسيطة في المادة السابقة.

٥-١-٨ يلتزم بقسط قيمة خدمات الكهرباء والمياه والغاز والخدمات الأخرى المتعلقة بالوحدات الإيجارية الموصوفة خلال فترة سريان هذا العقد بحسب ما تم الاتفاق عليه في البنود (12) من هذا العقد.

٥-١-٩ يلتزم المستأجر بالتدخل الاحتياطات اللازمة لمنع تعرض الوحدة الإيجارية وكافة ملحقاتها والمزودين فيها سواء من تابعيه أو عملائه أو زائريه لأي ضرر كان يسبب من أسباب القوة القاهرة أو ناتج عن انقطاع الكهرباء أو المياه أو أجهزة التكييف أو أي مثل بالتجهيزات الميكانيكية أو الكهربائية أو أي عملية احتيال أو نصب أو سرقة ولتأخير.

٥-١-١٠ يلتزم المستأجر بالحدود على بوليصة تأمين شامل تعاقبة (مواصفة لأحكام الشريعة الإسلامية) للوحدة الإيجارية وكافة ممتلكاته من ديكور وبنماط موجودة بالوحدة الإيجارية وذلك بعد دفع الأخطار (مثل الحريق وسرقة المياه والفيماقات والسرقة والسطو والكوارث الطبيعية والحوادث وأعمال الشغب وغيرها من المخاطر والأضرار) التي قد تسبب المؤجر أو الوحدة الإيجارية أو الغير بسبب المستأجر أو أحد تابعيه، وتسلم نسخة من بوليصة التأمين أو تحديدها للمؤجر.

٥-١-١١ يلتزم المستأجر بالمحافظة على جميع التجهيزات الميكانيكية والكهربائية، ومراعاة الأضرار الكهربائية في المجمع وغيرها من التجهيزات التي وضعها المؤجر

Unit Finishing Fee (Not included in total contract amount): ريال لكل متر مربع من مساحة الوحدة الإيجارية -

Retainer Fee (Included in total contract amount): مبلغ العيرون المتفق عليه (يدخل ضمن القيمة الإجمالية لعقد الإيجار) -

Gas Annual Amount: الأجرة السنوية للغاز: - Electricity Annual Amount: الأجرة السنوية للكهرباء: -

Water Annual Amount: الأجرة السنوية للمياه: -

General Services Included: - والتي تشمل على: General Services Amount: 0.0

Number of Rent Payments: 10 عدد دفعات الإيجار: Rent payment cycle: سنوي

VAT on rental value: 847500.0 مبلغ ضريبة القيمة المضافة على القيمة الإيجارية: First rental payment: (Includes deposit) 575000.0

رقم الهوية أو السجل التجاري ID/CR Number: نوع الهوية ID Type: الرقم الضريبي Vat number: الأرقم المتسلسل No.

1010896622 رقم التسجيل: 310199293800003

Annual Rent: 500000.0

Total Contract value: 6497500.0

يشمل: القيمة الإيجارية، ومبلغ العيرون، ومبلغ ضريبة القيمة المضافة، إن وجدت - وقيمة الخدمات العامة، والأجرة السنوية ل(الغاز والكهرباء، والمياه والصرف الصحي) إذا تحدثت كمبالغ ثابتة).

الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة

Approved payment methods طرق الدفع المعتمدة

### ١٣ جدول سداد الدفعات

| الرقم المتسلسل No. | قيمة الإيجار Rent value | قيمة الضريبة المضافة VAT | قيمة المصارف والخدمات Total value | إجمالي القيمة Total value | تاريخ السداد Due Date(AD) | تاريخ الاستحقاق Due Date(AH) |
|--------------------|-------------------------|--------------------------|-----------------------------------|---------------------------|---------------------------|------------------------------|
| 1                  | 500000.0                | 75000.0                  | 0.0                               | 575000.0                  | 2022-02-01                | 2022-02-11                   |
| 2                  | 500000.0                | 75000.0                  | 0.0                               | 575000.0                  | 2023-02-01                | 2023-02-11                   |
| 3                  | 550000.0                | 82500.0                  | 0.0                               | 632500.0                  | 2024-02-01                | 2024-02-11                   |
| 4                  | 550000.0                | 82500.0                  | 0.0                               | 632500.0                  | 2025-02-01                | 2025-02-11                   |
| 5                  | 550000.0                | 82500.0                  | 0.0                               | 632500.0                  | 2026-02-01                | 2026-02-11                   |
| 6                  | 600000.0                | 90000.0                  | 0.0                               | 690000.0                  | 2027-02-01                | 2027-02-11                   |
| 7                  | 600000.0                | 90000.0                  | 0.0                               | 690000.0                  | 2028-02-01                | 2028-02-11                   |
| 8                  | 600000.0                | 90000.0                  | 0.0                               | 690000.0                  | 2029-02-01                | 2029-02-11                   |
| 9                  | 600000.0                | 90000.0                  | 0.0                               | 690000.0                  | 2030-02-01                | 2030-02-11                   |
| 10                 | 600000.0                | 90000.0                  | 0.0                               | 690000.0                  | 2031-02-01                | 2031-02-11                   |



العقد التجاري الموحد  
Unified Commercial Contract



يعتبر هذا العقد عقداً موثقاً وستدأ تنفيذاً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

### ١ بيانات العقد

|                          |                         |                          |                           |
|--------------------------|-------------------------|--------------------------|---------------------------|
| رقم سجل العقد:           | Contract No.            | نوع العقد:               | Contract Type             |
| 20121519953 / 1          | جديد                    |                          |                           |
| تاريخ إبرام العقد:       | Contract Sealing Date   | مكان إبرام العقد:        | Contract Sealing Location |
| 2022-01-19               | الرياض                  |                          |                           |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | Tenancy End Date          |
| 2022-02-01               | لا                      | 2032-01-31               |                           |
| معلق بشرط                | Contract is conditional |                          |                           |

طريقة دفع رسوم الدفع عن طريق رصيد الوسيط العقاري

### ٢ بيانات المؤجر

|                    |            |                     |  |
|--------------------|------------|---------------------|--|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة: | شركة تمدين دولي العقارية شركة شخص واند |
| رقم السجل التجاري: | 1010896622 | CR No.              | الرقم الموحد 7010776792                |
| جهة الإصدار:       | -          | Issued by           | تاريخ السجل التجاري: 2017-10-04        |

### ٣ بيانات ممثّل المؤجر

|                        |                         |                            |   |
|------------------------|-------------------------|----------------------------|---|
| الاسم:                 | سلمان حسين بن يحيى معوي | الجنسية:                   | المملكة العربية السعودية                  |
| نوع الهوية:            | هوية وطنية              | ID Type                    | رقم الهوية: 1073134924                    |
| رقم الجوّال:           | +964554332153           | Mobile No.                 | البريد الإلكتروني: muzaidis@mulkia.com.sa |
| العنوان الوطني:        | الرياض، الرياض          | National Address           |   |
| رقم سند الترخيل Number | نوع المستند Type        | تاريخ الانتهاء Expiry Date | 2022-09-05                                |
| 43661903               | وكالة شريعة إلكترونية   | 2021-09-16                 |   |

### ٤ بيانات المستأجر

|                    |            |                     |                         |
|--------------------|------------|---------------------|-------------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة: | شركة بترموين            |
| رقم السجل التجاري: | 1010429804 | CR No.              | الرقم الموحد 7013609123 |



## Documents received from the client

| الرقم<br>المتسلسل | قيمة<br>الإيجار | قيمة<br>الصيانة | قيمة<br>الخدمة | قيمة<br>الخدمة | إجمالي<br>القيمة | تاريخ الإصدار<br>(م) | تاريخ الاستحقاق<br>(م) | تاريخ الإصدار<br>(م) | تاريخ الاستحقاق<br>(م) |
|-------------------|-----------------|-----------------|----------------|----------------|------------------|----------------------|------------------------|----------------------|------------------------|
| No.               | Rent value      | Services        | VAT            | Value added    | Total value      | Issued Date(AD)      | Due Date(AD)           | Issued Date(AH)      | Due Date(AH)           |
| 10                | 206433.00       | 30964.95        | 0.00           | 237404.00      | 237404.00        | 2027-03-01           | 2027-03-11             | 1448-09-22           | 1448-10-03             |

القيمة إيجارية سنوية: ٤٠

| ١٤ التزامات الطرفين |
|---------------------|
|---------------------|

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)

تحول التزامات الأطراف بعد تنفيذها إلى المادة الخامسة تحت الالتزامات المؤجر / التزامات المستأجر / أحكام عامة)

| ١٥ مواد العقد |
|---------------|
|---------------|

المادة الأولى: البيانات السابقة على التزامات الأطراف

تعد البيانات السابقة على التزامات الأطراف والمحددة في البند من (14-1) جزء لا يتجزأ من هذا العقد ومفسرة ومكملة له.

| المادة الثانية: محل العقد |
|---------------------------|
|---------------------------|

اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالمند رقم(٢) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. ويقر المستأجر بمعاييره لتوذية الإيجارية، وغرضه للتعاقد حسب الأوصاف المذكورة، وأنها صالحة لنشاط تجاري المتفق عليه في البند رقم (10).

| المادة الثالثة: مدة الإيجار وتحديد العقد |
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١-٢- مدة هذا العقد (1825) يوماً تبدأ من تاريخ 05-02-1444 هـ الموافق 01-09-2022 م، وتنتهي بتاريخ 29-03-1449 هـ الموافق 31-08-2027 م. وفي حال وجود اختلاف بين التاريخين الهجري والميلادي، يعمل بالتاريخ الميلادي في جميع بنود العقد.

٢-٢- تتجدد مدة الإيجار تلقائياً لمدة مماثلة ما لم يخطر أحد الطرفين بخلاف الآخر برغبته إنهاء العقد قبل (60) يوماً من تاريخ انتهاء مدة الإيجار.

| المادة الرابعة: الأجرة |
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إجمالي قيمة العقد ( 2374031.00 ) ريال سعودي، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (17) من هذا العقد وكما هو مذكور في البند (1٢) من هذا العقد.

| المادة الخامسة: الالتزامات تنقسم إلى (الالتزامات المؤجر / التزامات المستأجر / أحكام عامة) بعد تنفيذها في (البند 12) |
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| ٥-١ التزامات المستأجر |
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١-١-٥ يلتزم المستأجر بدفع قيمة الأجرة في المواعيد المتفق عليها.

١-٢- يلتزم المستأجر بتلقيد بمساحة ومواصفات اللوحة الخاصة بالوحدة الإيجارية والمحددة في البند (9) من هذا العقد.

٣-١-٥ يلتزم المستأجر بقبول ويأشر نشاطه التجاري خلال مدة ( 1 ) يوماً من تاريخ العقد وفي حالة انتهاء هذه المدة دون افتتاح الوحدة الإيجارية وبدء النشاط التجاري وبعد عدم توافقه مع اشعار المؤجر خلال ( 1 ) يوماً فينبغي للمؤجر فسخ العقد من جهته دون الحاجة إلى إقرار أو حكم قضائي ويحق للمؤجر حينها تأجير الوحدة الإيجارية لتغير مع المحافظة على حقوق المستأجر بالمطالبة بإعاني قيمة العقد المدفوعة بعد خصم المبرون والسعي وقيمة الإيجار ومصاريف الخدمات العامة من تاريخ بداية الإيجار إلى تاريخ الفسخ والإدفع.

٤-١-٥ يلتزم المستأجر بتسليم الوحدات الإيجارية للمؤجر عند انتهاء مدة إيجار هذا العقد.

٥-١-٥ يلتزم المستأجر باستعمال الوحدات الإيجارية محل هذا العقد للاستعمال المعتاد له وفقاً للأنظمة والأعراف والتقاليد العربية في المملكة العربية السعودية، وتعمل جميع الإجراءات التي قد تعرض عليه من الجهات المختصة.

٦-١-٥ يلتزم المستأجر بالمحافظة على الأجزاء والمرافق المشتركة التابعة للعقار المشتمل على الوحدات الإيجارية المؤجرة مثل دورات المياه المشتركة والأسطح وصنادير الطوارئ والمصاعد والسلالم والممرات وغيرها وأن يستعملها استعماً لا يحلها لغرض المخصص لها.

٧-١-٥ يلتزم المستأجر بتأمين تكاليف الصيانة الاستهلاكية المعتادة المترتبة على الانتفاع بالوحدات الإيجارية، فيما عدا أعمال الصيانة المفصلة في المادة السابقة.

٨-١-٥ الالتزام بدفع قيمة خدمات الكهرباء والمياه والغاز والخدمات الأخرى المتعلقة بالوحدات الإيجارية الموصوفة خلال فترة سريان هذا العقد بحسب ما تم اتفاق عليه في البند(12) من هذا العقد.

٩-١-٥ يلتزم المستأجر باتخاذ الاحتياطات اللازمة لمنع تعرض الوحدة الإيجارية وكافة محتوياتها والمتواجدين فيها سواء من تاجيه أو منة أو لغيره لأي ضرر كان يسبب من أسباب القوة القاهرة أو ناتج من إطفاء الكهرباء أو المياه أو أجهزة التكييف أو أي دخل بالتجهيزات الميكانيكية أو لكهربائية أو أي عملية ادخال أو سحب أو سرقة وتلف.

١٠-١-٥ يلتزم المستأجر بالتوصل على بوليصة تأمين شامل تعاقبية (مواصفة لأحكام الشريعة الإسلامية) لتوذية الإيجارية وكافة محتاتك من ديكر وصانع موجودة بالوحدة الإيجارية وذلك ضد جميع الأخطار (مثل الحريق وتسرب المياه والفيضات والصرف والمسطح والكوابر الطبيعية والحروب وأعمال الشغب وغيرها من المخاطر والأضرار) التي قد تسبب المؤجر أو الوحدة الإيجارية أو الغير بسبب المستأجر أو أحد تابعيه، وتسلم نسخة من بوليصة التأمين أو تحديثها للمؤجر.

Unit Finishing Fee (Not included in total contract amount): ريال لكل متر مربع من مساحة الوحدة الإيجارية

|   |   |  |
|---|---|--|
| Retainer Fee (Included in total contract amount): | - | مبلغ العبرون المتفق عليه (لا يدخل ضمن القيمة الإجمالية لعقد الإيجار) |
|---|---|--|

|                    |   |                       |
|--------------------|---|-----------------------|
| Gas Annual Amount: | - | الأجرة السنوية للغاز: |
|--------------------|---|-----------------------|

|                      |   |                        |
|----------------------|---|------------------------|
| Water Annual Amount: | - | الأجرة السنوية للمياه: |
|----------------------|---|------------------------|

|                            |   |  |
|----------------------------|---|--|
| General Services Included: | - | الخدمة السنوية للخدمات العامة: (لا يدخل ضمن القيمة الإيجارية لعقد الإيجار) |
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|                          |    |                   |
|--------------------------|----|-------------------|
| Number of Rent Payments: | 10 | دورة سداد الإيجار |
|--------------------------|----|-------------------|

|                      |           |   |
|----------------------|-----------|---|
| VAT on rental value: | 309654.25 | مبلغ ضريبة القيمة المضافة على القيمة الإيجارية: |
|----------------------|-----------|---|

|  |           |                      |
|--|-----------|----------------------|
| First rental payment: (Includes deposit) | 237403.00 | دفعة الإيجار الأولى: |
|--|-----------|----------------------|

|                    |          |  |
|--------------------|----------|--|
| Rent payment cycle | نصف سنوي | رقم الهوية أو السجل التجاري ID/CR Number |
|--------------------|----------|--|

|              |           |             |
|--------------|-----------|-------------|
| Annual Rent: | 412875.00 | رقم التسجيل |
|--------------|-----------|-------------|

|                      |            |  |
|----------------------|------------|--|
| Total Contract value | 2374031.00 | رقم الهوية أو السجل التجاري ID/CR Number |
|----------------------|------------|--|

|                          |   |             |
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| Approved payment methods | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة | رقم التسجيل |
|--------------------------|---|-------------|

|                      |
|----------------------|
| 1٣ جدول سداد الدفعات |
|----------------------|

| الرقم<br>المتسلسل | قيمة<br>الإيجار | قيمة<br>الصيانة | قيمة<br>الخدمة | قيمة<br>الخدمة | إجمالي<br>القيمة | تاريخ الإصدار<br>(م) | تاريخ الاستحقاق<br>(م) | تاريخ الإصدار<br>(م) | تاريخ الاستحقاق<br>(م) |
|-------------------|-----------------|-----------------|----------------|----------------|------------------|----------------------|------------------------|----------------------|------------------------|
| No.               | Rent value      | VAT             | Value added    | Value added    | Total value      | Issued Date(AD)      | Due Date(AD)           | Issued Date(AH)      | Due Date(AH)           |
| 1                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2022-09-01           | 2022-09-11             | 1444-02-05           | 1444-02-15             |
| 2                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2023-03-01           | 2023-03-11             | 1444-08-09           | 1444-08-19             |
| 3                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2023-09-01           | 2023-09-11             | 1445-02-16           | 1445-02-26             |
| 4                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2024-03-01           | 2024-03-11             | 1445-08-20           | 1445-09-01             |
| 5                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2024-09-01           | 2024-09-11             | 1446-02-28           | 1446-03-08             |
| 6                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2025-03-01           | 2025-03-11             | 1446-09-01           | 1446-09-11             |
| 7                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2025-09-01           | 2025-09-11             | 1447-03-09           | 1447-03-19             |
| 8                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2026-03-01           | 2026-03-11             | 1447-09-12           | 1447-09-22             |
| 9                 | 206438.00       | 30965.70        | 0.00           | 237403.00      | 237403.00        | 2026-09-01           | 2026-09-11             | 1448-03-19           | 1448-03-29             |

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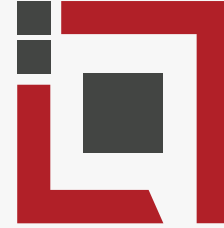
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General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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☎ +966 92 002 5832

## Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Technology Commercial Complex  
BLK 9

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Technology Commercial Complex BLK 9 Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Technology Commercial Complex **BLK 9** property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (12,672,000) Twelve million, six hundred and seventy-two thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

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| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |





- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Technology Commercial Complex - BLK 9   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025AD  | 31/12/2024 AD                                 | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.



## Work Stages

- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



Step 04



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

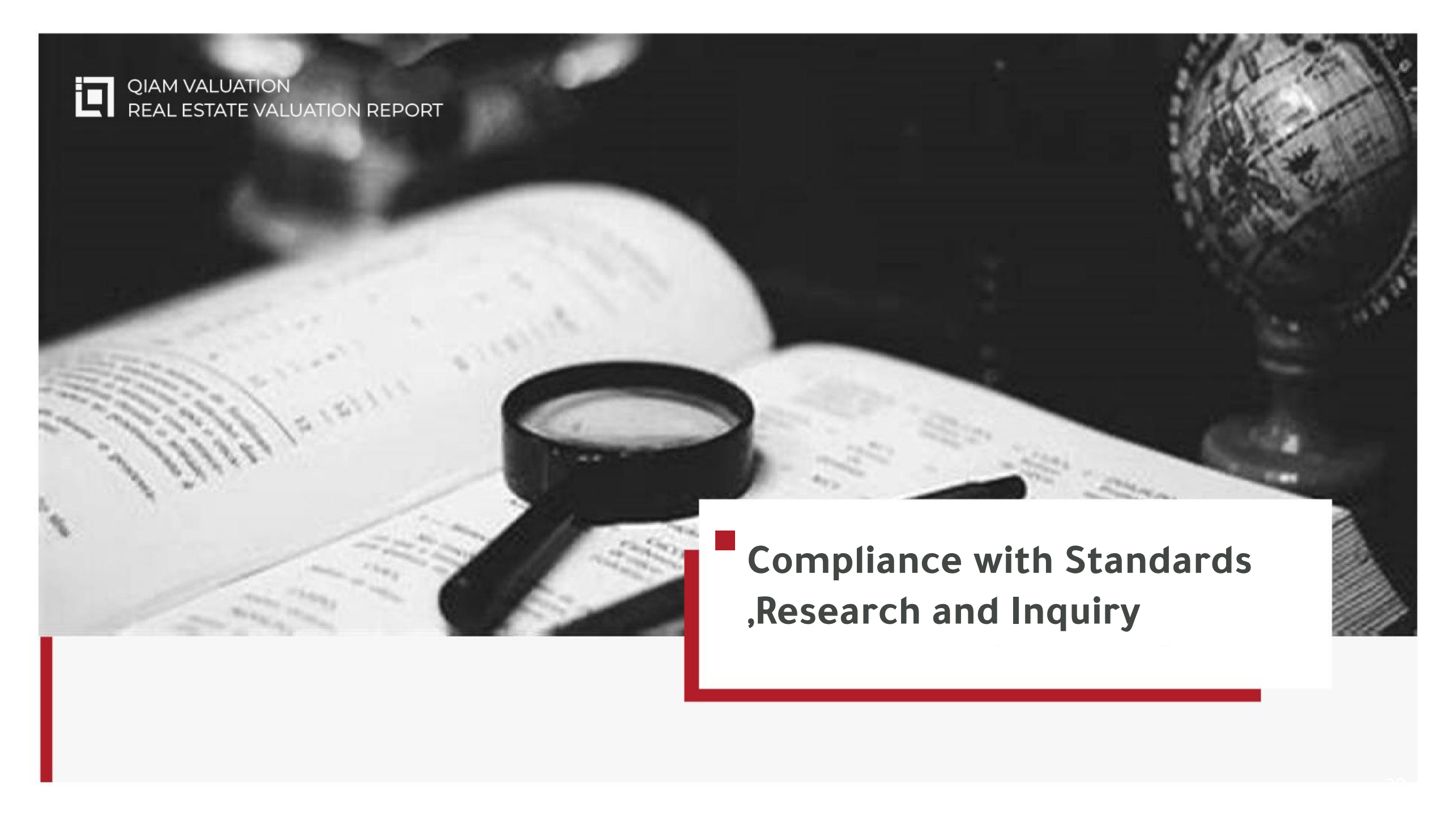
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.



## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the industrial and storage area near the Eastern Ring Road.
- The location is close to the main axial roads that connect it to parts of Riyadh, such as **(Eastern Ring Road, Southern Ring Road)**.
- The location is close to the storage and industrial trade centers in Riyadh.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- Changing the building regulations in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

### Ownership Data

➤ Title deed information

| Owner name                        | Deed number  | Deed date     | Ownership Type |
|-----------------------------------|--------------|---------------|----------------|
| Tamdeen First Real Estate Company | 393010005756 | 13/03/1443 AH | Mortgaged      |

➤ Location- plan number - plot number - land area:

| City - District       | Plot number               | Plan number | Land area             |
|-----------------------|---------------------------|-------------|-----------------------|
| Riyadh - Al Faisaliah | From plot 534 to plot 545 | 3251        | 6098.38 square meters |

➤ Borders and lengths:

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 20m wide street      | 126.61        | 20m wide street | 117.72        | 25m wide street | 50            | 25m wide street | 50.8          |

### Assumptions regarding ownership of the property

For the purposes of this report, we assume that there is good, valid and free ownership and that the property is mortgaged to Al Rajhi Development Company Limited.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                       |                |                                   |
|---|-----------------------|----------------|-----------------------------------|
| City  | Riyadh                | Neighborhood   | Al-Faisaliah                      |
| Street  | Unnamed               | Property type  | Industrial workshops              |
| No. land plan   | 3251                  | Plot number    | From 534 to 545                   |
| Land Area   | 6098.38 square meters | Built-up area  | 4711 square meters                |
| Services and facilities available in the real estate area |                       |                |                                   |
| Electricity network                                       | Telephone network     | Water network  | Sewerage network                  |
| ✓   | ✓                     | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                | Dispensary     | Garden                            |
| ✓   | ✓                     | ✓              | ✓                                 |
| Public markets  | Civil defense         | Police station | Hospital                          |
| ✓   | ✓                     | ✓              | ✓                                 |
| Hotels  | Petrol station        | Schools        | Governmental services and centers |
| ✓   | ✓                     | ✓              | ✓                                 |



Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located south of Riyadh in Al Faisaliah district with easy access to the Eastern Ring Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | South of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Commercial - Industrial   |
|                                 | Building ratio - number of floors       | 70% - 2 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

## Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(10)** years based on the **(Building permit)**.
- Building permit number **10124/1432** dated **01/06/1432 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Car workshop)**. Detailed as below:

| Building components |              |           |                          |
|---------------------|--------------|-----------|--------------------------|
| #                   | Floor        | Area (m2) | Use                      |
| 1                   | Ground floor | 4711      | Car maintenance workshop |

## Property Description

## INTERIOR FINISHES

| Doors        | Ceiling     | Wall Cladding       | Floors                |
|--------------|-------------|---------------------|-----------------------|
| Drawing iron | Iron hangar | Paint - Iron Hangar | Epoxy casting - tiles |
| Windows      | Health kits | Stairs              | Insulation type       |
| ---          | ---         | ---                 | Thermal - Hydro       |

## EXTERIOR FINISHES

| Facades     | Facilities | Doors                               | Floors  |
|-------------|------------|-------------------------------------|---------|
| Iron hangar | ----       | Electric Securit Glass - Drawn Iron | asphalt |

## Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Faisaliah**

Street: **Unnamed**

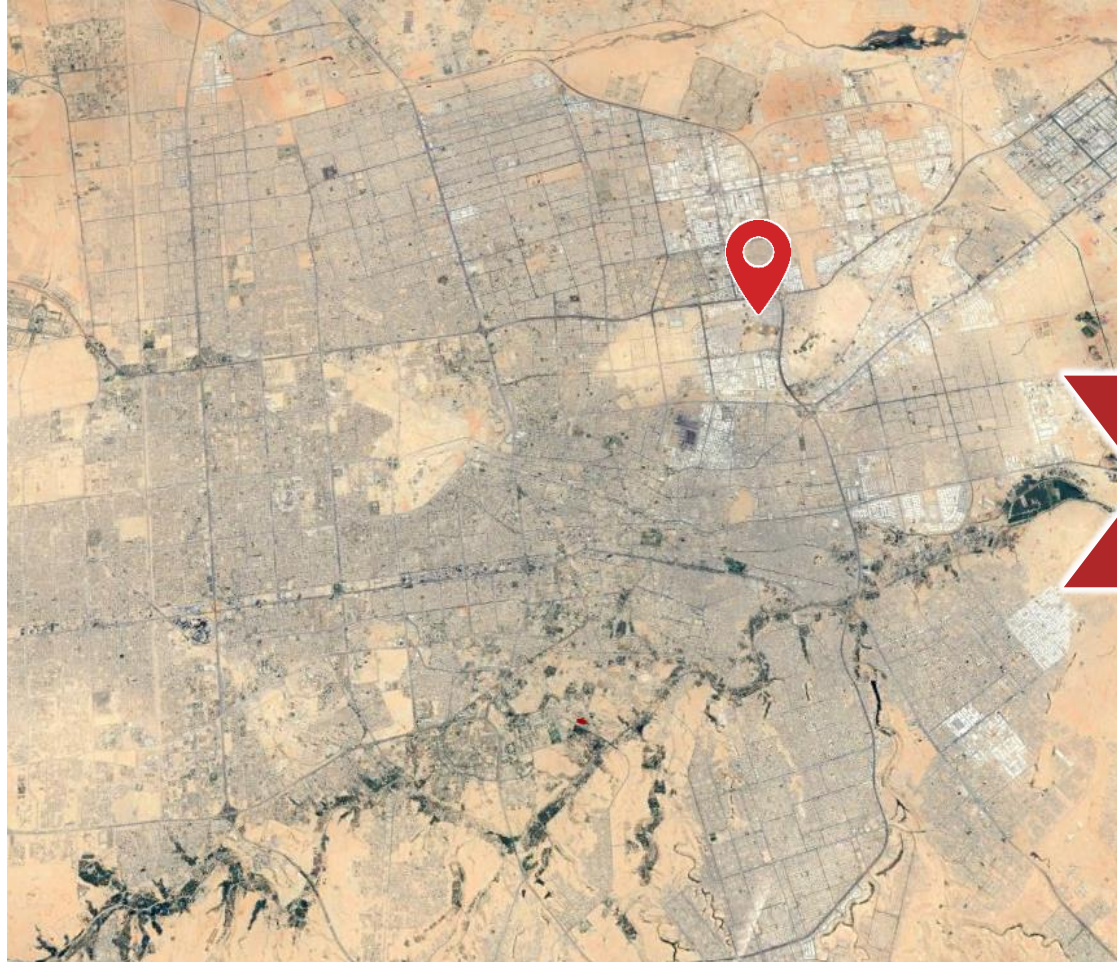
Location coordinates

N :

24.638114

E :

46.797479





## Photographic survey of the Property

2024-12-09 15:41:51



2024-12-09 15:41:51



2024-06-20 00:36:39



2024-12-09 15:41:52







Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.



## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>                     | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

### Hierarchy:

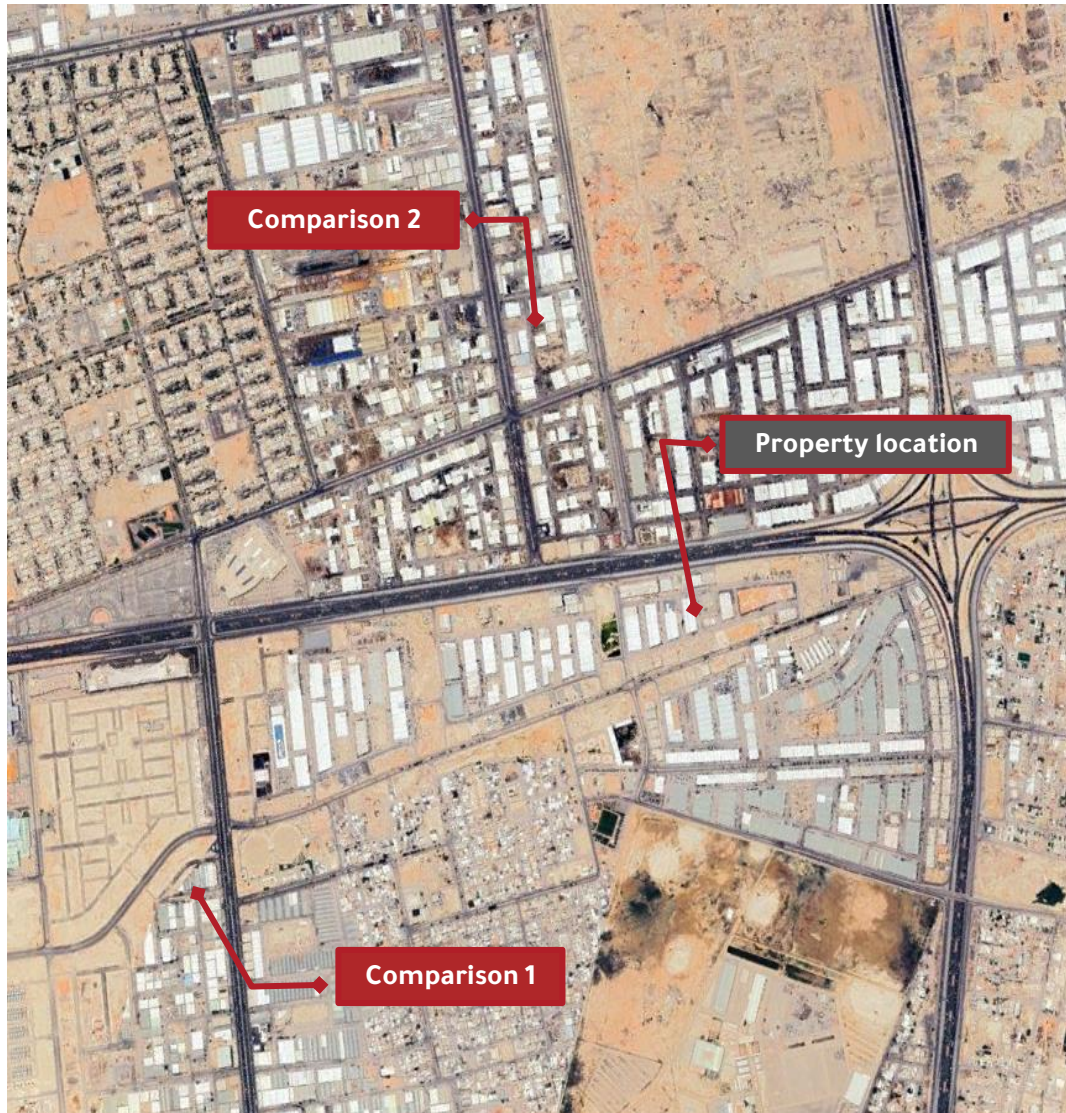
The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                 |            |                 |            |
|---|--------------------------|-----------------|------------|-----------------|------------|
| Clause  | Comparative real estates |                 |            |                 |            |
|   | Property under valuation | Comparison 1    |            | Comparison 2    |            |
| Adjustments factors   |                          | Value           | Adjustment | Value           | Adjustment |
| Price per square meter  | ***                      | 2,400           |            | 2,100           |            |
| Condition   | ***                      | Available offer |            | Available offer |            |
| Date of valuation/offer   | 2024                     | 2024            |            | 2024            |            |
| Market Condition  | ***                      | %5.00-          | 120 -      | %5.00-          | 105 -      |
| Financing terms   | ***                      | %0.00           | -          | %0.00           | -          |
| Market conditions value   | ***                      | (120.00)        |            | (105.00)        |            |
| Value after initial settlements   | ***                      | 2,280           |            | 1,995           |            |
| Land area (m <sup>2</sup> )   | 6098.38                  | 1,373           | %10-       | 1,446           | %10-       |
| Ease of access  | High                     | High            | %0         | Average         | %5         |
| Property location   | High                     | High            | %0         | Average         | %5         |
| Land shape  | Regular                  | Regular         | %0         | Regular         | %0         |
| Land topography   | Flat                     | Flat            | %0         | Flat            | %0         |
| Land use  | Industrial               | Industrial      | %0         | Industrial      | %0         |
| Surrounding streets   | 4                        | 3               | %5         | 2               | %10        |
| Total   |                          | %5.00-          |            | %10.00          |            |
| Adjustment value per square meter   |                          | -114            |            | 200             |            |
| Final meter value after Adjustments   |                          | 2,166           |            | 2,195           |            |
| Net average value per square meter (SAR / m <sup>2</sup> )                                |                          | 2,180           |            |                 |            |
| Market value of the land (SAR / m <sup>2</sup> )  |                          | 13,295,993      |            |                 |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)   |                  |          |             |
|--|------------------|----------|-------------|
| Clause   | Built up area m2 | SAR / m2 | Value (SAR) |
| Ground floor   | 4711             | 700      | 3,297,700   |
| Total (SAR)  | 4,711            |          | 3,297,700   |
| Second: Other costs (indirect)   |                  |          |             |
| Professional fees  | %2               |          | 65,954      |
| Utilities Network  | %2               |          | 65,954      |
| Administration costs   | %2               |          | 65,954      |
| Financing costs (0 years / 0%)   | %0               |          | -           |
| Developer's profitability  | %15              |          | 494,655     |
| Total (SAR)  |                  |          | 692,517     |
| Total cost of buildings (SAR)  |                  |          | 3,990,217   |
| Third: Depreciation cost   |                  |          |             |
| Life span of the property (year)   | Year             |          | 30          |
| The current age of the property (year)   | Year             |          | 12          |
| Remaining life of the property (year)  | Year             |          | 18          |
| Depreciation rate  | %                |          | 40          |
| Depreciation value   | SAR              |          | 1,596,087   |
| Final value of the building (SAR)  |                  |          | 2,394,130   |
| Fourth: Value of the property according to the Cost Approach                     |                  |          |             |
| Final value of the land (SAR)  |                  |          | 13,295,993  |
| Final value of buildings (SAR)   |                  |          | 2,394,130   |
| Market value of the property according to the Cost Approach (SAR)                |                  |          | 15,690,123  |
| Market value of the property according to the Cost Approach after rounding (SAR) |                  |          | 15,690,000  |



Market Survey Data Analysis



Market Survey Results - Rental Values - Workshops and Warehouses

| # | Comparison | Area (m2) | Rental price per meter |
|---|------------|-----------|------------------------|
| 1 | Warehouses | 2062      | 170                    |
| 2 | Warehouses | 2020      | 140                    |
| 3 | Warehouses | 1325      | 188                    |
| 4 | Workshops  | 1800      | 240                    |
| 5 | Workshops  | 1200      | 250                    |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | %9.5 | %  |

### Assumptions:

| Discounted Cash Flow method assumptions |         |                                    |      |
|---|---------|------------------------------------|------|
| Total property income                   | 895,090 | Discount rate                      | %9.5 |
| Occupancy rate                          | %100    | Capitalization rate                | %7   |
| Operating Expense Rate                  | %0      | Growth rate - annual from 4th year | %5   |

### Rental income:

The property income was analyzed by reviewing the property contracts and comparing it to the market, as the rental value of the property for all contracts is 763,600 riyals and the contract ends in 2024 AD. It was assumed that the rental value per square meter of the property is 190 riyals based on market survey data from the beginning of 2025 AD and growth at a rate of 5% every three years.

### Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

### Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows               |         | Investment years |         |         |         |         |         |         |         |         |         | Reversion value |
|-----------------------------------|---------|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
|                                   |         | 2025             | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    |                 |
|                                   |         | 1                | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      |                 |
| Expected growth value             |         | %0.00            | %0.00   | %0.00   | %5.00   | %0.00   | %0.00   | %0.00   | %5.00   | %0.00   | %0.00   |                 |
| Total rental value                | 895,090 | 895,090          | 895,090 | 895,090 | 939,845 | 939,845 | 939,845 | 939,845 | 986,837 | 986,837 | 986,837 |                 |
| Occupancy rate                    | %100    | 895,090          | 895,090 | 895,090 | 939,845 | 939,845 | 939,845 | 939,845 | 986,837 | 986,837 | 986,837 |                 |
| Actual gross income               |         | 895,090          | 895,090 | 895,090 | 939,845 | 939,845 | 939,845 | 939,845 | 986,837 | 986,837 | 986,837 |                 |
| minus operating expense ratio     | %0      | -                | -       | -       | -       | -       | -       | -       | -       | -       | -       |                 |
| Net Operating Income (NOI)        |         | 895,090          | 895,090 | 895,090 | 939,845 | 939,845 | 939,845 | 939,845 | 986,837 | 986,837 | 986,837 |                 |
| Reversion value of the building   |         |                  |         |         |         |         |         |         |         |         |         |                 |
| Net Cash Flow                     |         | 895,090          | 895,090 | 895,090 | 939,845 | 939,845 | 939,845 | 939,845 | 986,837 | 986,837 | 986,837 |                 |
| Discount Factor                   |         | 0.9132           | 0.8340  | 0.7617  | 0.6956  | 0.6352  | 0.5801  | 0.5298  | 0.4838  | 0.4418  | 0.4035  | 0.4035          |
| Present Value of Cash Flows       |         | 817,434          | 746,515 | 681,749 | 653,732 | 597,015 | 545,219 | 497,917 | 477,455 | 436,032 | 398,203 | 6,820,784       |
| Net present value of the property |         |                  |         |         |         |         |         |         |         |         |         | 12,672,055      |

|                                       |            |
|---------------------------------------|------------|
| Final Property Value                  | 12,672,055 |
| Final Property Value (after rounding) | 12,672,000 |

**Final value of the property**

Based on the purpose of the valuation and the nature and characteristics of the property, as it is an industrial building property leased under a single contract, the valuation of the property using the Income Approach (Discounted Cash flows) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                        |
|---|--|
| <b>12,672,000</b>                                 | <b>Twelve million, six hundred and seventy-two thousand Saudi riyals</b> |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005





## **Appendix**

## Documents received from the client

[illegible]

وزارة العدل  
ابراهيم عمر محمد الحصين  
الرياض  
تاريخ إصدار رقم 39/999

**صفحة رهن**

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

إذ إن قطعة الأرض رقم 534 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 536 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 538 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 540 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 542 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 543 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 544 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 545 من المخطوط رقم 3251 الواقع في حي الفيصلية بمدينة الرياض . و قطعة الأرض رقم 126.61 بطول 20 عرض 117.72 مائة وسبعة عشر متر وثلاثين وسبعون سنتيمتر طولاً : شارع عرض 25 بطول 50 خمسون متر طولاً : شارع عرض 25 بطول 50.8 خمسون متراً وثلاثون سنتيمتراً وغرباً : شارع عرض 25 متراً وثلاثة وتسعون متر مربعاً وعمقية و ثلاثون سنتيمتراً مربعاً المعمولة لشركة تأمين الأولى التجارية بموجب سجل تجاري رقم 1010896622 بموجب البنك الصادر من كتابة العدل بغرب الرياض برقم 410806005073 في 24 / 11 / 1442 قد تم رهنها وما أقيم أو سيقيم عليها من بنانا ومصالح / شركة الراحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضماناً للوفاء بـ 12258065 فطقتا على مسقط رأسه تاريخ حلول القسط 1443/03/14 سبب الرهن : اداء ضريبة سعودي لا غير . تمتد حتى أقساط شهرية عددا ١ قيمة كل قسط 22455468 ويحق للمصرف بيع العقار إذا لم يقم المدين عن سداد المديونية أو جزء منها قبل حلول كل الوفاء بالمديونية عند رقم 12258065 بحل بتاريخ 2028-12-30 وفي حالة عدم السداد للمتأخرين يبيع العقار الذي تضمنه السداد على قسط واحد بمبلغ 12258065 مع الأرباح من مبلغ وما نقص ويرجع عليه بعد اكتمال الالتزام شرعا . وعليه بالقرارة التي تتلخص، علنا الرضا واستيفاء ثمنه الأرباح من مبلغ وما نقص ويرجع عليه بعد اكتمال الالتزام شرعا . وعليه جرى التصديق لتحرير في 13 / 03 / 1443 لاصحاه موسى علي بن عبد الله محمد وآله وصحبه وسلم.

الختم الرسمي

الموافق  
ابراهيم عمر محمد الحصين

إبراهيم عمر محمد الحصين

## Documents received from the client

| الرقم المستقل<br>No.  | الرقم الضريبي<br>Vat number | نوع الهوية<br>ID Type  | رقم الهوية أو السجل<br>التجاري<br>ID/CR Number |
|---|-----------------------------|--|--|
| 1   | 310199293800003             | رقم التسجيل  | 1010896622                                     |
| القيمة السنوية للإيجار:   |                             | Annual Rent:   | 763600.0                                       |
| اجمالي قيمة العقد:  |                             | Total Contract value   | 2634420.0                                      |
| يشمل: القيمة الإيجارية، ومبلغ العربون، ومبلغ ضريبة القيمة المضافة -إن وجدت- وقيمة الخدمات العامة، والأجرة السنوية ل(الغاز والكهرباء والمياه والصرف الصحي إذا تحدث كمبالغ ثابتة) . |                             |  |  |
| طرق الدفع المعتمدة  |                             | الدفع عن طريق الوسيط العقاري/المؤجر أو<br>الدفع إلكترونيًا من خلال قنوات الدفع المتاحة |  |
| Approved payment methods  |                             |  |  |

| ١٣ جدول سداد الدفعات<br>Rent Payments Schedule |                               |                                |                                   |                                 |  |   |   |
|--|-------------------------------|--------------------------------|-----------------------------------|---------------------------------|--|---|---|
| الرقم<br>المستقل<br>No                         | قيمة<br>الإيجار<br>Rent value | ضريبة القيمة<br>المضافة<br>VAT | قيمة المبلغ<br>اللتمة<br>Services | إجمالي<br>القيمة<br>Total value | تاريخ الإصدار<br>(أد)<br>Issued Date(AD) | تاريخ الاستحقاق<br>(أد)<br>Due Date(AD) | تاريخ الاستحقاق<br>(أد)<br>Due Date(AD) |
| 1  | 381800.0                      | 57270.0                        | 0.0                               | 439070.0                        | 2021-12-22                               | 2022-01-01                              | 1443-05-28                              |
| 2  | 381800.0                      | 57270.0                        | 0.0                               | 439070.0                        | 2022-06-22                               | 2022-07-02                              | 1443-12-03                              |
| 3  | 381800.0                      | 57270.0                        | 0.0                               | 439070.0                        | 2022-12-22                               | 2023-01-01                              | 1444-06-08                              |
| 4  | 381800.0                      | 57270.0                        | 0.0                               | 439070.0                        | 2023-06-22                               | 2023-07-02                              | 1444-12-14                              |
| 5  | 381800.0                      | 57270.0                        | 0.0                               | 439070.0                        | 2023-12-22                               | 2024-01-01                              | 1445-06-19                              |
| 6  | 381800.0                      | 57270.0                        | 0.0                               | 439070.0                        | 2024-06-22                               | 2024-07-02                              | 1445-12-26                              |

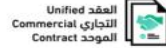
قيمة إيجارية مفترقة سنويًا -

| ١٤ التزامات الطرفين<br>Parties Obligations   |
|--|
| يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)<br>تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة) |

| ١٥ مواد العقد<br>Contract Terms   |
|---|
| المادة الأولى: البيانات السابقة على التزامات الأطراف  |
| تعد البيانات السابقة على التزامات الأطراف والمحددة في البنود من (1-14) جزءًا لا يتجزأ من هذا العقد ومفسرة ومكملة له.  |
| المادة الثانية: محل العقد   |
| اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم(٧) وفقا للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. ويقر المستأجر بمعاييره للوحدة الإيجارية، وقبوله للتعاقب حسب الأوصاف المذكورة، وأنها صالحة للنشاط التجاري الملتحق عليه في البند رقم (10). |
| المادة الثالثة: مدة الإيجار وتجديد العقد  |
| ١- مدة هذا العقد (1095) يومًا تبدأ من تاريخ 1443-05-18 هـ الموافق 2021-12-22 م، وتنتهي بتاريخ 1444-06-20 هـ الموافق 2024-12-21 م، وفي حال وودود اختلاف بين التاريخين الهجري والميلادي، في جميع بنود العقد.  |
| ٢- تنتهي مدة الإيجار مع انتهاء مدة العقد. وإذا رغب الطرفان بالتجديد، فمتى كتابة عقد جديد يتفق عليه الطرفان.   |
| المادة الرابعة: الأجرة  |
| إجمالي قيمة العقد ( 2634420.0 ) ريال سعودي، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (١٢) من هذا العقد وكما هو مذكور في البند (١٣) من هذا العقد.  |
| المادة الخامسة: الالتزامات تقسم إلى (التزامات المؤجر / التزامات المستأجر/ أحكام عامة) بعد تحديدها في البند (12)   |

9

## Documents received from the client



يعتبر هذا العقد عقدًا موثقًا وسنًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

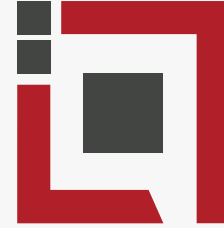
| 1 بيانات العقد  |             |                       | Contract Data            |            |                           |
|---|-------------|-----------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:  | 20223258597 | Contract No.          | نوع العقد:               | جديد       | Contract Type             |
| تاريخ إبرام العقد:  | 2021-10-10  | Contract Sealing Date | مكان إبرام العقد:        | الرياض     | Contract Sealing Location |
| تاريخ بداية مدة الإيجار:                                  | 2021-12-22  | Tenancy Start Date    | تاريخ نهاية مدة الإيجار: | 2024-12-21 | Tenancy End Date          |
| معلق بشرط   | نعم         |                       | Contract is conditional  |            |                           |
| الشروط المعلق عليه بداية الإيجار: العقد معلق بدفع الإيجار |             |                       |                          |            |                           |
| طريقة دفع رسوم العقد:                                     | المؤجر      | Ejar Fees Paid By     |                          |            |                           |

| ٢ بيانات المؤجر<br>Lessor Data |            |                   |                      |                           |
|--------------------------------|------------|-------------------|----------------------|---------------------------|
| نوع المنظمة:                   | commercial | Organization Type | اسم الشركة/المؤسسة:  | شركة تمدين النوى العقارية |
| رقم السجل التجاري:             | 1010896622 | CR No.            | الرقم الموحد:        | 7010776792                |
| جهة الإصدار:                   | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                |
| CR Date                        |            |                   |                      |                           |

| ٣ بيانات ممثّل المؤجر<br>Lessor Representative Data |                          |                       |                            |                      |
|---|--------------------------|-----------------------|----------------------------|----------------------|
| الاسم:  | سلمان حسين بن يحيى معيدي | Name                  |                            |                      |
| الجنسية:  | المملكة العربية السعودية | Nationality           |                            |                      |
| نوع الهوية:   | هوية وطنية               | ID Type               | رقم الهوية:                | 1073134924           |
| رقم الجوّال:  | +966556332153            | Mobile No.            | البريد الإلكتروني:         | muidis@muikla.com.sa |
| العنوان الوطني:                                     | الرياض، الرياض           | National Address      |                            |                      |
| رقم سند التمثيل Number                              | 43661903                 | رقم المستند Type      | تاريخ الإصدار Issue Date   | 2021-09-16           |
|   |                          | وكالة شرعية إلكترونية | تاريخ الانتهاء Expiry Date | 2022-09-05           |

| ٤ بيانات المستأجر<br>Tenant Data |            |                   |                     |                                |
|----------------------------------|------------|-------------------|---------------------|--------------------------------|
| نوع المنظمة:                     | commercial | Organization Type | اسم الشركة/المؤسسة: | شركة العجسي التجارية للتساريات |
| رقم السجل التجاري:               | 1010269251 | CR No.            | الرقم الموحد:       | 7001751077                     |
| Unified Number                   |            |                   |                     |                                |

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General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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☎ +966 92 002 5832

## Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Technology Commercial Complex  
BLK 10



## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Technology Commercial Complex BLK 10 Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Technology Commercial Complex **BLK 10** property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/06/2024 AD**, **For an amount of only (19,417,000) Nineteen million, four hundred and seventeen thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




Valuation report filing code

At the Saudi Authority for Accredited Valuers

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
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| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work



## Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | ▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052<br>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013<br>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981 |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Technology Commercial Complex - BLK 10  |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 09/12/2024 AD   |

## Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

## Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

Scope of work Standard No. 101

Report currency

Saudi riyal

Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

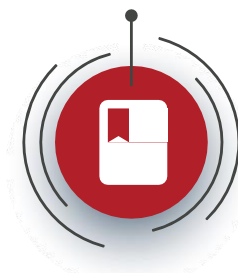
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 02



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

Step 04



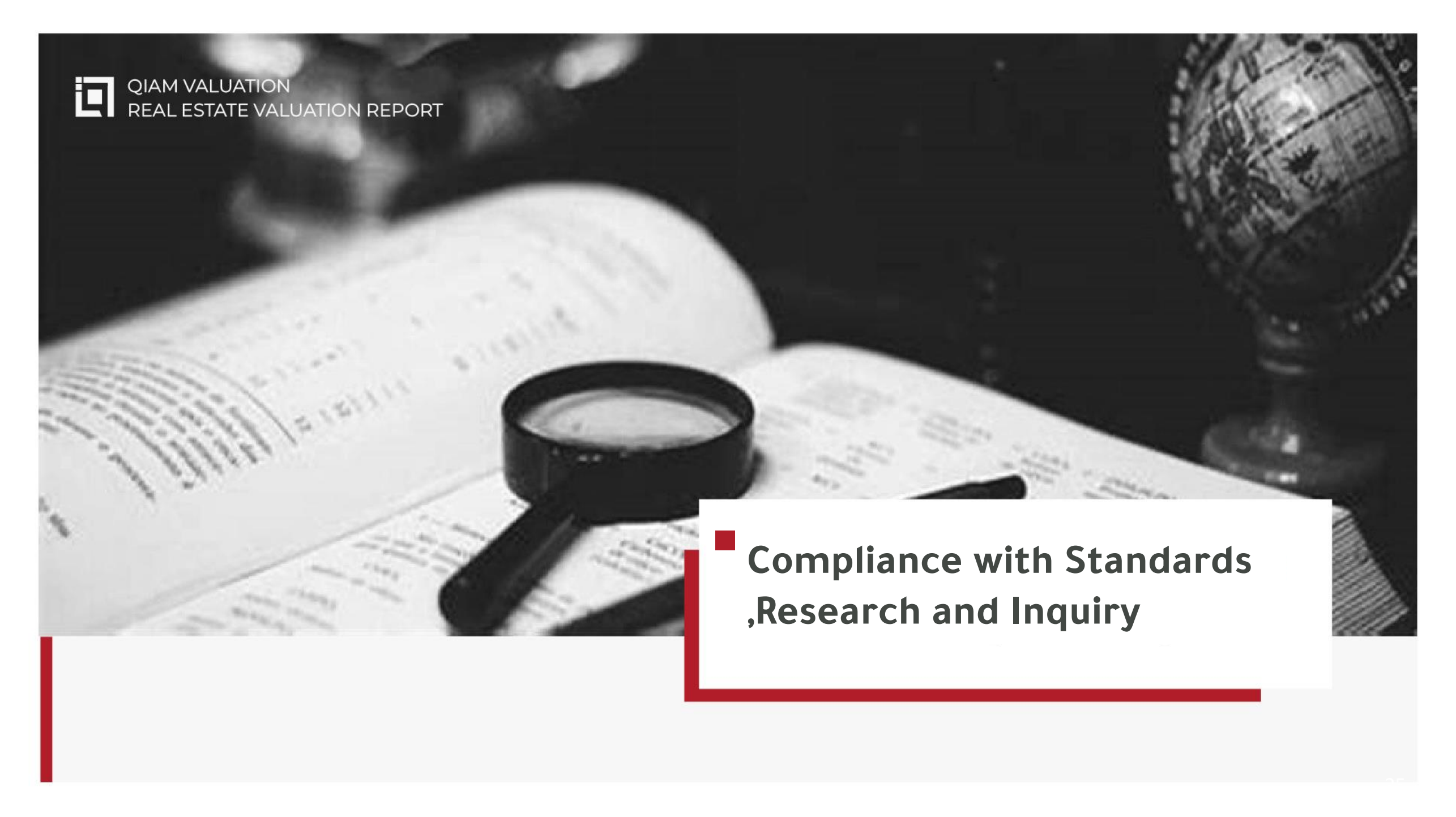
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry



## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the industrial and storage area near the Eastern Ring Road.
- The location is close to the main axial roads that connect it to parts of Riyadh, such as **(Eastern Ring Road, Southern Ring Road)**.
- The location is close to the storage and industrial trade centers in Riyadh.

### Weak points:

- Changing the building regulations in the property area.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.



### Ownership Data

➤ Title deed information

| Owner name                        | Deed number  | Deed date     | Ownership Type |
|-----------------------------------|--------------|---------------|----------------|
| Tamdeen First Real Estate Company | 793010004590 | 12/11/1442 AH | Mortgaged      |

➤ Location- plan number - plot number - land area:

| City - District       | Plot number               | Plan number | Land area             |
|-----------------------|---------------------------|-------------|-----------------------|
| Riyadh - Al Faisaliah | From plot 522 to plot 533 | 3251        | 6729.88 square meters |

➤ Borders and lengths:

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 20m wide street      | 139.04        | 20m wide street | 130.15        | 25m wide street | 50            | 25m wide street | 50.8          |

### Assumptions regarding ownership of the property

For the purposes of this report, we assume that there is good, valid and free ownership and that the property is mortgaged to Al Rajhi Development Company Limited.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                       |                |                                   |
|---|-----------------------|----------------|-----------------------------------|
| City  | Riyadh                | Neighborhood   | Al-Faisaliah                      |
| Street  | Unnamed               | Property type  | Industrial workshops              |
| No. land plan   | 3251                  | Plot number    | From 522 to 533                   |
| Land Area   | 6729.88 square meters | Built-up area  | 5233 square meters                |
| Services and facilities available in the real estate area |                       |                |                                   |
| Electricity network                                       | Telephone network     | Water network  | Sewerage network                  |
| ✓   | ✓                     | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                | Dispensary     | Garden                            |
| ✓   | ✓                     | ✓              | ✓                                 |
| Public markets  | Civil defense         | Police station | Hospital                          |
| ✓   | ✓                     | ✓              | ✓                                 |
| Hotels  | Petrol station        | Schools        | Governmental services and centers |
| ✓   | ✓                     | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located south of Riyadh in Al Faisaliah district with easy access to the Eastern Ring Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | South of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Commercial - Industrial   |
|                                 | Building ratio - number of floors       | 70% - 2 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(10)** years based on the **(Building permit)**.
- Building permit number **10131/1432** dated **01/06/1432 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Car workshop)**. Detailed as below:

| Building components |              |           |                          |
|---------------------|--------------|-----------|--------------------------|
| #                   | Floor        | Area (m2) | Use                      |
| 1                   | Ground floor | 5233      | Car maintenance workshop |

Property Description

INTERIOR FINISHES

| Doors        | Ceiling     | Wall Cladding       | Floors                |
|--------------|-------------|---------------------|-----------------------|
| Drawing iron | Iron hangar | Paint - Iron Hangar | Epoxy casting - tiles |
| Windows      | Health kits | Stairs              | Insulation type       |
| ---          | ---         | ---                 | Thermal - Hydro       |

EXTERIOR FINISHES

| Facades     | Facilities | Doors                               | Floors  |
|-------------|------------|-------------------------------------|---------|
| Iron hangar | ----       | Electric Securit Glass - Drawn Iron | asphalt |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Faisaliah**

Street: **Unnamed**

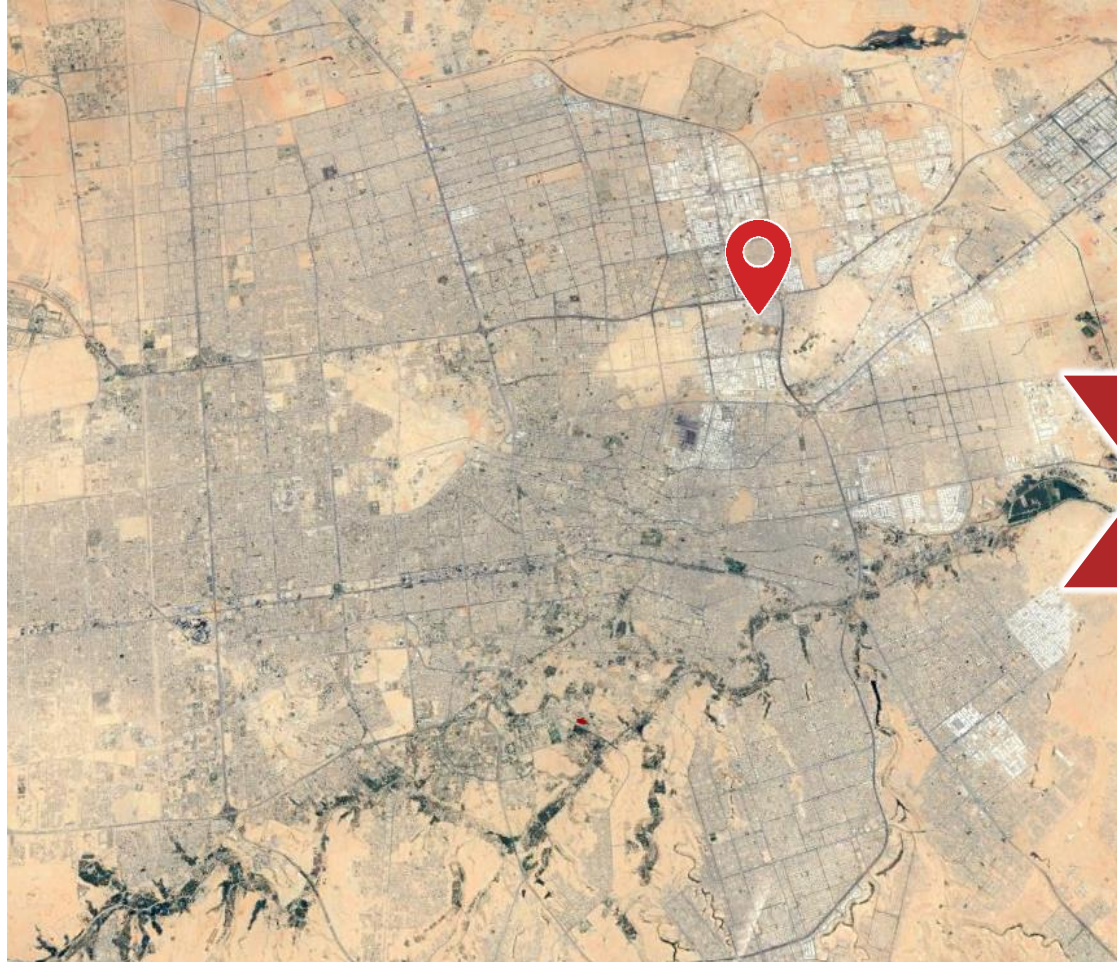
Location coordinates

N :

24.638605

E :

46.797186





## Photographic survey of the Property





Development



## Valuation

## Valuation Approaches



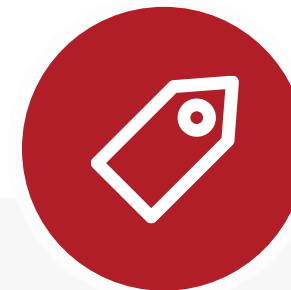
### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.



## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

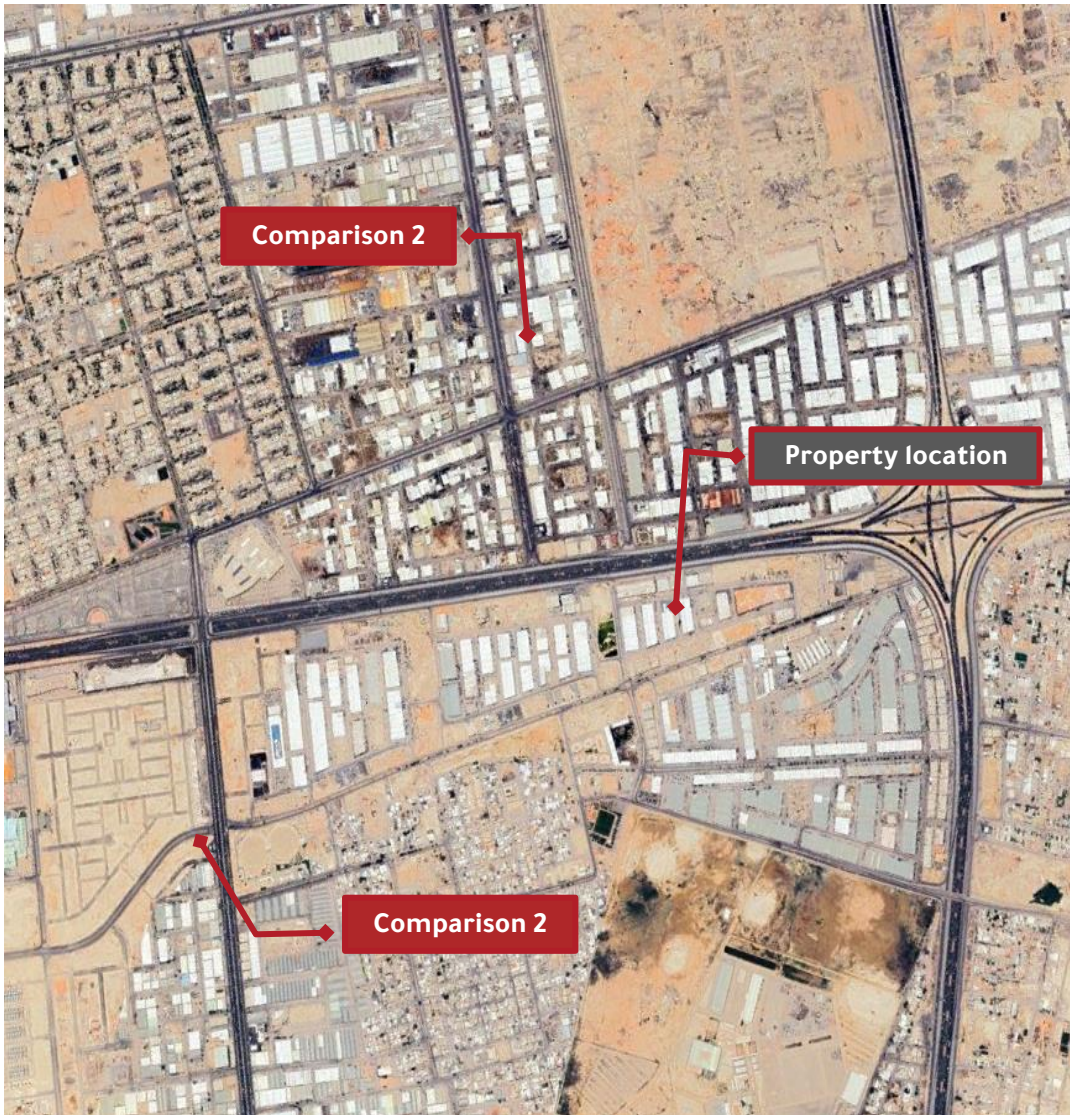
The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                 |            |                 |            |
|---|--------------------------|-----------------|------------|-----------------|------------|
| Clause  | Comparative real estates |                 |            |                 |            |
| Adjustments factors   | Property under valuation | Comparison 1    |            | Comparison 2    |            |
|   |                          | Value           | Adjustment | Value           | Adjustment |
| Price per square meter  | ***                      | 2,400           |            | 2,100           |            |
| Condition   | ***                      | Available offer |            | Available offer |            |
| Date of valuation/offer   | 2024                     | 2024            |            | 2024            |            |
| Market Condition  | ***                      | %5.00-          | 120 -      | %5.00-          | 105 -      |
| Financing terms   | ***                      | %0.00           | -          | %0.00           | -          |
| Market conditions value   | ***                      | (120.00)        |            | (105.00)        |            |
| Value after initial settlements   | ***                      | 2,280           |            | 1,995           |            |
| Land area (m <sup>2</sup> )   | 6729.88                  | 1,373           | %11-       | 1,446           | %11-       |
| Ease of access  | High                     | High            | %0         | Average         | %5         |
| Property location   | High                     | High            | %0         | Average         | %5         |
| Land shape  | Regular                  | Regular         | %0         | Regular         | %0         |
| Land topography   | Flat                     | Flat            | %0         | Flat            | %0         |
| Land use  | Industrial               | Industrial      | %0         | Industrial      | %0         |
| Surrounding streets   | 4                        | 3               | %5         | 2               | %10        |
| Total   |                          | %6.00-          |            | %9.00           |            |
| Adjustment value per square meter   |                          | -137            |            | 180             |            |
| Final meter value after Adjustments   |                          | 2,143           |            | 2,175           |            |
| Net average value per square meter (SAR / m <sup>2</sup> )                                |                          | 2,159           |            |                 |            |
| Market value of the land (SAR / m <sup>2</sup> )  |                          | 14,528,970      |            |                 |            |



## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)   |                  |          |             |
|--|------------------|----------|-------------|
| Clause   | Built up area m2 | SAR / m2 | Value (SAR) |
| Ground floor   | 4233             | 700      | 2,963,100   |
| Total (SAR)  | 4,233            |          | 2,963,100   |
| Second: Other costs (indirect)   |                  |          |             |
| Professional fees  | %2               |          | 59,262      |
| Utilities Network  | %2               |          | 59,262      |
| Administration costs   | %2               |          | 59,262      |
| Financing costs (0 years / 0%)   | %0               |          | -           |
| Developer's profitability  | %15              |          | 444,465     |
| Total (SAR)  |                  |          | 622,251     |
| Total cost of buildings (SAR)  |                  |          | 3,585,351   |
| Third: Depreciation cost   |                  |          |             |
| Life span of the property (year)   | Year             |          | 30          |
| The current age of the property (year)   | Year             |          | 10          |
| Remaining life of the property (year)  | Year             |          | 20          |
| Depreciation rate  | %                |          | 33          |
| Depreciation value   | SAR              |          | 1,195,117   |
| Final value of the building (SAR)  |                  |          | 2,390,234   |
| Fourth: Value of the property according to the Cost Approach                     |                  |          |             |
| Final value of the land (SAR)  |                  |          | 14,528,970  |
| Final value of buildings (SAR)   |                  |          | 2,390,234   |
| Market value of the property according to the Cost Approach (SAR)                |                  |          | 16,919,204  |
| Market value of the property according to the Cost Approach after rounding (SAR) |                  |          | 16,919,000  |

Market Survey Data Analysis



Market Survey Results - Rental Values - Workshops and Warehouses

| # | Comparison | Area (m2) | Rental price per meter |
|---|------------|-----------|------------------------|
| 1 | Warehouses | 2062      | 170                    |
| 2 | Warehouses | 2020      | 140                    |
| 3 | Warehouses | 1325      | 188                    |
| 4 | Workshops  | 1800      | 240                    |
| 5 | Workshops  | 1200      | 250                    |

Analysis of valuation assumptions data - Discounted Cash Flow Methods

Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 9.5  | %  |

Rental income:

The property income was analyzed by reviewing the property contract and comparing it to the market, as the rental value of the property is 1,200,000 riyals for the period from 2024 to 2025, and the rental value increases by 10% until the end of the contract. At the end of the contract, an increase of 15% was assumed due to the increase in the rental value in the property area.

Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

Assumptions:

| Discounted Cash Flow method assumptions |           |                                    |      |
|---|-----------|------------------------------------|------|
| Total property income                   | 1,200,000 | Discount rate                      | %9.5 |
| Occupancy rate                          | %100      | Capitalization rate                | %7   |
| Operating Expense Rate                  | %0        | Growth rate - from the second year | %10  |

Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

|                                       |            |
|---------------------------------------|------------|
| Final Property Value                  | 19,416,923 |
| Final Property Value (after rounding) | 19,417,000 |



**Final value of the property**

Based on the purpose of the valuation and the nature and characteristics of the property, as it is an industrial building property leased under a single contract, the valuation of the property using the Income Approach (Discounted Cash flows) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                  |
|---|--|
| 19,417,000  | Nineteen million, four hundred and seventeen thousand Saudi riyals |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**

## Documents received from the client

[illegible]

رقم الصك: 793010004590  
التاريخ: 1442/11/12 هـ

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

صک رہن

[illegible]

**الموثق**

الختم الرسمي

ابراهيم عمر محمد الحسين

الرقم التمهيلي: 2776

## Documents received from the client

| السنة الأولى | السنة الثانية | السنة الثالثة | السنة الرابعة | السنة الخامسة |
|--------------|---------------|---------------|---------------|---------------|
| 0            | 0             | 0             | +10%          | +10%          |

| التزامات الطرفين  |
|---|
| يتم تحديد الطرف الذي يتحمل التزامات التالية بالتناوب بين (المؤجر / المستأجر / المودر)<br>تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة)  |
| 10 مواد العقد   |
| المادة الأولى: البيانات السابقة على إلتزامات الأطراف.   |
| تعد البيانات السابقة على إلتزامات الأطراف والمحددة في البنود من (1-14) جزءاً من هذا العقد ومفسرة ومكملة له.   |
| المادة الثانية: محل العقد.  |
| اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود (9) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. ويقر المستأجر بمعاييره للوحدة الإيجارية، وطريقه للتعاقد حسب الأوصاف المذكورة، وأنها صالحة للنشاط التجاري المتعلق عليه في البند رقم (10). |
| المادة الثالثة: مدة الإيجار وتحديد العقد.   |
| ١-٠-١ مدة هذا العقد (1825) يوماً تبدأ من تاريخ 1444-01-04 هـ الموافق 2022-06-26 م، وتنتهي بتاريخ 2027-05-25 هـ الموافق 2027-05-25 م، وفي حال وجود اختلاف بين التاريخين الهجري والميلادي، يعمل بالتاريخ الميلادي في جميع بنود العقد.   |
| ٢-٠-٢ تنتهي مدة الإيجار مع انتهاء مدة العقد. وإذا رغب الطرفان بالتجديد، فتتم كتابة عمو جديد يتفق عليه الطرفان.  |
| المادة الرابعة: الأجرة  |
| إجمالي قيمة العقد ( 7174000.00 ) ريال سعودي، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (١٢) من هذا العقد وكما هو مبدول في البند (١٣) من هذا العقد.   |
| المادة الخامسة: الإلتزامات تقسم إلى (التزامات المؤجر / التزامات المستأجر / أحكام عامة) بعد تحديدها في (البند 12)  |
| ٥-١ التزامات المستأجر   |

- ٥-١-١ يلتزم المستأجر بدفع قيمة الأجرة في المواعيد المتفق عليها.
- ٥-١-٢ يلتزم المستأجر بالتفدية بمساحة ومواصفات الوحدة الخاصة بالوحدة الإيجارية والمحددة في البند (9) من هذا العقد.
- ٥-١-٣ يلتزم المستأجر أن يلتزم ويشارك في نشاطه التجاري خلال مدة لا تتجاوز ( 30 ) يوماً من تاريخ العقد وفي حالة انتهاء هذه المدة دون امتلاك الوحدة الإيجارية وبدء النشاط التجاري وبعد عدم تحايجه مع إشعار المؤجر خلال ( 30 ) يوماً فيحق للمؤجر فسخ العقد من جهته دون الحاجة إلى إخطار أو حكم قضائي ويحق للمؤجر حينها تأجير الوحدة الإيجارية لتغير مع المحافظة على حقوق المستأجر بالسابقة بانائي قيمة العقد المدفوعة بعد دخم العريون والسعي بقيمة الإيجار ومعايير الخدمات العامة من تاريخ بداية الإيجار إلى تاريخ الفسخ وإلغائه.
- ٥-١-٤ يلتزم المستأجر بتسليم الوحدات الإيجارية للمؤجر عند انتهاء مدة إيجار هذا العقد.
- ٥-١-٥ يلتزم المستأجر باستعمال الوحدات الإيجارية محل هذا العقد الاستعمال المعتاد له وحسباً للأنظمة والأعراف والتقاليد المعمية في المملكة العربية السعودية، وتحمل جميع الخراجات التي قد تفرض عليه من الجهات المختصة.
- ٥-١-٦ يلتزم المستأجر بالمحافظة على الأجزاء والمرافق المشتركة التابعة لتعار الممتلكات على الوحدات الإيجارية المؤجرة على دورات المياه المشتركة والأسطح ومخارج الطوارئ والصناديق والسلام والممرات وغيرها، وأن يستعملها استعمالاً عادلاً صالحاً لغرض المخصص لها.
- ٥-١-٧ يلتزم المستأجر بجميع تكاليف صيانة الممتلكات السكنية الممتدة المترتبة على الانتفاع بالوحدات الإيجارية، فيما عدا أعمال الصيانة المصممة في المادة السابقة.
- ٥-١-٨ يلتزم بدفع قيمة خدمات الكهرباء والمياه والغاز والخدمات الأخرى المتعلقة بالوحدات الإيجارية الموصوفة خلال فترة سريان هذا العقد بحسب ما تم الاتفاق عليه في البند(12) من هذا العقد.
- ٥-١-٩ يلتزم المستأجر باتخاذ الاحتياطات اللازمة لمنع تعرض الوحدة الإيجارية وكافة ملحقاتها والموجودين فيها سواء من تابعيه أو عماله أو زائريه لأي خطر كان يسبب من أسباب القوة القاهرة أو ناتج عن إهمال الكهرباء، أو المياه أو أجهزة التكييف أو أي مثل بالتجهيزات الميكانيكية أو الكهربائية أو أي عملية احتياكي أو نكس أو سرقة وانقراض.
- ٥-١-١٠ يلتزم المستأجر بالمحافظة على جميع التجهيزات الميكانيكية والكهربائية، وصيانة الأعمال الكهربائية في المجمع وغيرها من التجهيزات التي وضعها المؤجر في الوحدة الإيجارية والمعار.
- ٥-١-١١ يلتزم المستأجر وموظفيه بعدم التدخين في الممرات ودهات المفار والتفدية بالتدخين في الأماكن المخصصة لذلك.
- ٥-١-١٢ يلتزم المستأجر بإبقاء الممتلكات في المكان المخصص لذلك، وعدم رمي أي مواد سائلة أو زبوت في حاويات الصرف الصحي.

5

|   |                 |   |  |
|---|-----------------|---|--|
| مبلغ الإشراف الهندسي (لا يدخل ضمن القيمة الإيجارية لعقد الإيجار)  | -               | ريال لكل متر مربع من مساحة الوحدة الإيجارية     | Engineering Supervision Fee (Not included in total contract amount): |
| مبلغ تجهيز الوحدة الإيجارية (لا يدخل ضمن القيمة الإيجارية لعقد الإيجار)   | -               | ريال لكل متر مربع من مساحة الوحدة الإيجارية     | Unit Finishing Fee (Not included in total contract amount):          |
| مبلغ العريون المتفق عليه (لا يدخل ضمن القيمة الإجمالية لعقد الإيجار):   | -               |   | Retainer Fee (Included in total contract amount):                    |
| الأجرة الشهرية للكهرباء:  | -               | الأجرة الشهرية للغاز:                           | Electricity Annual Amount: Gas Annual Amount: -                      |
| الأجرة الشهرية للمياه:  | -               |   | Water Annual Amount:   |
| الأجرة السنوية للخدمات العامة: (لا يدخل ضمن القيمة الإيجارية لعقد الإيجار)  | 0.0             | والتي تشمل على:                                 | General Services Amount: -   |
| دورة سداد الإيجار   | سنوي            | عدد دفعات الإيجار:                              | Rent payment cycle: 5  |
| دفعه الإيجار الأولى: (تشمل العريون)   | 1380000.00      | مبلغ قيمة القيمة المتبقية على القيمة الإيجارية: | First rental payment: (Includes deposit): 936000.00                  |
| الرقم المتسلسل No.  | 310199293800003 | رقم الهوية أو السجل التجاري ID/CR Number        | 1010896422   |
| القيمة الشهرية للإيجار:   | 1200000.00      | رقم التسجيل                                     | Annual Rent: 7174000.00  |
| إجمالي قيمة العقد:  |                 | Total Contract value                            | 7174000.00   |
| يشمل: القيمة الإيجارية، ومبلغ العريون، ومبلغ قيمة القيمة المتبقية، إن وجدت - وقيمة الخدمات العامة، والأجرة السنوية للغاز والكهرباء والمياه والصرف الصحي إذا وجدت كميالاً (إنه). |                 |   |  |
| الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة   |                 |   |  |
| طريق الدفع المعتمدة   |                 |   |  |
| Approved payment methods  |                 |   |  |

| ١٣ جدول سداد الدفعات   |                         |                         |                       |                           |                               |                              |                               |                              |                              |
|------------------------|-------------------------|-------------------------|-----------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|
| Rent Payments Schedule |                         |                         |                       |                           |                               |                              |                               |                              |                              |
| الرقم المتسلسل No.     | قيمة الإيجار Rent value | قيمة القيمة المضافة VAT | قيمة الخدمات Services | إجمالي القيمة Total value | تاريخ الإصدار Issued Date(AD) | تاريخ الاستحقاق Due Date(AD) | تاريخ الإصدار Issued Date(AD) | تاريخ الاستحقاق Due Date(AD) | تاريخ الاستحقاق Due Date(AD) |
| 1                      | 1200000.00              | 180000.00               | 0.00                  | 1380000.00                | 2022-10-26                    | 2022-11-05                   | 1444-04-01                    | 1444-04-11                   | 1444-04-11                   |
| 2                      | 1200000.00              | 180000.00               | 0.00                  | 1380000.00                | 2023-10-26                    | 2023-11-05                   | 1445-04-11                    | 1445-04-21                   | 1445-04-21                   |
| 3                      | 1200000.00              | 180000.00               | 0.00                  | 1380000.00                | 2024-10-26                    | 2024-11-05                   | 1446-04-23                    | 1446-05-03                   | 1446-05-03                   |
| 4                      | 1320000.00              | 198000.00               | 0.00                  | 1518000.00                | 2025-10-26                    | 2025-11-05                   | 1447-05-04                    | 1447-05-14                   | 1447-05-14                   |
| 5                      | 1320000.00              | 198000.00               | 0.00                  | 1518000.00                | 2026-10-26                    | 2026-11-05                   | 1448-05-15                    | 1448-05-25                   | 1448-05-25                   |

قيمة إيجارية متغيرة سنوياً: نعم

4



يعتبر هذا العقد عقداً موثقاً وسعداً تنفيذياً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٠/٤/٣ هـ.

| ١ بيانات العقد           |                         |                          |                       |
|--------------------------|-------------------------|--------------------------|-----------------------|
| رقم سجل العقد:           | Contract No.            | نوع العقد:               | جديد                  |
| تاريخ إبرام العقد:       | Contract Sealing Date   | مكان إبرام العقد:        | الرياض                |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2022-10-26 2027-10-25 |
| معلق بشرط                | Contract is conditional | لا                       |                       |
| طريقة دفع رسوم العقد:    | Ejar Fees Paid By       | المؤجر                   |                       |

| ٢ بيانات المؤجر    |            |                    |  |
|--------------------|------------|--------------------|--|
| نوع المنطقة:       | التجارية   | اسم الشركة/المؤسس: | شركة تعدين دولي العقارية شركة شخص واعد |
| رقم السجل التجاري: | 1010896422 | CR No.             | 7010776792                             |
| جهة الإصدار:       | -          | Issued by          | 2017-10-04                             |

| ٣ بيانات شتمل المؤجر |                          |                  |  |
|----------------------|--------------------------|------------------|--|
| الاسم:               | سلمان حسين بن يحيى معيدي | Name             |  |
| الجنسية:             | المملكة العربية السعودية | Nationality      |  |
| نوع الهوية:          | هوية وطنية               | ID Type          | رقم الهوية: 1073134924                   |
| رقم الجوال:          | +964564332153            | Mobile No.       | البريد الإلكتروني: muaidis@mutkia.com.sa |
| العنوان الوطني:      | رقم سدة التمثيل Number   | نوع المستند Type | تاريخ الإصدار Issue Date                 |
| 441361636            | وكالة شريعية إلكترونية   | 2022-10-04       | 2025-08-31                               |

| ٤ بيانات المستأجر  |            |                    |                              |
|--------------------|------------|--------------------|------------------------------|
| نوع المنطقة:       | التجارية   | اسم الشركة/المؤسس: | شركة محمد يوسف ناغي للسيارات |
| رقم السجل التجاري: | 4030065137 | CR No.             | 7009395323                   |

1





General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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☎ +966 92 002 5832

شركة قيم للتقييم - ترخيص رقم 1210000052 تاريخ الانتهاء 1447/05/03 هـ سجل تجاري رقم 1010927632 تاريخ الانتهاء 1449/03/15 هـ الرقم الموحد 920025832 - مكتب رقم 7 مبنى رقم 8484 طريق عثمان بن عفان - الرياض 11666

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Technology Commercial Complex  
BLK 11

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Technology Commercial Complex BLK 11 Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Technology Commercial Complex **BLK 11** property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (23,359,000) Twenty-three million, three hundred and fifty-nine thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**



## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

## Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai`- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Technology Commercial Complex - BLK 11  |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/122024 AD                                  | 09/12/2024 AD   |

## Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

## Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

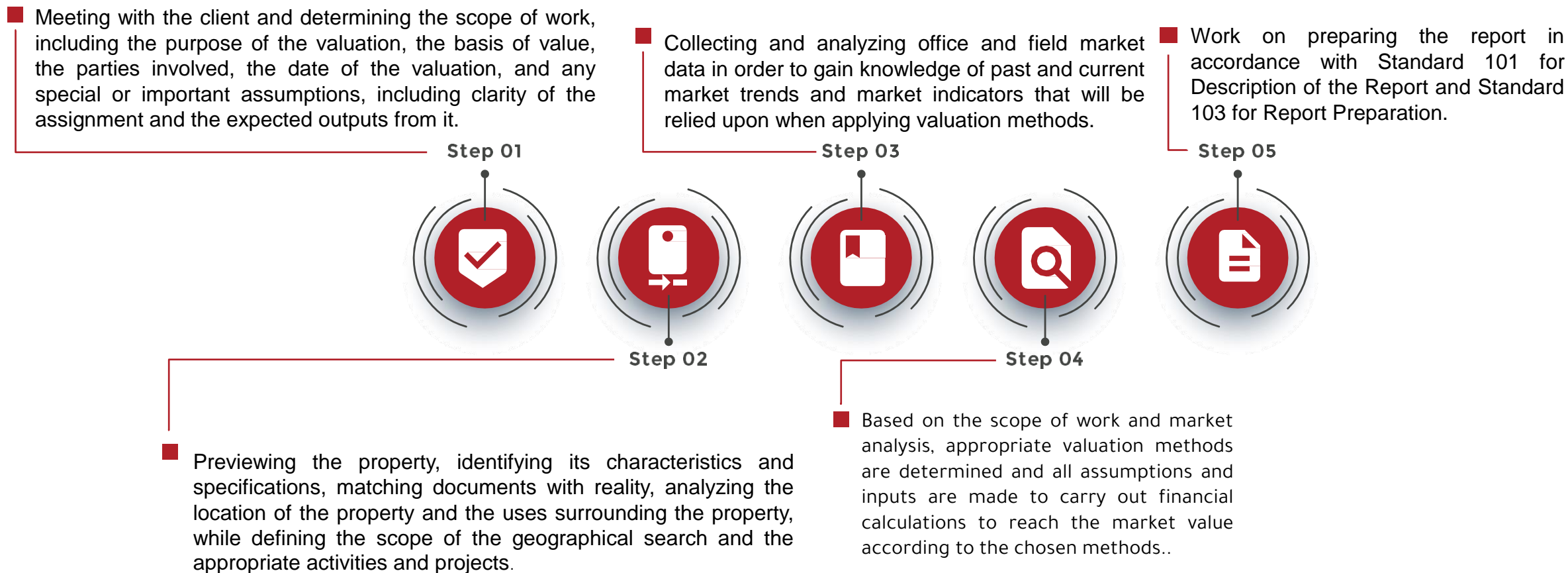
### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages





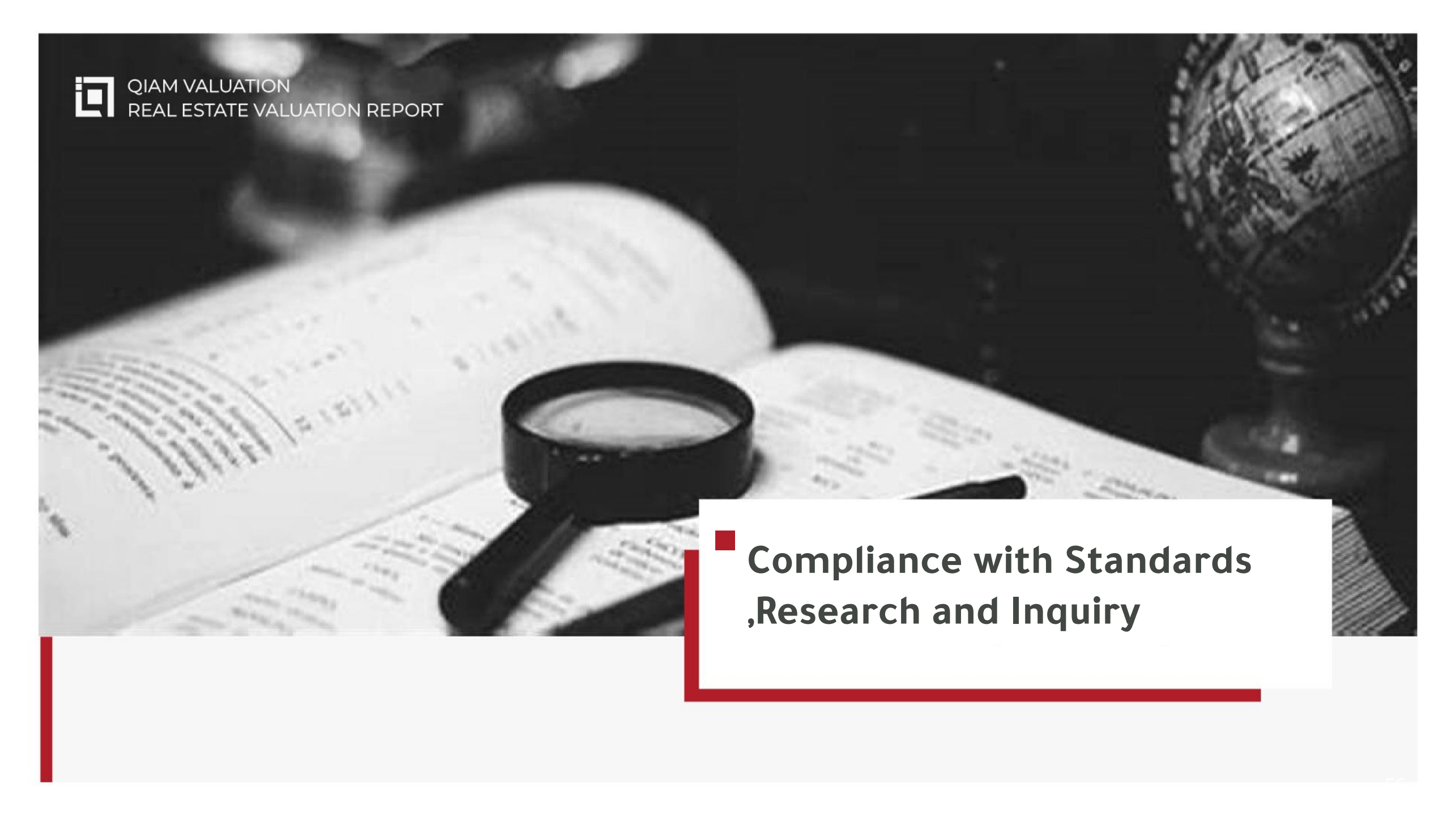
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period





## Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the industrial and storage area near the Eastern Ring Road.
- The location is close to the main axial roads that connect it to parts of Riyadh, such as **(Eastern Ring Road, Southern Ring Road)**.
- The location is close to the storage and industrial trade centers in Riyadh.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- Changing the building regulations in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

### Ownership Data

➤ Title deed information

| Owner name                        | Deed number  | Deed date     | Ownership Type |
|-----------------------------------|--------------|---------------|----------------|
| Tamdeen First Real Estate Company | 793010004587 | 12/11/1442 AH | Mortgaged      |

➤ Location- plan number - plot number - land area:

| City - District       | Plot number               | Plan number | Land area             |
|-----------------------|---------------------------|-------------|-----------------------|
| Riyadh - Al Faisaliah | From plot 508 to plot 521 | 3251        | 7341.13 square meters |

➤ Borders and lengths:

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 20m wide street      | 151.47        | 20m wide street | 141.58        | 25m wide street | 50            | 25m wide street | 50.8          |

### Assumptions regarding ownership of the property

For the purposes of this report, we assume that there is good, valid and free ownership and that the property is mortgaged to Al Rajhi Development Company Limited.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                       |                |                                   |
|---|-----------------------|----------------|-----------------------------------|
| City  | Riyadh                | Neighborhood   | Al-Faisaliah                      |
| Street  | Unnamed               | Property type  | Industrial workshops              |
| No. land plan   | 3251                  | Plot number    | From 508 to 522                   |
| Land Area   | 7341.13 square meters | Built-up area  | 5733 square meters                |
| Services and facilities available in the real estate area |                       |                |                                   |
| Electricity network                                       | Telephone network     | Water network  | Sewerage network                  |
| ✓   | ✓                     | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                | Dispensary     | Garden                            |
| ✓   | ✓                     | ✓              | ✓                                 |
| Public markets  | Civil defense         | Police station | Hospital                          |
| ✓   | ✓                     | ✓              | ✓                                 |
| Hotels  | Petrol station        | Schools        | Governmental services and centers |
| ✓   | ✓                     | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located south of Riyadh in Al Faisaliah district with easy access to the Eastern Ring Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | South of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Commercial - Industrial   |
|                                 | Building ratio - number of floors       | 70% - 2 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |



Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(10)** years based on the **(Building permit)**.
- Building permit number **10149/1432** dated **01/06/1432 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Car workshop)**. Detailed as below:

| Building components |              |           |                          |
|---------------------|--------------|-----------|--------------------------|
| #                   | Floor        | Area (m2) | Use                      |
| 1                   | Ground floor | 5733      | Car maintenance workshop |

Property Description

INTERIOR FINISHES

| Doors        | Ceiling     | Wall Cladding       | Floors                |
|--------------|-------------|---------------------|-----------------------|
| Drawing iron | Iron hangar | Paint - Iron Hangar | Epoxy casting - tiles |
| Windows      | Health kits | Stairs              | Insulation type       |
| ---          | ---         | ---                 | Thermal - Hydro       |

EXTERIOR FINISHES

| Facades     | Facilities | Doors                               | Floors  |
|-------------|------------|-------------------------------------|---------|
| Iron hangar | ----       | Electric Securit Glass - Drawn Iron | asphalt |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



## Property location

Property is located in: **Riyadh**

Neighborhood: **Al-Faisaliah**

Street: **Unnamed**

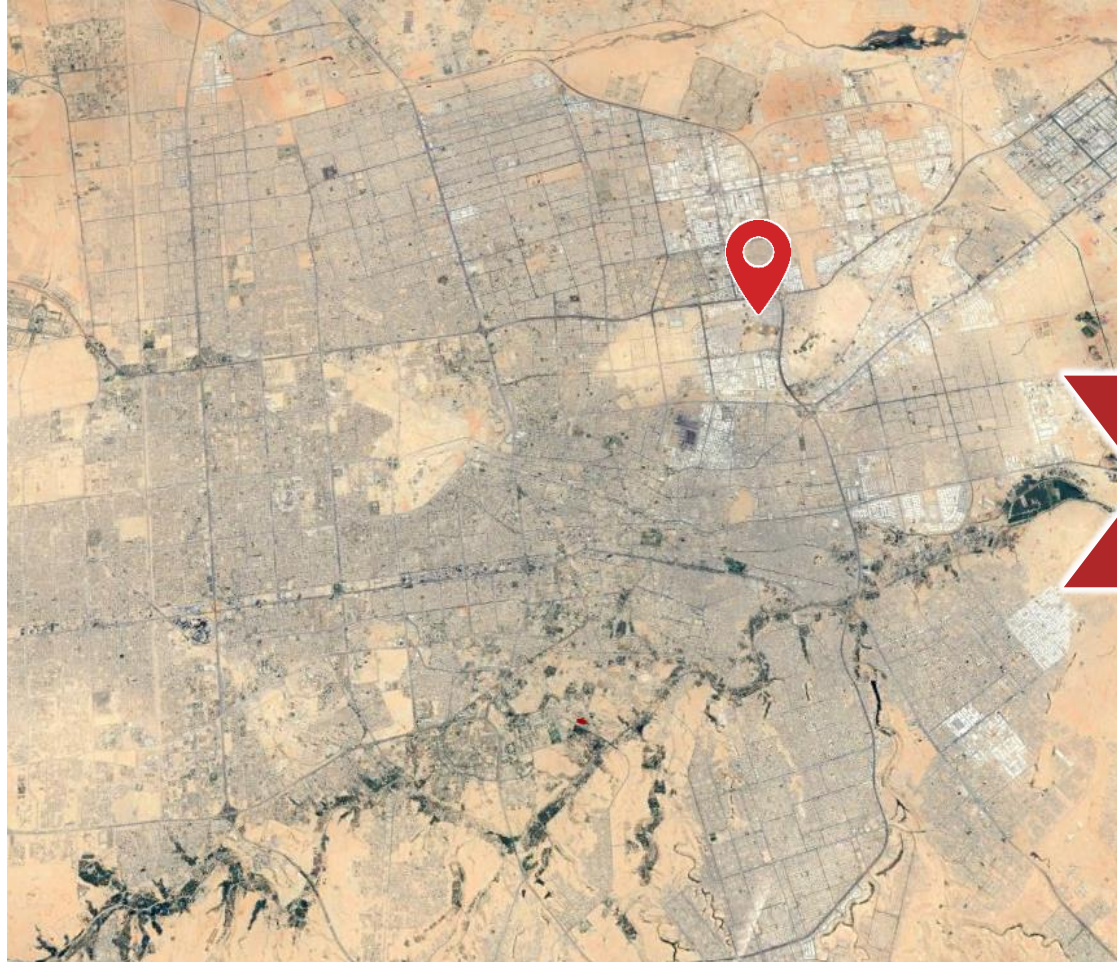
Location coordinates

N :

24.639196

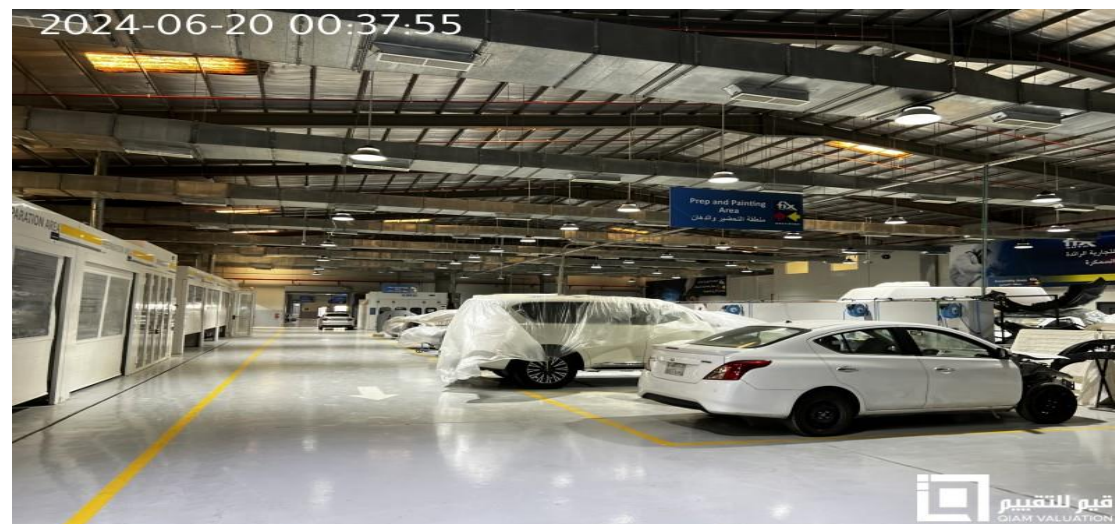
E :

46.796821





## Photographic survey of the Property





## Valuation



## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula (current age of the building / Lifespan) \* 100.

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                            | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |





## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                 |            |
|---|--------------------------|--------------------------|------------|-----------------|------------|
| Clause  |                          | Comparative real estates |            |                 |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2    |            |
|   |                          | Value                    | Adjustment | Value           | Adjustment |
| Price per square meter  | ***                      | 2,400                    |            | 2,100           |            |
| Condition   | ***                      | Available offer          |            | Available offer |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024            |            |
| Market Condition  | ***                      | %5.00-                   | 120 -      | %5.00-          | 105 -      |
| Financing terms   | ***                      | %0.00                    | -          | %0.00           | -          |
| Market conditions value   | ***                      | (120.00)                 |            | (105.00)        |            |
| Value after initial settlements   | ***                      | 2,280                    |            | 1,995           |            |
| Land area (m²)  | 7341.13                  | 1,373                    | %11-       | 1,446           | %11-       |
| Ease of access  | High                     | High                     | %0         | Average         | %5         |
| Property location   | High                     | High                     | %0         | Average         | %5         |
| Land shape  | Regular                  | Regular                  | %0         | Regular         | %0         |
| Land topography   | Flat                     | Flat                     | %0         | Flat            | %0         |
| Land use  | Industrial               | Industrial               | %0         | Industrial      | %0         |
| Surrounding streets   | 4                        | 3                        | %5         | 2               | %10        |
| Total   |                          | %6.00-                   |            | %9.00           |            |
| Adjustment value per square meter   |                          | -137                     |            | 180             |            |
| Final meter value after Adjustments   |                          | 2,143                    |            | 2,175           |            |
| Net average value per square meter (SAR / m²)   |                          | 2,159                    |            |                 |            |
| Market value of the land (SAR / m²)   |                          | 15,848,582               |            |                 |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)   |                  |          |             |
|--|------------------|----------|-------------|
| Clause   | Built up area m2 | SAR / m2 | Value (SAR) |
| Ground floor   | 5733             | 700      | 4,013,100   |
| Total (SAR)  | 5,733            |          | 4,013,100   |
| Second: Other costs (indirect)   |                  |          |             |
| Professional fees  | %2               |          | 80,262      |
| Utilities Network  | %2               |          | 80,262      |
| Administration costs   | %2               |          | 80,262      |
| Financing costs (0 years / 0%)   | %0               |          | -           |
| Developer's profitability  | %15              |          | 601,965     |
| Total (SAR)  |                  |          | 842,751     |
| Total cost of buildings (SAR)  |                  |          | 4,855,851   |
| Third: Depreciation cost   |                  |          |             |
| Life span of the property (year)   | Year             |          | 30          |
| The current age of the property (year)   | Year             |          | 10          |
| Remaining life of the property (year)  | Year             |          | 20          |
| Depreciation rate  | %                |          | 33          |
| Depreciation value   | SAR              |          | 1,618,617   |
| Final value of the building (SAR)  |                  |          | 3,237,234   |
| Fourth: Value of the property according to the Cost Approach                     |                  |          |             |
| Final value of the land (SAR)  |                  |          | 15,848,582  |
| Final value of buildings (SAR)   |                  |          | 3,237,234   |
| Market value of the property according to the Cost Approach (SAR)                |                  |          | 19,085,816  |
| Market value of the property according to the Cost Approach after rounding (SAR) |                  |          | 19,086,000  |



Market Survey Data Analysis



Market Survey Results - Rental Values - Workshops and Warehouses

| # | Comparison | Area (m2) | Rental price per meter |
|---|------------|-----------|------------------------|
| 1 | Warehouses | 2062      | 170                    |
| 2 | Warehouses | 2020      | 140                    |
| 3 | Warehouses | 1325      | 188                    |
| 4 | Workshops  | 1800      | 240                    |
| 5 | Workshops  | 1200      | 250                    |



Analysis of valuation assumptions data - Discounted Cash Flow Methods

Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 1.8  | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 9.5  | %  |

Rental income:

The property income was analyzed by reviewing the property contract and comparing it to the market, as the rental value of the property is 1,579,050 riyals until the end of the contract. At the end of the contract, an increase of 15% was assumed due to the increase in the rental value in the property area.

Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

Assumptions:

| Discounted Cash Flow method assumptions |           |                                    |      |
|---|-----------|------------------------------------|------|
| Total property income                   | 1,579,050 | Discount rate                      | %9.5 |
| Occupancy rate                          | %100      | Capitalization rate                | %7   |
| Operating Expense Rate                  | %0        | Growth rate - annual from 4th year | %15  |

Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

## Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows               |           |           | Investment years |           |           |           |           |           |           |           |           | Reversion value |
|-----------------------------------|-----------|-----------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|
|                                   |           |           | 2024<br>1        | 2025<br>2 | 2026<br>3 | 2027<br>4 | 2028<br>5 | 2029<br>6 | 2030<br>7 | 2031<br>8 | 2032<br>9 |                 |
| Expected growth value             |           |           | %0.00            | %0.00     | %0.00     | %15.00    | %0.00     | %0.00     | %0.00     | %0.00     | %0.00     |                 |
| Total rental value                | 1,579,050 | 1,579,050 | 1,579,050        | 1,579,050 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 |                 |
| Occupancy rate                    | %100      | 1,579,050 | 1,579,050        | 1,579,050 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 |                 |
| Actual gross income               |           | 1,579,050 | 1,579,050        | 1,579,050 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 |                 |
| minus operating expense ratio     | %0        | -         | -                | -         | -         | -         | -         | -         | -         | -         | -         |                 |
| Net Operating Income (NOI)        |           | 1,579,050 | 1,579,050        | 1,579,050 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 |                 |
| Reversion value of the building   |           |           |                  |           |           |           |           |           |           |           |           |                 |
| Net Cash Flow                     |           | 1,579,050 | 1,579,050        | 1,579,050 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 1,815,908 | 0.4035          |
| Discount Factor                   |           | 0.9132    | 0.8340           | 0.7617    | 0.6956    | 0.6352    | 0.5801    | 0.5298    | 0.4838    | 0.4418    | 0.4035    |                 |
| Present Value of Cash Flows       |           | 1,442,055 | 1,316,945        | 1,202,690 | 1,263,099 | 1,153,515 | 1,053,438 | 962,044   | 878,579   | 802,355   | 732,744   |                 |
| Net present value of the property |           |           |                  |           |           |           |           |           |           |           |           | 23,358,590      |

|                             |                   |
|-----------------------------|-------------------|
| <b>Final Property Value</b> | <b>23,358,590</b> |
|-----------------------------|-------------------|

**Final Property Value (after rounding) 23,359,000**

Final value of the property

Based on the purpose of the valuation and the nature and characteristics of the property, as it is an industrial building property leased under a single contract, the valuation of the property using the Income Approach (Discounted Cash Flows) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                        |
|---|--|
| 23,359,000  | Twenty-three million, three hundred and fifty-nine thousand Saudi riyals |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi




## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**



## Documents received from the client

[illegible]

رقم الصك: 793010004587  
التاريخ: 1442/11/12 هـ

صك رهسن

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

[illegible]

## الموثق

الختم الرسمي

ابراهيم عمر محمد الحسين

## Documents received from the client

|   |  |                          |
|---|--|--------------------------|
| القيمة السنوية للإيجار:   | Annual Rent:   | 1579050.00               |
| اجمالي قيمة العقد:  | Total Contract value   | 9079538.00               |
| يشمل: القيمة الإيجارية، ومبلغ العربون، ومبلغ ضريبة القيمة المضافة -إن وجدت- وقيمة الخدمات العامة، والأجرة السنوية لـ(الغاز والكهرباء والمياه والصرف الصحي إذا تحدثت فسيبلغ ثابتة) . |  |                          |
| طرق الدفع المعتمدة  | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونيا من خلال قنوات الدفع المتاحة | Approved payment methods |

| ١٣ جدول سداد الدفعات Rent Payments Schedule |                               |                                |                             |                                 |   |  |  |   |  |
|---|-------------------------------|--------------------------------|-----------------------------|---------------------------------|---|--|--|---|--|
| الرقم<br>الترتيب<br>No                      | قيمة<br>الإيجار<br>Rent value | ضريبة القيمة<br>المضافة<br>VAT | قيمة<br>الخدمات<br>Services | إجمالي<br>القيمة<br>Total value | تاريخ الإصدار<br>(م)<br>Issued Date(AD) | تاريخ الاستحقاق<br>(م)<br>Due Date(AD) | تاريخ الإصدار<br>(هـ)<br>Issued Date(AH) | تاريخ الاستحقاق<br>(هـ)<br>Due Date(AH) |  |
| 1   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2023-01-01                              | 2023-01-11                             | 1444-06-08                               | 1444-06-18                              |  |
| 2   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2023-07-01                              | 2023-07-11                             | 1444-12-13                               | 1444-12-23                              |  |
| 3   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2024-01-01                              | 2024-01-11                             | 1445-06-19                               | 1445-06-29                              |  |
| 4   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2024-07-01                              | 2024-07-11                             | 1445-12-25                               | 1446-01-05                              |  |
| 5   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2025-01-01                              | 2025-01-11                             | 1446-07-01                               | 1446-07-11                              |  |
| 6   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2025-07-01                              | 2025-07-11                             | 1447-01-06                               | 1447-01-16                              |  |
| 7   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2026-01-01                              | 2026-01-11                             | 1447-07-12                               | 1447-07-22                              |  |
| 8   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2026-07-01                              | 2026-07-11                             | 1448-01-16                               | 1448-01-26                              |  |
| 9   | 789525.00                     | 118428.75                      | 0.00                        | 907953.00                       | 2027-01-01                              | 2027-01-11                             | 1448-07-23                               | 1448-08-03                              |  |
| 10  | 789525.00                     | 118428.75                      | 0.00                        | 907961.00                       | 2027-07-01                              | 2027-07-11                             | 1449-01-26                               | 1449-02-07                              |  |

قيمة إيجارية متغيرة سنوياً. لـ

| ١٤ التزامات الطرفين Parties Obligations  |
|--|
| يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)<br>تحول التزامات الأطراف بعد تحديثها إلى المادة الخامسة تحت الالتزامات المؤجر / التزامات المستأجر / أحكام عامة |

| ١٥ مواد العقد Contract Terms  |
|---|
| المادة الأولى: البيانات السابقة على التزامات الأطراف  |
| تعد البيانات السابقة على التزامات الأطراف والمحددة في البنود من (14-1) جزء لا يتجزأ من هذا العقد ومفسرة ومكملة له.  |
| المادة الثانية: محل العقد   |
| اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم(9) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. ويقر المستأجر بمعاييره لتوعدة الإيجارية، وقبوله للتعاقب حسب الأوصاف المذكورة، وأنها صالحة للنشاط التجاري المتفق عليه في البند رقم (10). |
| المادة الثالثة: مدة الإيجار وتحديد العقد  |
| ٣-١ مدة هذا العقد (1825) يوماً تبدأ من تاريخ 08-06-1444 هـ الموافق 01-01-2023 م، وتنتهي بتاريخ 03-08-1449 هـ الموافق 31-12-2027 م، وفي حال وجود اختلاف بين التاريخين الهجري والميلادي، يُعمل بالتاريخ الميلادي في جميع بنود العقد.  |
| ٣-٢ تنتهي مدة الإيجار مع انتهاء مدة العقد. وإذا رغب الطرفان بالتجديد، فتتم كتابة عقد جديد يُتفق عليه الطرفان.   |
| المادة الرابعة: الأجرة  |
| إجمالي قيمة العقد ( 9079538.00 ) يأتى سعودي، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (١٢) من هذا العقد وكما هو مذكور في البند (١٣) من هذا العقد.   |

10



يعتبر هذا العقد عقداً موثقاً وسُجِّدَ تنفيذياً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد Contract Data |                         |                 |  |
|------------------------------|-------------------------|-----------------|--|
| رقم سجل العقد:               | Contract No.            | 20983950069 / 1 | نوع العقد:                               |
| تاريخ إبرام العقد:           | Contract Sealing Date   | 2023-02-21      | مكان إبرام العقد:                        |
| تاريخ بداية مدة الإيجار:     | Tenancy Start Date      | 2023-01-01      | تاريخ نهاية مدة الإيجار:                 |
| معلق بشرط                    | Contract is conditional | لا              |  |
| طريقة دفع رسوم العقد:        | Ejar Fees Paid By       | المؤجر          |  |
| ٢ بيانات المؤجر Lessor Data  |                         |                 |  |
| نوع المنظمة:                 | Organization Type       | التجارية        | اسم الشركة/المؤسسة:                      |
| رقم السجل التجاري:           | CR No.                  | 1010896422      | شركة تمدين الدولي العقارية شركة شخص واحد |
| جهة الإصدار:                 | Issued by               | -               | الرقم الموحّد                            |
|                              | CR Date                 | 2017-10-04      | تاريخ السجل التجاري:                     |

| ٣ بيانات مُمثِّل المؤجر Lessor Representative Data |                           |                          |                            |
|--|---------------------------|--------------------------|----------------------------|
| الاسم:   | سلمان حسين بن يحيى معويدي |                          |                            |
| الجنسية:   | المملكة العربية السعودية  |                          |                            |
| نوع الهوية:  | ID Type                   | هوية وطنية               | رقم الهوية:                |
| رقم الدّوّل:                                       | Mobile No.                | +966556332153            | البريد الإلكتروني:         |
| العنوان الوطني:                                    | National Address          |                          |                            |
| رقم سند التمثيل Number                             | نوع المستند Type          | تاريخ الإصدار Issue Date | تاريخ الانتهاء Expiry Date |
| 441361636  | وكالة شرعية               | 2022-10-04               | 2025-08-31                 |

| ٤ بيانات المستأجر Tenant Data |                                 |          |                     |
|-------------------------------|---------------------------------|----------|---------------------|
| نوع المنظمة:                  | Organization Type               | التجارية | اسم الشركة/المؤسسة: |
|                               | الشركة للسيارات (شركة شخص واحد) |          |                     |

1



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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☎ +966 92 002 5832

## Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Technology Commercial Complex  
BLK 24 & 25

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Technology Commercial Complex BLK 24 and 25 Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Riyadh, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Technology Commercial Complex **BLK 24 and 25** property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (37,073,000) Thirty-seven million and seventy-three thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**



# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

## Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai`- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Turki Saeed Al-Wadaei - Associate Member - Real Estate - 1210002981</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Technology Commercial Complex - Block 24 & 25   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 09/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

## Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.



## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

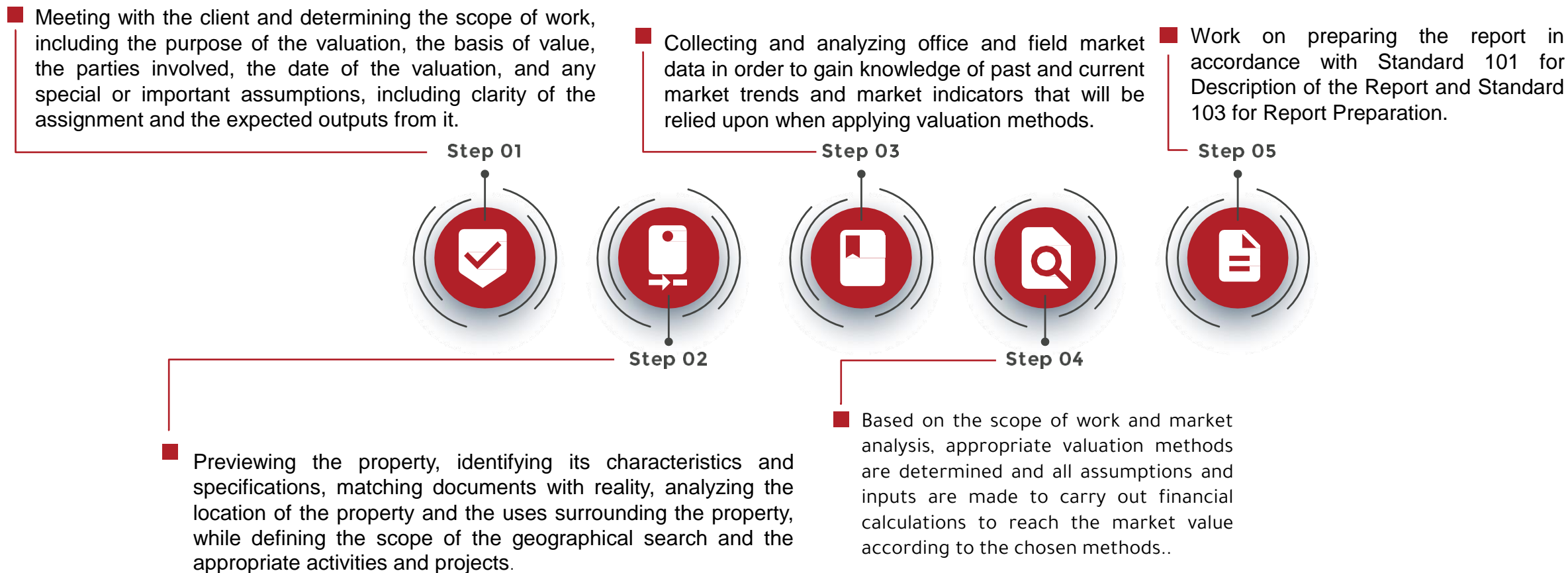
### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages



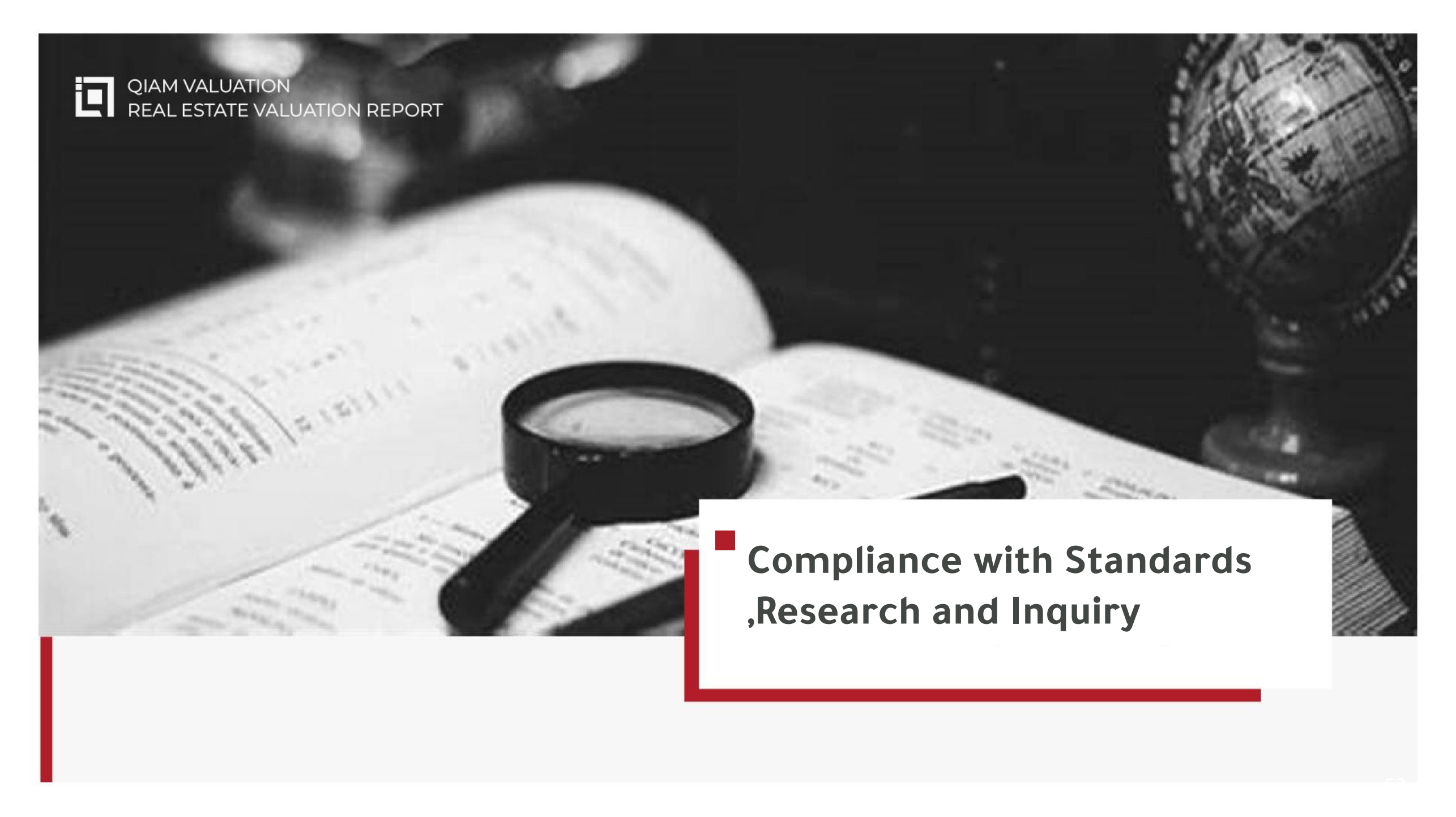
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task



## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property is located in the industrial and storage area near the Eastern Ring Road.
- The location is close to the main axial roads that connect it to parts of Riyadh, such as **(Eastern Ring Road, Southern Ring Road)**.
- The location is close to the storage and industrial trade centers in Riyadh.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- Changing the building regulations in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

### Ownership Data

➤ Title deed information

| Owner name                        | Deed number  | Deed date     | Ownership Type |
|-----------------------------------|--------------|---------------|----------------|
| Tamdeen First Real Estate Company | 693010005751 | 13/03/1443 AH | Mortgaged      |

➤ Location- plan number - plot number - land area:

| City - District       | Plot number             | Plan number | Land area          |
|-----------------------|-------------------------|-------------|--------------------|
| Riyadh - Al Faisaliah | Plot 24 and Plot No. 25 | 3251        | 6000 square meters |

➤ Borders and lengths:

| Borders and lengths: |               |                 |               |                  |               |                 |               |
|----------------------|---------------|-----------------|---------------|------------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border   | Border length | Western border  | Border length |
| 10m wide corridor    | 60            | Plot No. 26     | 60            | 100m wide street | 100           | 25m wide street | 100           |

### Assumptions regarding ownership of the property

For the purposes of this report, we assume that there is good, valid and free ownership and that the property is mortgaged to Al Rajhi Development Company Limited.



## Real estate data and Services available in the real estate area

| Real Estate Data  |                    |                |                                   |
|---|--------------------|----------------|-----------------------------------|
| City  | Riyadh             | Neighborhood   | Al-Faisaliah                      |
| Street  | Unnamed            | Property type  | Commercial Industrial Workshops   |
| No. land plan   | 3251               | Plot number    | 24 and 25                         |
| Land Area   | 6000 square meters | Built-up area  | 5288 square meters                |
| Services and facilities available in the real estate area |                    |                |                                   |
| Electricity network                                       | Telephone network  | Water network  | Sewerage network                  |
| ✓   | ✓                  | ✓              | ✓                                 |
| Water drainage network                                    | Mosque             | Dispensary     | Garden                            |
| ✓   | ✓                  | ✓              | ✓                                 |
| Public markets  | Civil defense      | Police station | Hospital                          |
| ✓   | ✓                  | ✓              | ✓                                 |
| Hotels  | Petrol station     | Schools        | Governmental services and centers |
| ✓   | ✓                  | ✓              | ✓                                 |

## Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located south of Riyadh in Al Faisaliah district with easy access to the Eastern Ring Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | South of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Commercial - Industrial   |
|                                 | Building ratio - number of floors       | 70% - 2 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

- When examining the property, it became clear to us that it is a **(Car showroom - Service center)**. Detailed as below:

| Building components |              |           |            |
|---------------------|--------------|-----------|------------|
| #                   | Floor        | Area (m2) | Use        |
| 1                   | Ground floor | 3600      | Commercial |
| 2                   | Mezzanine    | 1568      | Commercial |
| 3                   | Fences       | 120       | Services   |

Property Description

INTERIOR FINISHES

| Doors                  | Ceiling     | Wall Cladding       | Floors                |
|------------------------|-------------|---------------------|-----------------------|
| Electric Securit Glass | Iron hangar | Paint - Iron Hangar | Epoxy casting - tiles |
| Windows                | Health kits | Stairs              | Insulation type       |
| Double glazing         | ---         | Marble              | Thermal - Hydro       |

EXTERIOR FINISHES

| Facades                    | Facilities | Doors                               | Floors |
|----------------------------|------------|-------------------------------------|--------|
| Secret Glass - Iron Hanger | ----       | Electric Securit Glass - Drawn Iron | Tiles  |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | -         | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



Property location

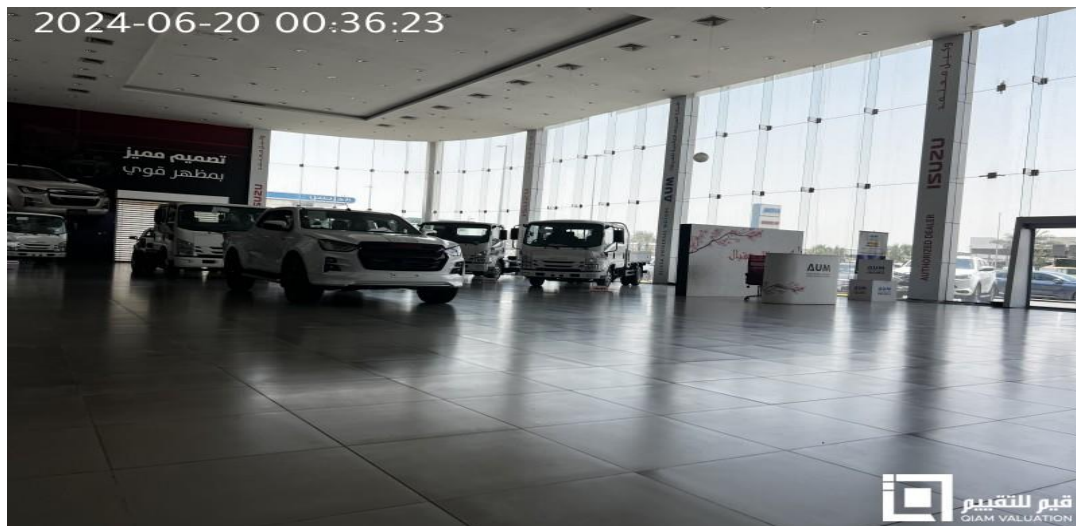
Property is located in: **Riyadh**
 Neighborhood: **Al-Faisaliah**
 Street: **Eastern Ring Road**

|                      |     |           |     |           |
|----------------------|-----|-----------|-----|-----------|
| Location coordinates | N : | 24.638110 | E : | 46.798864 |
|----------------------|-----|-----------|-----|-----------|





## Photographic survey of the Property





## Valuation

## Valuation Approaches



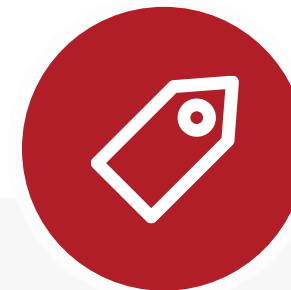
### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula (current age of the building / Lifespan) \* 100.



## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                                | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>                     | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                             | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial hotel building. | The fact that the property is income-generating |

### Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |            |                 |            |   |
|---|--------------------------|--------------------------|------------|------------|-----------------|------------|---|
| Clause  |                          | Comparative real estates |            |            |                 |            |   |
| Adjustments factors   | Property under valuation | Comparison 1             |            |            | Comparison 2    |            |   |
|   |                          | Value                    | Adjustment |            | Value           | Adjustment |   |
| Price per square meter  | ***                      | 4,000                    |            |            | 5,000           |            |   |
| Condition   | ***                      | Available offer          |            |            | Available offer |            |   |
| Date of valuation/offer   | 2024                     | 2024                     |            |            | 2024            |            |   |
| Market Condition  | ***                      | %5.00-                   | 200        | -          | %5.00-          | 250        | - |
| Financing terms   | ***                      | %0.00                    | -          |            | %0.00           | -          |   |
| Market conditions value   | ***                      | (200.00)                 |            |            | (250.00)        |            |   |
| Value after initial settlements   | ***                      | 3,800                    |            |            | 4,750           |            |   |
| Land area (m²)  | 6000                     | 4,339                    | %2-        |            | 2,684           | %3-        |   |
| Ease of access  | High                     | High                     | %0         |            | Average         | %5         |   |
| Property location   | High                     | High                     | %0         |            | Average         | %5         |   |
| Land shape  | Regular                  | Regular                  | %0         |            | Regular         | %0         |   |
| Land topography   | Flat                     | Flat                     | %0         |            | Flat            | %0         |   |
| Land use  | Industrial               | Industrial               | %0         |            | Industrial      | %0         |   |
| Surrounding streets   | 3                        | 1                        | %10        |            | 3               | %0         |   |
| Total   |                          | %8.00                    |            |            | %7.00           |            |   |
| Adjustment value per square meter   |                          | 304                      |            |            | 333             |            |   |
| Final meter value after Adjustments   |                          | 4,104                    |            |            | 5,083           |            |   |
| Net average value per square meter (SAR / m²)   |                          |                          |            | 4,593      |                 |            |   |
| Market value of the land (SAR / m²)   |                          |                          |            | 27,559,500 |                 |            |   |



## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

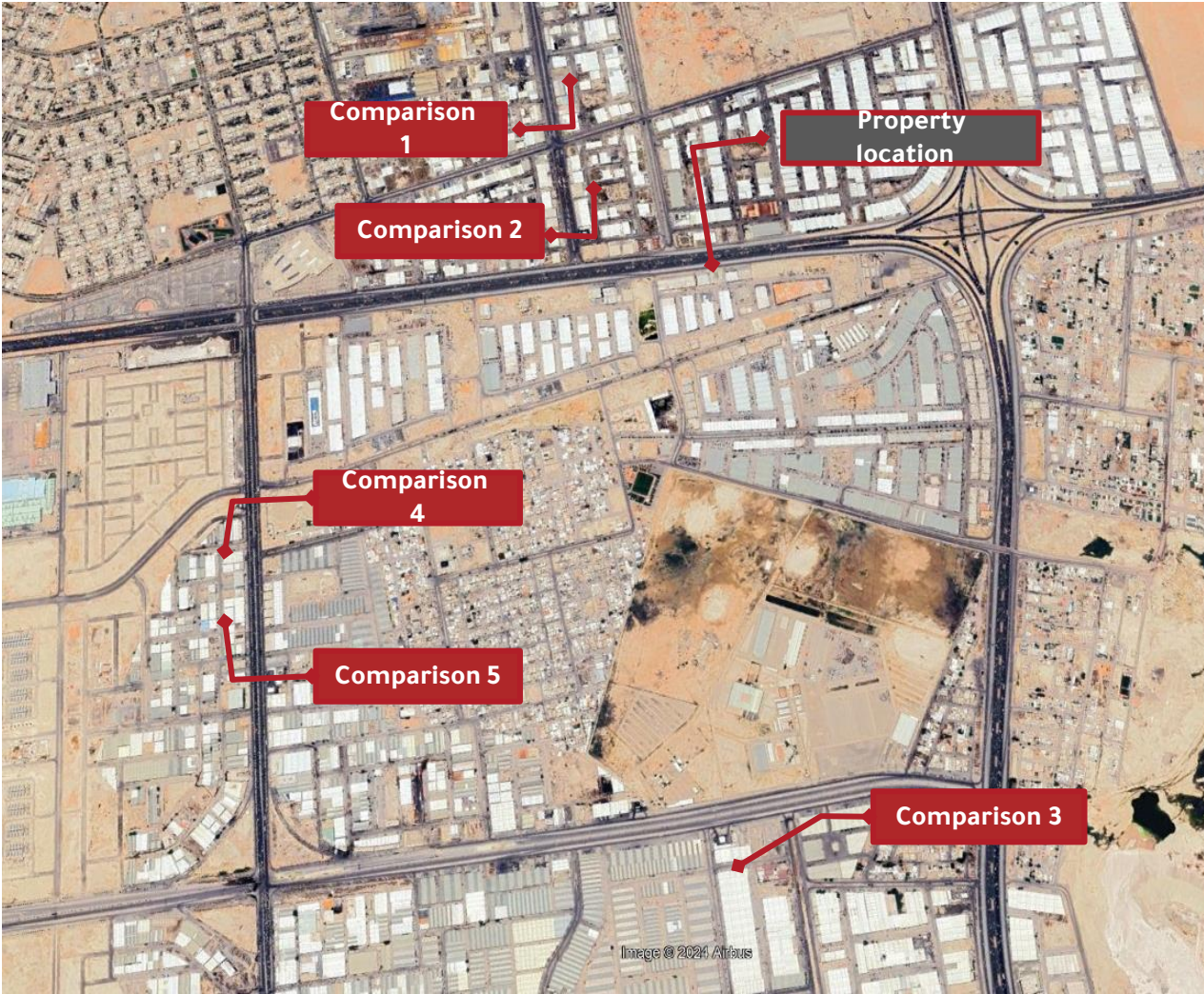
**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.



Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)   |                  |          |             |
|--|------------------|----------|-------------|
| Clause   | Built up area m2 | SAR / m2 | Value (SAR) |
| Ground floor   | 3600             | 1500     | 5,400,000   |
| Mezzanine  | 1568             | 1500     | 2,352,000   |
| Fences   | 120              | 600      | 72,000      |
| Total (SAR)  | 120              |          | 7,824,000   |
| Second: Other costs (indirect)   |                  |          |             |
| Professional fees  | %2               |          | 156,480     |
| Utilities Network  | %2               |          | 156,480     |
| Administration costs   | %2               |          | 156,480     |
| Financing costs (0 years / 0%)   | %0               |          | -           |
| Developer's profitability  | %15              |          | 1,173,600   |
| Total (SAR)  |                  |          | 1,643,040   |
| Total cost of buildings (SAR)  |                  |          | 9,467,040   |
| Third: Depreciation cost   |                  |          |             |
| Life span of the property (year)   | Year             |          | 40          |
| The current age of the property (year)   | Year             |          | 10          |
| Remaining life of the property (year)  | Year             |          | 30          |
| Depreciation rate  | %                |          | 25          |
| Depreciation value   | SAR              |          | 2,366,760   |
| Final value of the building (SAR)  |                  |          | 7,100,280   |
| Fourth: Value of the property according to the Cost Approach                     |                  |          |             |
| Final value of the land (SAR)  |                  |          | 27,559,500  |
| Final value of buildings (SAR)   |                  |          | 7,100,280   |
| Market value of the property according to the Cost Approach (SAR)                |                  |          | 34,659,780  |
| Market value of the property according to the Cost Approach after rounding (SAR) |                  |          | 34,660,000  |

Market Survey Data Analysis



Market Survey Results - Rental Values - Workshops and Warehouses

| # | Comparison | Area (m2) | Rental price per meter |
|---|------------|-----------|------------------------|
| 1 | Warehouses | 2062      | 170                    |
| 2 | Warehouses | 2020      | 140                    |
| 3 | Warehouses | 1325      | 188                    |
| 4 | Workshops  | 1800      | 240                    |
| 5 | Workshops  | 1200      | 250                    |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 9.5  | %  |

### Assumptions:

| Discounted Cash Flow method assumptions |           |                                    |      |
|---|-----------|------------------------------------|------|
| Total property income                   | 2,600,000 | Discount rate                      | %9.5 |
| Occupancy rate                          | %100      | Capitalization rate                | %7   |
| Operating Expense Rate                  | %0        | Growth rate - annual from 4th year | %15  |

### Rental income:

The property income was analyzed by reviewing the property contracts and comparing it to the market, as the rental value of the property for all contracts is 2,600,000 riyals and the contract ends in 2026 AD. An increase of 10% was assumed due to the increase in the rental value in the property area from the beginning of 2027 AD.

### Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

### Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows                   |           | Investment years |           |           |           |           |           |           |           |           |           | Reversion value |
|---------------------------------------|-----------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|
|                                       |           | 2024             | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      |                 |
|                                       |           | 1                | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        |                 |
| Expected growth value                 |           | %0.00            | %0.00     | %0.00     | %10.00    | %0.00     | %0.00     | %0.00     | %0.00     | %0.00     | %0.00     |                 |
| Total rental value                    | 2,600,000 | 2,600,000        | 2,600,000 | 2,600,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 |                 |
| Occupancy rate                        | %100      | 2,600,000        | 2,600,000 | 2,600,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 |                 |
| Actual gross income                   |           | 2,600,000        | 2,600,000 | 2,600,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 |                 |
| Minus operating expense ratio         | %0        | -                | -         | -         | -         | -         | -         | -         | -         | -         | -         |                 |
| Net Operating Income (NOI)            |           | 2,600,000        | 2,600,000 | 2,600,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 |                 |
| Reversion value of the building       |           |                  |           |           |           |           |           |           |           |           |           |                 |
| Net Cash Flow                         |           | 2,600,000        | 2,600,000 | 2,600,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 | 2,860,000 |                 |
| Discount Factor                       |           | 0.9132           | 0.8340    | 0.7617    | 0.6956    | 0.6352    | 0.5801    | 0.5298    | 0.4838    | 0.4418    | 0.4035    | 0.4035          |
| Present Value of Cash Flows           |           | 2,374,429        | 2,168,429 | 1,980,300 | 1,989,342 | 1,816,751 | 1,659,133 | 1,515,190 | 1,383,735 | 1,263,685 | 1,154,051 | 19,767,650      |
| Net present value of the property     |           |                  |           |           |           |           |           |           |           |           |           | 37,072,696      |
| Final Property Value                  |           |                  |           |           |           |           |           |           |           |           |           | 37,072,696      |
| Final Property Value (after rounding) |           |                  |           |           |           |           |           |           |           |           |           | 37,073,000      |

Final value of the property

Based on the purpose of the valuation and the nature and characteristics of the property, as it is an industrial building property leased under a single contract, the valuation of the property using the Income Approach (Discounted Cash flows) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)           |
|---|---|
| 37,073,000  | Thirty-seven million and seventy-three thousand Saudi riyls |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi






## Team



Turki Saeed Al-Wadaei  
Real estate - Associate  
Membership No 1210002981



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**

## Documents received from the client

[illegible]

رقم الصك: 693010005751  
التاريخ: 1443/03/13 هـ

صک رہن

[illegible]

الموئل

الختم الرسمي

ابراهيم عمر محمد الحسين

793 رقم التماسيح:

## Documents received from the client

|   |   |  |   |   |   |                            |
|---|---|--|---|---|---|----------------------------|
| الأجرة السنوية للكهرباء:  | -   | Electricity Annual Amount:               | -   | الأجرة السنوية للغاز:   | -   | Gas Annual Amount:         |
| الأجرة السنوية للمياه:  | -   | Water Annual Amount:                     | -   | والتي تشمل على:   | -   | General Services Included: |
| الأجرة السنوية للخدمات العامة: (يُدخل ضمن القيمة الإيجارية لعقد الإيجار)            | 0.0   | General Services Amount:                 | 0.0   | عدد دفعات الإيجار:  | 6   | Number of Rent Payments:   |
| دفعه الإيجار الأولى: (تشمل العربون)   | 805000.00   | First rental payment: (includes deposit) | 805000.00   | مبلغ ضريبة القيمة المضافة على القيمة الإيجارية:                                     | 630000.00   | VAT on rental value:       |
| الرقم المسلسل No.   | 310199293800003   | tin_number                               | 310199293800003   | نوع الهوية ID Type  | رقم الهوية أو السجل التجاري ID/CR Number  |                            |
| القيمة السنوية للإيجار:   | 1400000.00  | Annual Rent:                             | 1400000.00  | اجمالي قيمة العقد:  | 4630000.00  | Total Contract value       |
| الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة | Approved payment methods                 | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونياً من خلال قنوات الدفع المتاحة |                            |

| ١٣ جدول سداد الدفعات   |                         |                  |                       |                           |                               |                              |                               |                              |                               |
|------------------------|-------------------------|------------------|-----------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| Rent Payments Schedule |                         |                  |                       |                           |                               |                              |                               |                              |                               |
| الرقم المسلسل No.      | قيمة الإيجار Rent value | قيمة الضريبة VAT | قيمة المصارف Services | إجمالي القيمة Total value | تاريخ الإصدار Issued Date(AD) | تاريخ الاستحقاق Due Date(AD) | تاريخ الإصدار Issued Date(AH) | تاريخ الاستحقاق Due Date(AH) | تاريخ الإصدار Issued Date(AH) |
| 1                      | 700000.00               | 105000.00        | 0.00                  | 805000.00                 | 2023-11-15                    | 2023-11-25                   | 1445-05-01                    | 1445-05-11                   | 1445-05-11                    |
| 2                      | 700000.00               | 105000.00        | 0.00                  | 805000.00                 | 2024-05-15                    | 2024-05-25                   | 1445-11-07                    | 1445-11-17                   | 1445-11-17                    |
| 3                      | 700000.00               | 105000.00        | 0.00                  | 805000.00                 | 2024-11-15                    | 2024-11-25                   | 1446-05-13                    | 1446-05-23                   | 1446-05-23                    |
| 4                      | 700000.00               | 105000.00        | 0.00                  | 805000.00                 | 2025-05-15                    | 2025-05-25                   | 1446-11-17                    | 1446-11-27                   | 1446-11-27                    |
| 5                      | 700000.00               | 105000.00        | 0.00                  | 805000.00                 | 2025-11-15                    | 2025-11-25                   | 1447-05-24                    | 1447-06-04                   | 1447-06-04                    |
| 6                      | 700000.00               | 105000.00        | 0.00                  | 805000.00                 | 2026-05-15                    | 2026-05-25                   | 1447-11-28                    | 1447-12-08                   | 1447-12-08                    |

قيمة إيجارية مقفلة سنوياً له

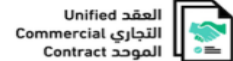
| ١٤ التزامات الطرفين |
|---------------------|
|---------------------|

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)  
تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت التزامات المؤجر / التزامات المستأجر / أحكام عامة

| ١٥ مواد العقد |
|---------------|
|---------------|

| المادة الأولى: البيانات السابقة على إلتزامات الأطراف |
|--|
|--|

تعد البيانات السابقة على إلتزامات الأطراف والمحددة في البنود من (1-14) جزء لا يتجزأ من هذا العقد ومفسرة ومكملة له.



يعتبر هذا العقد عقداً موثقاً وسليماً تنفيذاً بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |                 |                         |                          |            |                           |
|--------------------------|-----------------|-------------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:           | 20523819982 / 2 | Contract No.            | نوع العقد:               | جديد       | Contract Type             |
| تاريخ إبرام العقد:       | 2023-08-14      | Contract Sealing Date   | مكان إبرام العقد:        | الرياض     | Contract Sealing Location |
| تاريخ بداية مدة الإيجار: | 2023-11-15      | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2026-11-14 | Tenancy End Date          |
| معلق بشروط               | لا              | Contract is conditional |                          |            |                           |

| ٢ بيانات المؤجر    |            |                   |                      |   |                      |
|--------------------|------------|-------------------|----------------------|---|----------------------|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة تحديد النوى العقارية شركة شخص واحد | Company name/Founder |
| رقم السجل التجاري: | 1010896622 | CR No.            | الرقم الموحد         | 7010776792                              | Unified Number       |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                              | CR Date              |

| ٣ بيانات مُمَثِّلِ المؤجر |                          |                  |                    |                          |             |
|---------------------------|--------------------------|------------------|--------------------|--------------------------|-------------|
| الاسم:                    | سلمان حسين بن يحيى معيدي | Name             | الجنسية:           | المملكة العربية السعودية | Nationality |
| نوع الهوية:               | هوية وطنية               | ID Type          | رقم الهوية:        | 1073134924               | ID No.      |
| رقم الدوال:               | +964556332153            | Mobile No.       | البريد الإلكتروني: | mualidis@mulkia.com.sa   | Email       |
| العنوان الوطني:           |                          | National Address |                    |                          |             |

| ٤ بيانات المستأجر  |            |                   |                      |                                 |                      |
|--------------------|------------|-------------------|----------------------|---------------------------------|----------------------|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة يوسف بن احمد كاتو المحدودة | Company name/Founder |
| رقم السجل التجاري: | 2050000443 | CR No.            | الرقم الموحد         | 7000074570                      | Unified Number       |
| جهة الإصدار:       | كتابة عدل  | Issued by         | تاريخ السجل التجاري: | 1957-08-11                      | CR Date              |

| ٥ بيانات مُمَثِّلِ المستأجر |                               |      |  |  |  |
|-----------------------------|-------------------------------|------|--|--|--|
| الاسم:                      | رامي محمد سعيد مساعد الجدعاني | Name |  |  |  |

## Documents received from the client

|   |   |  |  |                             |  |
|---|---|--|--|-----------------------------|--|
| Unit Finishing Fee<br>(Not included in<br>total contract<br>amount):  | ريال لكل متر مربع<br>مضافة<br>الوحدة الجدارية   | 0.0  | مبلغ تجهيز الوحدة الجدارية (لا يدخل ضمن القيمة<br>الإجمالية لعقد الجدار) |                             |  |
| Retainer Fee (Included in total contract<br>amount):  |   | 0.0  | مبلغ العبرون الشاقول عليه (يُدخل ضمن القيمة<br>الإجمالية لعقد الجدار)    |                             |  |
| Gas Annual Amount:  | 0   | الأجرة السنوية للغاز:                                | Electricity Annual<br>Amount:  | 0                           | الأجرة السنوية<br>للكهرباء:  |
|   |   |  | Water Annual<br>Amount:  | 0                           | الأجرة السنوية للمياه:   |
| General Services<br>Included:   | -   | والتي تشمل على:                                      | General Services<br>Amount:  | 0.0                         | الأجرة السنوية<br>للخدمات العامة (لا يدخل<br>ضمن القيمة الجدارية<br>لعقد الجدار) |
| Number of Rent<br>Payments:   | 6   | عدد دفعات الجدار:                                    | Rent payment cycle   | نصف سنوي                    | دورة سداد الجدار   |
| VAT on rental value:  | 540000.0  | مبلغ ضريبة القيمة<br>المضافة على القيمة<br>الجدارية: | First rental<br>payment: (Includes<br>deposit)                           | 690000.0                    | دفعة الجدار الأولى:<br>(تشمل العبرون)  |
|   |   | رقم الهوية أو السجل<br>التجاري<br>ID/CR Number       | نوع الهوية<br>ID Type  | الرقم الضريبي<br>Vat number | الرقم المسجل<br>No.  |
|   |   | 1010896422   | رقم التسجيل  | 310199293800003             | 1  |
|   |   |  | Annual Rent:   | 1200000.0                   | القيمة السنوية للجدار:   |
| Total Contract value  |   | 4140000.0  |  |                             |  |
| يشمل: القيمة الجدارية، ومبلغ العبرون، ومبلغ ضريبة القيمة المضافة -إن وجدت- وقيمة الخدمات العامة، والأجرة السنوية للغاز والكهرباء، والمياه<br>والصرف المسمى (لا تُدفع كمبلغ ثابت). |   |  |  |                             |  |
| Approved payment methods  | الدفع عن طريق الوسيط المالي/الموثر أو<br>الدفع الإلكتروني من خلال قنوات الدفع المتاحة |  |  |                             | طرق الدفع المعتمدة   |

| Rent Payments Schedule    |                                |                               |                                |                              | ١٣ جدول سداد الدفعات  |                       |                              |                         |
|---------------------------|--------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------|-----------------------|------------------------------|-------------------------|
| تاريخ الاستحقاق<br>(Date) | تاريخ الإصدار<br>(Issued Date) | تاريخ الاستحقاق<br>(Due Date) | تاريخ الإصدار<br>(Issued Date) | إجمالي القيمة<br>Total value | القيمة المضافة<br>VAT | القيمة المضافة<br>VAT | القيمة المضافة<br>Rent value | الرقم<br>المتتالي<br>No |
| 1443-05-28                | 1443-05-18                     | 2022-01-01                    | 2021-12-22                     | 690000.0                     | 0.0                   | 90000.0               | 600000.0                     | 1                       |
| 1443-12-03                | 1443-11-23                     | 2022-07-02                    | 2022-06-22                     | 690000.0                     | 0.0                   | 90000.0               | 600000.0                     | 2                       |
| 1444-06-08                | 1444-05-28                     | 2023-01-01                    | 2022-12-22                     | 690000.0                     | 0.0                   | 90000.0               | 600000.0                     | 3                       |
| 1444-12-14                | 1444-12-04                     | 2023-07-02                    | 2023-06-22                     | 690000.0                     | 0.0                   | 90000.0               | 600000.0                     | 4                       |
| 1445-06-19                | 1445-06-09                     | 2024-01-01                    | 2023-12-22                     | 690000.0                     | 0.0                   | 90000.0               | 600000.0                     | 5                       |
| 1445-12-26                | 1445-12-16                     | 2024-07-02                    | 2024-06-22                     | 690000.0                     | 0.0                   | 90000.0               | 600000.0                     | 6                       |

قيمة إيجارية متغيرة سنوياً:

## Parties Obligations

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالخيار بين (المستأجر / المؤجر)  
تحول التزامات الأطراف بعد تحديدها إلى المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة)

4





يعتبر هذا العقد عقداً موثقاً وستُندأ تنفيذاً بموجب قرار مجلس الوزراء رقم (١٢١) وتاريخ ١٤٣٥/٤/٣ هـ.

| Contract Data             |            |                          | البيانات العقد        |             |
|---------------------------|------------|--------------------------|-----------------------|-------------|
| Contract Type             | جديد       | نوع العقد:               | Contract No.          | 20734008182 |
| Contract Sealing Location | الرياض     | مكان إبرام العقد:        | Contract Sealing Date | 2021-10-10  |
| Tenancy End Date          | 2024-12-21 | تاريخ نهاية مدة الإيجار: | Tenancy Start Date    | 2021-12-22  |
| Contract is conditional   | نعم        |                          |                       |             |

لشروط المعلق عليه بداية الإيجار: العقد معلق بدفع الأيجار

|                   |        |                          |
|-------------------|--------|--------------------------|
| Ejar Fees Paid By | المؤجر | طريقة دفع رسوم<br>العقد: |
|-------------------|--------|--------------------------|

| Lessor Data          |                                | ٢ بيانات المؤجر   |                                  |
|----------------------|--------------------------------|-------------------|----------------------------------|
| Company name/Founder | اسم شركة تمدين الأولى التجارية | Organization Type | commercial<br>نوع المنظمة:       |
| Unified Number       | 7010776792                     | CR No.            | 1010896622<br>رقم السجل التجاري: |
| CR Date              | 2017-10-04                     | Issued by         | -<br>جهة الإصدار:                |

[illegible]

| بيانات المستأجر    |            | Tenant Data       |                               |
|--------------------|------------|-------------------|-------------------------------|
| نوع المنظمة:       | commercial | Organization Type | اسم الشركة/ المؤسسة:          |
| رقم السجل التجاري: | 1010269251 | CR No.            | رقم المودع:                   |
|                    |            |                   | 7001751077                    |
|                    |            |                   | شركة العويس العالمية للتسارات |
|                    |            |                   | Company name/ Founder         |



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832

# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

West Avenue Mall

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: West Avenue Mall Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Dammam, Al-Faisaliah** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of West Avenue Mall property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **In the amount of only (281.882,000) Two hundred and eighty-one million, eight hundred and eighty-two thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**



## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity  |
|---|---|--|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"> <li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li> <li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li> <li>▪Nidal Ahmed Al-Ghamdi- Associate Member - Real Estate - 1210000135</li> </ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation   |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund   |
| Report type for client  | Valuation Approach                            | Asset subject to valuation   |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | West Avenue Mall   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date  |
| 00/00/0000 AD   | 31/12/2024 AD                                 | 09/12/2024 AD  |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



Step 04



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..



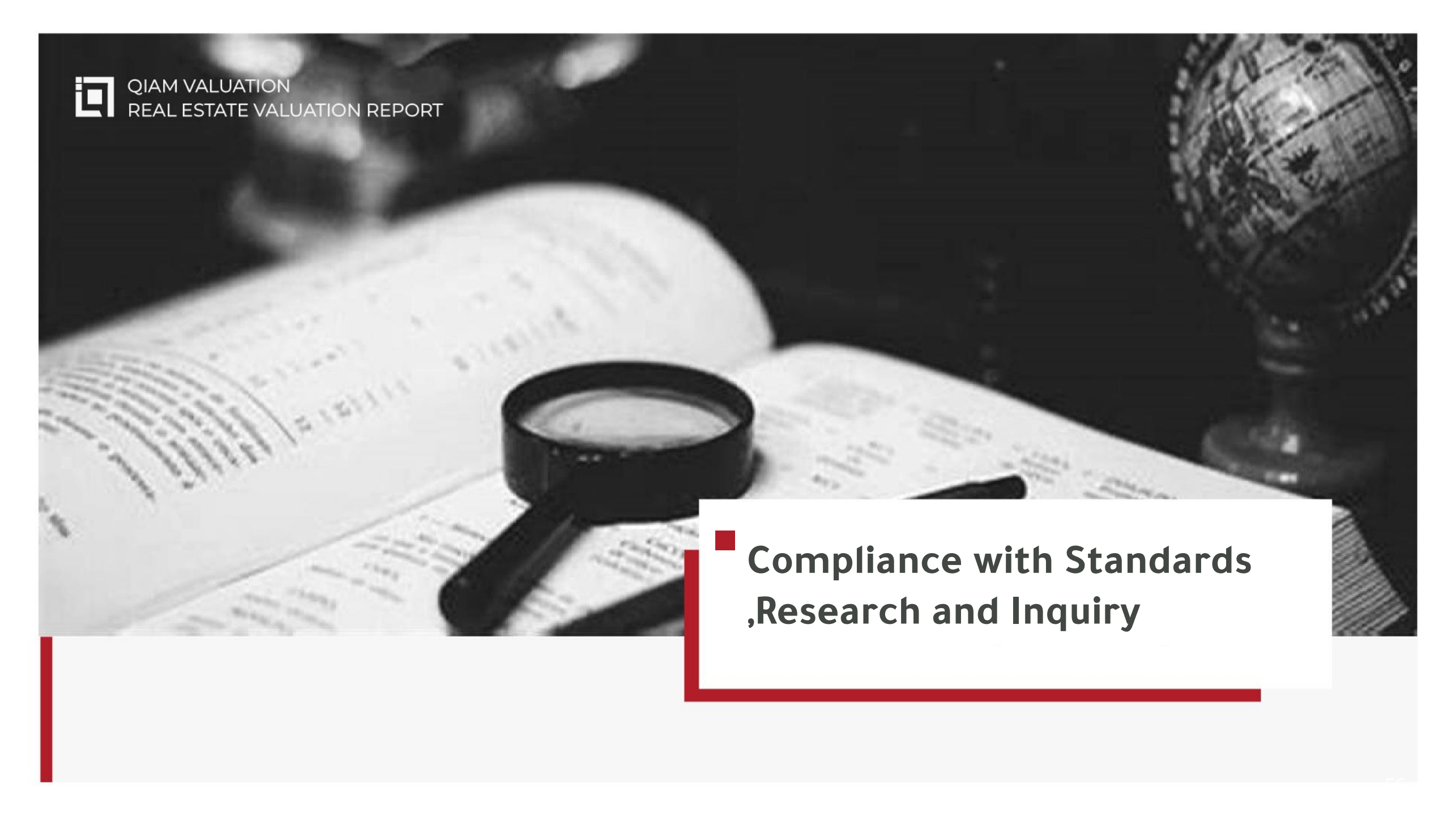
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period





## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.





- **Overview of the economy and the real estate sector in the Dammam city**



Social, service and real estate indicators - Dammam City - 2023 AD

Social and service indicators:

|  |                                    |  |                                 |                            |  |
|--|------------------------------------|--|---------------------------------|----------------------------|--|
| <b>91</b><br>Public and private school | <b>2</b><br>University and College | <b>+5ML</b><br>Traveler                  | <b>+1.8ML</b><br>Workforce size | <b>+1.5K</b><br>Population | <b>800KM</b><br>Area                   |
| <b>1</b><br>Ports                      | <b>1</b><br>Airports               | <b>+28</b><br>Markets and shopping malls | <b>265</b><br>Factory           | <b>6</b><br>hospital       | <b>+1.8ML</b><br>Tourists and visitors |

Real estate indicators:

|   |                             |   |                                |
|---|-----------------------------|---|--------------------------------|
| <b>+144ML</b><br>Total value of rental transactions | <b>+9.1K</b><br>Rental deal | <b>+19.5Billion</b><br>Total value of executed transactions | <b>+11.8K</b><br>Executed deal |
|---|-----------------------------|---|--------------------------------|



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property's prime location is on King Abdullah Road, intersecting with Omar Bin Al Khattab Road.
- The site is close to the main axial roads that connect it to parts of the Eastern Province, such as **(King Abdullah Road and Dhahran-Jubail Expressway)**.

### Opportunities:

- Benefit from the proximity of the property to the largest and most important commercial centers in the city.
- The scarcity of distinctive commercial projects that meet the market needs in the property area.

### Weak points:

- Risks of changing the building system in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 330129001945 | 16/06/1443 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District              | Plot number | Plan number | Land area              |
|------------------------------|-------------|-------------|------------------------|
| Dammam Al Faisaliah District | 5 block 2   | 1330        | 57215.32 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 30m wide corridor    | 174.4         | 20m wide street | 187.43        | 60m wide street | 353.04        | 20m wide street | 334.03        |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                          |                |                                   |
|---|--------------------------|----------------|-----------------------------------|
| City  | Dammam                   | Neighborhood   | Al-Faisaliah                      |
| Street  | Omar bin Al-Khattab Road | Property type  | Mall                              |
| No. land plan   | 1330                     | Plot number    | 5 block 2                         |
| Land Area   | 57215.32 square meters   | Built-up area  | 81,873 square meters              |
| Services and facilities available in the real estate area |                          |                |                                   |
| Electricity network                                       | Telephone network        | Water network  | Sewerage network                  |
| ✓   | ✓                        | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                   | Dispensary     | Garden                            |
| ✓   | ✓                        | ✓              | ✓                                 |
| Public markets  | Civil defense            | Police station | Hospital                          |
| ✓   | ✓                        | ✓              | ✓                                 |
| Hotels  | Petrol station           | Schools        | Governmental services and centers |
| ✓   | ✓                        | ✓              | ✓                                 |



Factors affecting the property

| Impact element                  | Impact determinants                     | Description  |
|---------------------------------|---|--|
| Area overview                   | Importance of the area                  | The property is located west of Dammam city in Al Faisaliah district on Omar bin Al Khattab Road intersecting with King Abdullah Road. |
| Natural factors (Environmental) | Lands topography                        | Flat   |
|                                 | Pollution                               | N.A.   |
| Planning factors (Urban)        | Location from the city                  | West of the city   |
|                                 | Infrastructure                          | Completed  |
|                                 | Municipal equipment                     | Completed  |
|                                 | Land properties                         | Regular sides and lengths  |
| Building Regulations            | Land use                                | Commercial Multi-Use   |
|                                 | Building ratio - number of floors       | Commercial ground floor + 3 repeated floors + 50% upper extensions   |
| Economic factors                | Supply and demand                       | Average  |
|                                 | Land prices                             | Average  |
| Legal factors                   | Deficit and trespassing on the property | N.A.   |

- When examining the property, it became clear to us that it is a **(Mall)**. Detailed as below:

| Building components |                |           |             |
|---------------------|----------------|-----------|-------------|
| #                   | Floor          | Area (m2) | Use         |
| 1                   | Basement 1     | 19481     | Parking     |
| 2                   | Basement 2     | 6993      | Services    |
| 3                   | Ground floor 1 | 31105     | Trade shows |
| 4                   | Ground floor 2 | 18378     | Parking     |
| 5                   | Mezzanine      | 419       | Trade shows |
| 6                   | First floor    | 2000      | Trade shows |
| 7                   | Second floor   | 2000      | Trade shows |

## Property Description

## INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

## EXTERIOR FINISHES

| Facades       | Facilities        | Doors                  | Floors |
|---------------|-------------------|------------------------|--------|
| Paint - Stone | Cosmetic implants | Electric Securit Glass | Marble |

## Electromechanical and air conditioning systems

| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Central          | 4 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

## Security and safety systems - other facilities

| Facilities                    | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|-------------------------------|--------------------|--|---|
| Private pools for some villas | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |

Property location

Property is located in: **Dammam**

Neighborhood: **Al-Faisaliah**

Street: **Omar bin Al-Khattab Road**

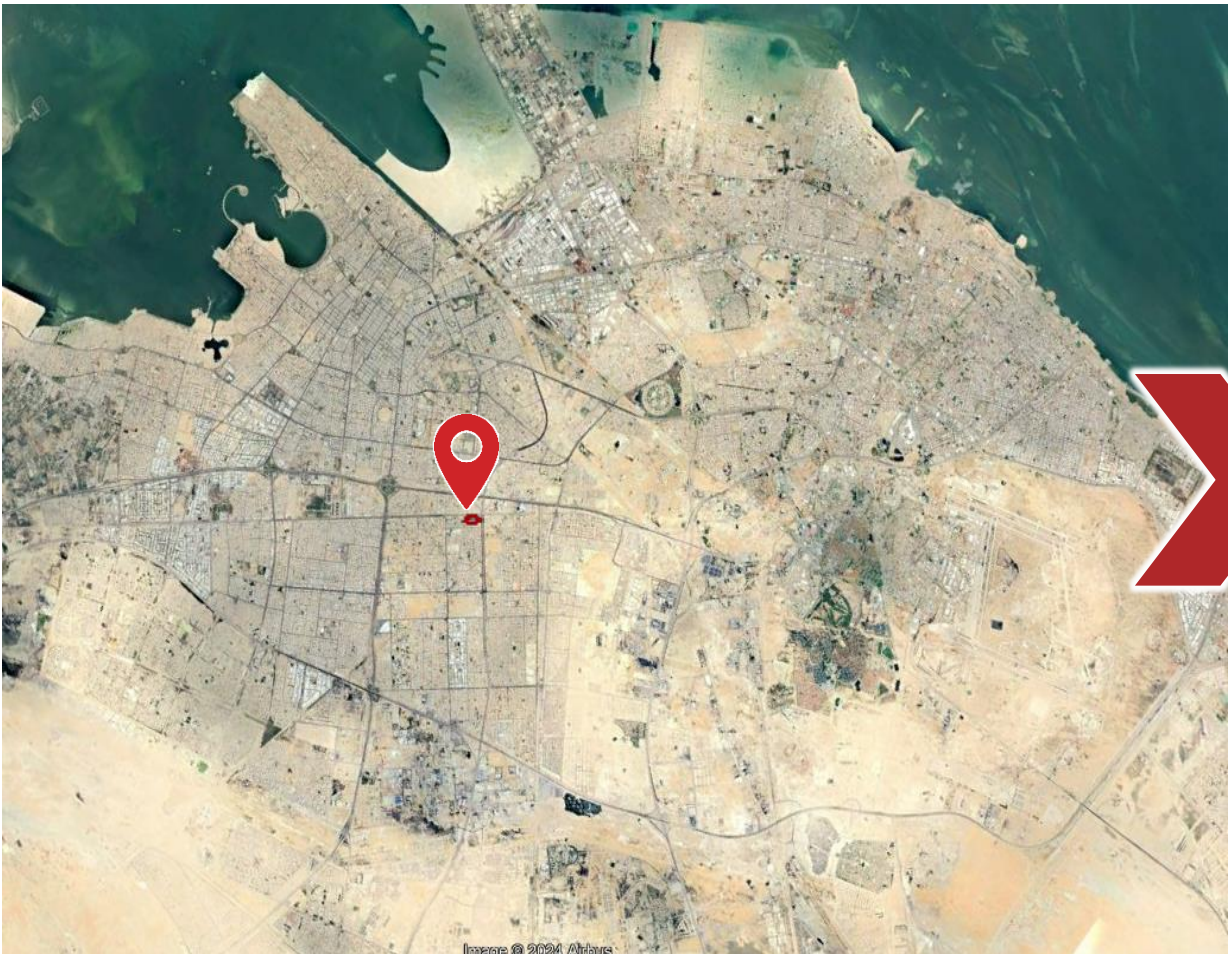
Location coordinates

N :

26.387497

E :

50.075157





## Photographic survey of the Property

2024-12-11 11:30:34



2024-12-11 11:30:13



2024-12-11 11:30:33



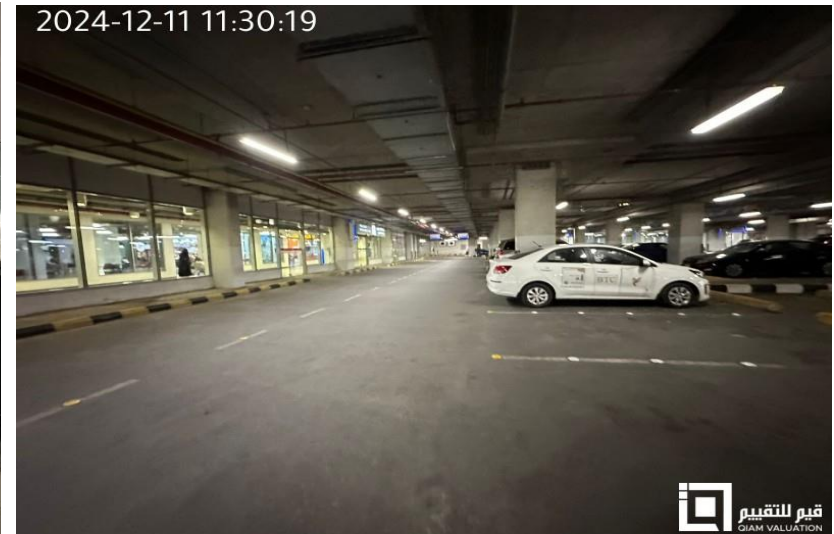
2024-12-11 11:30:28



2024-12-11 11:30:29



2024-12-11 11:30:19







Development



## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.



Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                          | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | Used as an assist                            | Used as an assist                      | Mainly used                                     |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                       | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial showroom. | The fact that the property is income-generating |

Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |             |                         |            |
|---|--------------------------|--------------------------|-------------|-------------------------|------------|
| Clause  |                          | Comparative real estates |             |                         |            |
| Adjustments factors   | Property under valuation | Comparison 1             |             | Comparison 2            |            |
|   |                          | Value                    | Adjustment  | Value                   | Adjustment |
| Price per square meter  | ***                      | 5,000                    |             | 4,200                   |            |
| Condition   | ***                      | Available offer          |             | Available offer         |            |
| Date of valuation/offer   | 2024                     | 2024                     |             | 2024                    |            |
| Market Condition  | ***                      | -15.00%                  | - 750       | -15.00%                 | - 630      |
| Financing terms   | ***                      | 0.00%                    | -           | 0.00%                   | -          |
| Market conditions value   | ***                      | (750.00)                 |             | (630.00)                |            |
| Value after initial settlements   |                          | ***                      | 4,250       | 3,570                   |            |
| Land area (m²)  | 57215.32                 | 2,575                    | -22%        | 1,440                   | -25%       |
| Ease of access  | High                     | High                     | 0%          | High                    | 0%         |
| Property location   | High                     | High                     | 0%          | High                    | 0%         |
| Land shape  | Regular                  | Regular                  | 0%          | Regular                 | 0%         |
| Land topography   | Average                  | High                     | -5%         | High                    | -5%        |
| Land use  | Commercial Residential   | Commercial Residential   | 0%          | Commercial Residential2 | 0%         |
| Surrounding streets   | 3                        | 2                        | 5%          | 2                       | 5%         |
| Total   |                          |                          | -22.00%     |                         | -25.00%    |
| Adjustment value per square meter   |                          |                          | 935-        |                         | 893-       |
| Final meter value after Adjustments   |                          |                          | 3,315       |                         | 2,678      |
| Net average value per square meter (SAR / m²)   |                          |                          | 2,996       |                         |            |
| Market value of the land (SAR / m²)   |                          |                          | 171,431,403 |                         |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs) |                  |          |             |
|--|------------------|----------|-------------|
| Clause                                   | Built up area m2 | SAR / m2 | Value (SAR) |
| Basement 1 indoor parking                | 19481            | 2,200    | 42,858,200  |
| Basement 2 indoor parking                | 6993             | 2,200    | 15,384,600  |
| Ground floor 1                           | 31105            | 2,500    | 77,762,500  |
| Ground floor 2 outdoor parking           | 18378            | 150      | 2,756,700   |
| Mezzanine                                | 419              | 2,500    | 1,047,500   |
| First floor                              | 2000             | 2,500    | 5,000,000   |
| Second floor                             | 2000             | 2,500    | 5,000,000   |
| Workshop                                 | 961              | 800      | 768,800     |
| Fence                                    | 536              | 800      | 428,800     |
| Total (SAR)                              | 81,873           |          | 151,007,100 |
| Second: Other costs (Indirect)           |                  |          |             |
| Professional fees                        | 2%               |          | 3,020,142   |
| Utilities Network                        | 2%               |          | 3,020,142   |
| Administration costs                     | 2%               |          | 3,020,142   |
| Financing costs (0 years / 0%)           | 0%               |          | -           |
| Developer's profitability                | 15%              |          | 22,651,065  |
| Total (SAR)                              |                  |          | 31,711,491  |
| Total cost of buildings (SAR)            |                  |          | 182,718,591 |

| Third: Depreciation cost   |      |             |
|--|------|-------------|
| Life span of the property (year)   | Year | 40          |
| The current age of the property (year)   | Year | 6           |
| Remaining life of the property (year)  | Year | 34          |
| Depreciation rate  | %    | 15          |
| Depreciation value   | SAR  | 27,407,789  |
| Final value of the building (SAR)  |      | 155,310,802 |
| Fourth: Value of the property according to the Cost Approach                     |      |             |
| Final value of the land (SAR)  |      | 171,431,403 |
| Final value of buildings (SAR)   |      | 155,310,802 |
| Market value of the property according to the Cost Approach (SAR)                |      | 326,742,205 |
| Market value of the property according to the Cost Approach after rounding (SAR) |      | 326,742,000 |



## Property income according to income data sent by the client

### Rental price analysis based on market survey data results

| Property Type    | Average area (m2) | Average rental value (SAR/meter) |
|------------------|-------------------|----------------------------------|
| Big trade show   | 500 - 300         | 1,300                            |
| Small trade show | 150 - 100         | 1,500                            |
| Kiosks           | 15                | 4,000                            |
| Hyper Showrooms  | 5000 - 2500       | 550                              |

### Calculating the income of the property being valued (according to market survey data)

| Clause              | Rental area (m2) | Average rental value per square meter (SAR/meter) | Total rental value (SAR) |
|---------------------|------------------|---|--------------------------|
| Rented units        | 28200            | 1,200   | 33,840,000               |
| Vacant units        | 4063             | 1200  | 4,875,600                |
| Total rental income |                  |   | 38,715,600               |

### Calculating the income of the property being valued

| Clause              | Rental area (m2) | Average rental value per square meter (SAR/meter) | Total rental value (SAR) |
|---------------------|------------------|---|--------------------------|
| Rented units        | 28200            | 647.81  | 18,268,326               |
| Vacant units        | 4063             | 1400  | 5,688,200                |
| Total rental income |                  |   | 23,956,526               |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7.5%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Operating Expense Rate:

Considering the market activity and similar reports from Qiam Investments, it became clear to us that the vacancy rate is between 10% and 20%, and accordingly 15% was assumed as the operating expenses rate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 0.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 8.5  | %  |

### Assumptions:

| Discounted Cash Flow method assumptions |            |                                     |      |
|---|------------|-------------------------------------|------|
| Total property income                   | 25,409,902 | Discount rate                       | %8.5 |
| Occupancy rate                          | %87        | Capitalization rate                 | %7.5 |
| Operating Expense Rate                  | %15        | Growth rate - annually from 2027 AD | %2   |

### Vacancy rate and credit risk:

Considering the market activity and similar reports from Qim Investments, we found that the occupancy rate ranges between 5% and 10%. Accordingly, the occupancy rate was assumed to be 87% based on the income data received from the client.

### Rental income:

Based on the income data sent by the client, it became clear to us that the current income of the property based on the rented units is (18,268,326 riyals) and it was assumed for the first year and the rental of the remaining units was assumed based on market prices and reversed from 2025AD.

### Growth rate:

Based on the market activity and similar contracts, we found that the growth rate for contracts is 2% per year, and this was assumed from 2027 until the end of the flow period. A growth rate of 10% was also assumed for 2026 to be in line with prevailing market prices.

Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows                   |            | Investment years |            |            |            |            |            |            |            |            |             | Reversion value |
|---------------------------------------|------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-----------------|
|                                       |            | 2024             | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033        |                 |
|                                       |            | 1                | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10          |                 |
| Expected growth value                 |            | 0.00%            | 0.00%      | 10.00%     | 2.00%      | 2.00%      | 2.00%      | 2.00%      | 2.00%      | 2.00%      | 2.00%       |                 |
| Total rental value                    | 23,956,526 | 18,268,326       | 23,956,526 | 26,352,179 | 26,879,222 | 27,416,807 | 27,965,143 | 28,524,446 | 29,094,935 | 29,676,833 | 30,270,370  |                 |
| Occupancy rate                        | 87%        | -                | 20,842,178 | 22,926,395 | 23,384,923 | 23,852,622 | 24,329,674 | 24,816,268 | 25,312,593 | 25,818,845 | 30,270,370  |                 |
| Actual gross income                   |            | 18,268,326       | 20,842,178 | 22,926,395 | 23,384,923 | 23,852,622 | 24,329,674 | 24,816,268 | 25,312,593 | 25,818,845 | 30,270,370  |                 |
| Minus operating expense ratio         | 15%        | 2,740,249        | 3,126,327  | 3,438,959  | 3,507,738  | 3,577,893  | 3,649,451  | 3,722,440  | 3,796,889  | 3,872,827  | 4,540,555   |                 |
| Net Operating Income (NOI)            |            | 15,528,077       | 17,715,851 | 19,487,436 | 19,877,185 | 20,274,728 | 20,680,223 | 21,093,828 | 21,515,704 | 21,946,018 | 25,729,814  |                 |
| Reversion value of the building       |            |                  |            |            |            |            |            |            |            |            |             |                 |
| Net Cash Flow                         |            | 15,528,077       | 17,715,851 | 19,487,436 | 19,877,185 | 20,274,728 | 20,680,223 | 21,093,828 | 21,515,704 | 21,946,018 | 25,729,814  |                 |
| Discount Factor                       |            | 0.9217           | 0.8495     | 0.7829     | 0.7216     | 0.6650     | 0.6129     | 0.5649     | 0.5207     | 0.4799     | 0.4423      | 0.4423          |
| Present Value of Cash Flows           |            | 14,311,592       | 15,048,823 | 15,256,872 | 14,342,865 | 13,483,615 | 12,675,841 | 11,916,459 | 11,202,570 | 10,531,448 | 11,379,922  | 151,732,288     |
| Net present value of the property     |            |                  |            |            |            |            |            |            |            |            |             | 281,882,296     |
| Final Property Value                  |            |                  |            |            |            |            |            |            |            |            | 281,882,296 |                 |
| Final Property Value (after rounding) |            |                  |            |            |            |            |            |            |            |            | 281.882,000 |                 |

Final value of the property

Based on the purpose of the valuation and the nature of the property and its characteristics as a commercial complex property (Mall), the valuation of the property using the Income Approach (Discounted Cash Flow method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property being evaluated, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                                      |
|---|--|
| 281.882,000                                       | Two hundred and eighty-one million, eight hundred and eighty-two thousand Saudi riyals |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi




## Team



Nidal Ahmed Al-Ghamdi  
Real estate - Associate  
Membership No 1210000135



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005





## **Appendix**

## Documents received from the client

المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة المنطقة الشرقية  
بلدية غرب الدمام  
إدارة رخص البناء  
رخصة إنشاء بنساء

رقم الرخصة: ١٤٣٧٠٠١٤٥٢  
تاريخها: ١٤٣٧٠٠١٤٥٢  
صلاحياتها: ١٤٣٧٠٠١٤٥٢  
نوعها: ١٤٣٧٠٠١٤٥٢

الصفحة: ١  
تاريخها: ١٤٣٧٠٠١٤٥٢

مصدرها: شركة عازرات الخليج  
الصفحة: ١٠٢٠٧١١٢  
البلد: ١٠٢٠٧١١٢  
المنطقة: ١٠٢٠٧١١٢  
الرقم: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

رقم القطعة: ١٠٢٠٧١١٢  
رقم السيلك: ١٠٢٠٧١١٢  
رقم الاستخدام: ١٠٢٠٧١١٢  
نوع مستند التملك: ١٠٢٠٧١١٢  
تاريخه: ١٤٣٧٠٠١٤٥٢

المنطقة: ١٠٢٠٧١١٢  
الجهة: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

مكونات البناء: ١٠٢٠٧١١٢  
الوصف: ١٠٢٠٧١١٢  
عدد الوحدات: ١٠٢٠٧١١٢  
المساحة: ١٠٢٠٧١١٢  
الاستخدام: ١٠٢٠٧١١٢

ملاحظات: ١٠٢٠٧١١٢  
التاريخ: ١٤٣٧٠٠١٤٥٢  
الرقم: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة المنطقة الشرقية  
بلدية غرب الدمام  
إدارة رخص البناء  
رخصة إنشاء بنساء

رقم الرخصة: ١٤٣٧٠٠١٤٥٢  
تاريخها: ١٤٣٧٠٠١٤٥٢  
صلاحياتها: ١٤٣٧٠٠١٤٥٢  
نوعها: ١٤٣٧٠٠١٤٥٢

الصفحة: ١  
تاريخها: ١٤٣٧٠٠١٤٥٢

مصدرها: شركة عازرات الخليج  
الصفحة: ١٠٢٠٧١١٢  
البلد: ١٠٢٠٧١١٢  
المنطقة: ١٠٢٠٧١١٢  
الرقم: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

رقم القطعة: ١٠٢٠٧١١٢  
رقم السيلك: ١٠٢٠٧١١٢  
رقم الاستخدام: ١٠٢٠٧١١٢  
نوع مستند التملك: ١٠٢٠٧١١٢  
تاريخه: ١٤٣٧٠٠١٤٥٢

المنطقة: ١٠٢٠٧١١٢  
الجهة: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

مكونات البناء: ١٠٢٠٧١١٢  
الوصف: ١٠٢٠٧١١٢  
عدد الوحدات: ١٠٢٠٧١١٢  
المساحة: ١٠٢٠٧١١٢  
الاستخدام: ١٠٢٠٧١١٢

ملاحظات: ١٠٢٠٧١١٢  
التاريخ: ١٤٣٧٠٠١٤٥٢  
الرقم: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة المنطقة الشرقية  
بلدية غرب الدمام  
إدارة رخص البناء  
رخصة إنشاء بنساء

رقم الرخصة: ١٤٣٧٠٠١٤٥٢  
تاريخها: ١٤٣٧٠٠١٤٥٢  
صلاحياتها: ١٤٣٧٠٠١٤٥٢  
نوعها: ١٤٣٧٠٠١٤٥٢

الصفحة: ١  
تاريخها: ١٤٣٧٠٠١٤٥٢

مصدرها: شركة عازرات الخليج  
الصفحة: ١٠٢٠٧١١٢  
البلد: ١٠٢٠٧١١٢  
المنطقة: ١٠٢٠٧١١٢  
الرقم: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

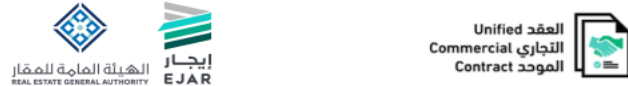
رقم القطعة: ١٠٢٠٧١١٢  
رقم السيلك: ١٠٢٠٧١١٢  
رقم الاستخدام: ١٠٢٠٧١١٢  
نوع مستند التملك: ١٠٢٠٧١١٢  
تاريخه: ١٤٣٧٠٠١٤٥٢

المنطقة: ١٠٢٠٧١١٢  
الجهة: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

مكونات البناء: ١٠٢٠٧١١٢  
الوصف: ١٠٢٠٧١١٢  
عدد الوحدات: ١٠٢٠٧١١٢  
المساحة: ١٠٢٠٧١١٢  
الاستخدام: ١٠٢٠٧١١٢

ملاحظات: ١٠٢٠٧١١٢  
التاريخ: ١٤٣٧٠٠١٤٥٢  
الرقم: ١٠٢٠٧١١٢  
الاسم: ١٠٢٠٧١١٢  
الخط: ١٠٢٠٧١١٢  
الرمز: ١٠٢٠٧١١٢

## Samples of the contracts that were reviewed



يعتبر هذا العقد عقدًا موثقًا وسنًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٢١) وتاريخ ٢٥/٤/٢٠١٣ هـ.

| ١ بيانات العقد           |                         |                 |                          |            |
|--------------------------|-------------------------|-----------------|--------------------------|------------|
| رقم سجل العقد:           | Contract No.            | 20309434154 / 1 | نوع العقد:               | جديد       |
| تاريخ إبرام العقد:       | Contract Sealing Date   | 2023-05-17      | مكان إبرام العقد:        | الدمام     |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | 2023-05-16      | تاريخ نهاية مدة الإيجار: | 2024-05-15 |
| معلق بشرط                | Contract is conditional | لا              |                          |            |

| ٢ بيانات المؤجر    |            |                   |                      |   |
|--------------------|------------|-------------------|----------------------|---|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة تعدين النولي<br>الحفارية شركة شخص واحد |
| رقم السجل التجاري: | 1010896622 | CR No.            | الرقم الموحد:        | 7010776792                                  |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                                  |

| ٣ بيانات مُمَثِّلِ المؤجر |                          |                  |                    |                       |
|---------------------------|--------------------------|------------------|--------------------|-----------------------|
| الاسم:                    | سلمان حسين بن يحيى معيدي | Name             |                    |                       |
| الجنسية:                  | المملكة العربية السعودية | Nationality      |                    |                       |
| نوع الهوية:               | هوية وطنية               | ID Type          | رقم الهوية:        | 1073134924            |
| رقم الجوال:               | +966556332153            | Mobile No.       | البريد الإلكتروني: | muaidis@mulkia.com.sa |
| العنوان الوطني:           | 441361636                | National Address | تاريخ الانتهاء:    | 2025-08-31            |
| رقم سند التمثيل:          | 441361636                | Number           | نوع المستند:       | وكالة شرعية إلكترونية |
|                           |                          |                  | تاريخ الإصدار:     | 2022-10-04            |

| ٤ بيانات المستأجر  |            |                   |                      |  |
|--------------------|------------|-------------------|----------------------|--|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | الشركة العالمية للمواد الاستهلاكية والأغذية المحدودة |
| رقم السجل التجاري: | 2050029957 | CR No.            | الرقم الموحد:        | 7013191684   |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 1995-06-18   |



لا يعد هذا العقد سنًا تنفيذيًا، لوجود بنود أو شروط إضافية

| ١ بيانات العقد           |                         |                 |                          |            |
|--------------------------|-------------------------|-----------------|--------------------------|------------|
| رقم سجل العقد:           | Contract No.            | 20648671620 / 1 | نوع العقد:               | جديد       |
| تاريخ إبرام العقد:       | Contract Sealing Date   | 2023-03-01      | مكان إبرام العقد:        | الدمام     |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | 2022-11-07      | تاريخ نهاية مدة الإيجار: | 2027-11-06 |
| معلق بشرط                | Contract is conditional | لا              |                          |            |

| ٢ بيانات المؤجر    |            |                   |                      |   |
|--------------------|------------|-------------------|----------------------|---|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة تعدين النولي<br>الحفارية شركة شخص واحد |
| رقم السجل التجاري: | 1010896622 | CR No.            | الرقم الموحد:        | 7010776792                                  |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                                  |

| ٣ بيانات مُمَثِّلِ المؤجر |                          |                  |                    |                       |
|---------------------------|--------------------------|------------------|--------------------|-----------------------|
| الاسم:                    | سلمان حسين بن يحيى معيدي | Name             |                    |                       |
| الجنسية:                  | المملكة العربية السعودية | Nationality      |                    |                       |
| نوع الهوية:               | هوية وطنية               | ID Type          | رقم الهوية:        | 1073134924            |
| رقم الجوال:               | +966556332153            | Mobile No.       | البريد الإلكتروني: | muaidis@mulkia.com.sa |
| العنوان الوطني:           | 441361636                | National Address | تاريخ الانتهاء:    | 2025-08-31            |
| رقم سند التمثيل:          | 441361636                | Number           | نوع المستند:       | وكالة شرعية إلكترونية |
|                           |                          |                  | تاريخ الإصدار:     | 2022-10-04            |

| ٤ بيانات المستأجر |          |                   |                     |   |
|-------------------|----------|-------------------|---------------------|---|
| نوع المنظمة:      | التجارية | Organization Type | اسم الشركة/المؤسسة: | الشركة السعودية للمعدات والادوات سلكو مساهمة عامة |



لا يعد هذا العقد سنًا تنفيذيًا، لوجود بنود أو شروط إضافية

| ١ بيانات العقد           |                         |                   |                          |            |
|--------------------------|-------------------------|-------------------|--------------------------|------------|
| رقم سجل العقد:           | Contract No.            | 20018994084 / 1-0 | نوع العقد:               | جديد       |
| تاريخ إبرام العقد:       | Contract Sealing Date   | 2024-01-30        | مكان إبرام العقد:        | الدمام     |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | 2023-08-10        | تاريخ نهاية مدة الإيجار: | 2027-08-09 |
| معلق بشرط                | Contract is conditional | لا                |                          |            |

| ٢ بيانات المؤجر    |            |                   |                      |   |
|--------------------|------------|-------------------|----------------------|---|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة تعدين النولي<br>الحفارية شركة شخص واحد |
| رقم السجل التجاري: | 1010896622 | CR No.            | الرقم الموحد:        | 7010776792                                  |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 2017-10-04                                  |

| ٣ بيانات مُمَثِّلِ المؤجر |                          |                  |                    |                       |
|---------------------------|--------------------------|------------------|--------------------|-----------------------|
| الاسم:                    | سلمان حسين بن يحيى معيدي | Name             |                    |                       |
| الجنسية:                  | المملكة العربية السعودية | Nationality      |                    |                       |
| نوع الهوية:               | هوية وطنية               | ID Type          | رقم الهوية:        | 1073134924            |
| رقم الجوال:               | +966556332153            | Mobile No.       | البريد الإلكتروني: | muaidis@mulkia.com.sa |
| العنوان الوطني:           | 441361636                | National Address | تاريخ الانتهاء:    | 2025-08-31            |
| رقم سند التمثيل:          | 441361636                | Number           | نوع المستند:       | وكالة شرعية إلكترونية |
|                           |                          |                  | تاريخ الإصدار:     | 2022-10-04            |

| ٤ بيانات المستأجر  |            |                   |                      |                             |
|--------------------|------------|-------------------|----------------------|-----------------------------|
| نوع المنظمة:       | التجارية   | Organization Type | اسم الشركة/المؤسسة:  | شركة الشايح الدولية للتجارة |
| رقم السجل التجاري: | 2050094953 | CR No.            | الرقم الموحد:        | 7013619528                  |
| جهة الإصدار:       | -          | Issued by         | تاريخ السجل التجاري: | 2013-10-21                  |



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Dinar Commercial Building



## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Dinar Commercial Building Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Jeddah, Al-Zahraa** neighborhood, pursuant to the assignment issued by you on **06/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Dinar Commercial Building property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **In the amount of only (118,816,000) One hundred and eighteen million, eight hundred and sixteen thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

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| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
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- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



## ■ Scope of work



Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | ▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052<br>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013<br>▪Walid Qalisi'- Real estate-Basic Follow- Membership No 1220001145 |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Dinar Commercial Building   |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 06/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

Scope of work Standard No. 101

Report currency

Saudi riyal

Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

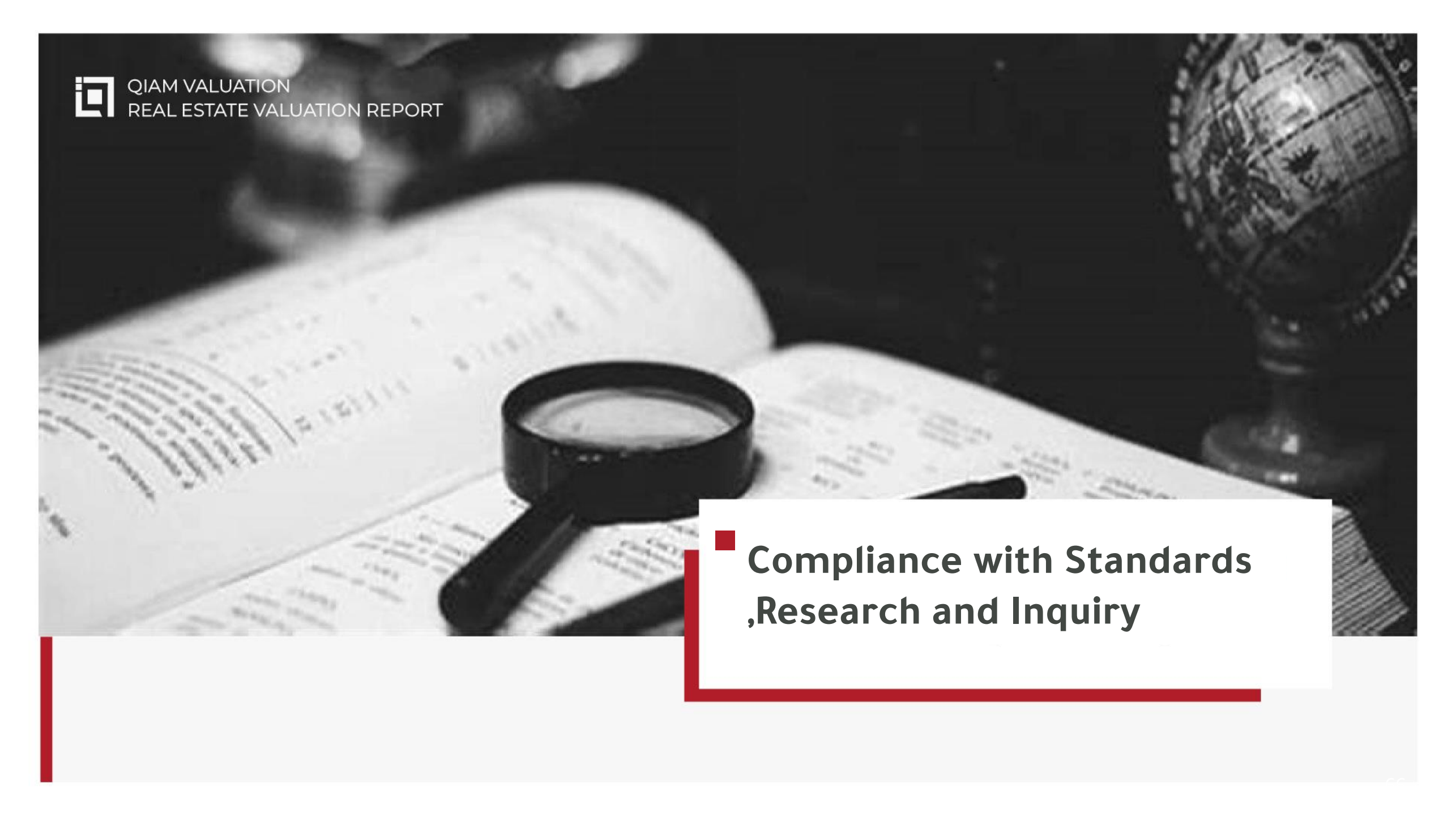
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the valuation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry



## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



■ An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia

## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.



## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

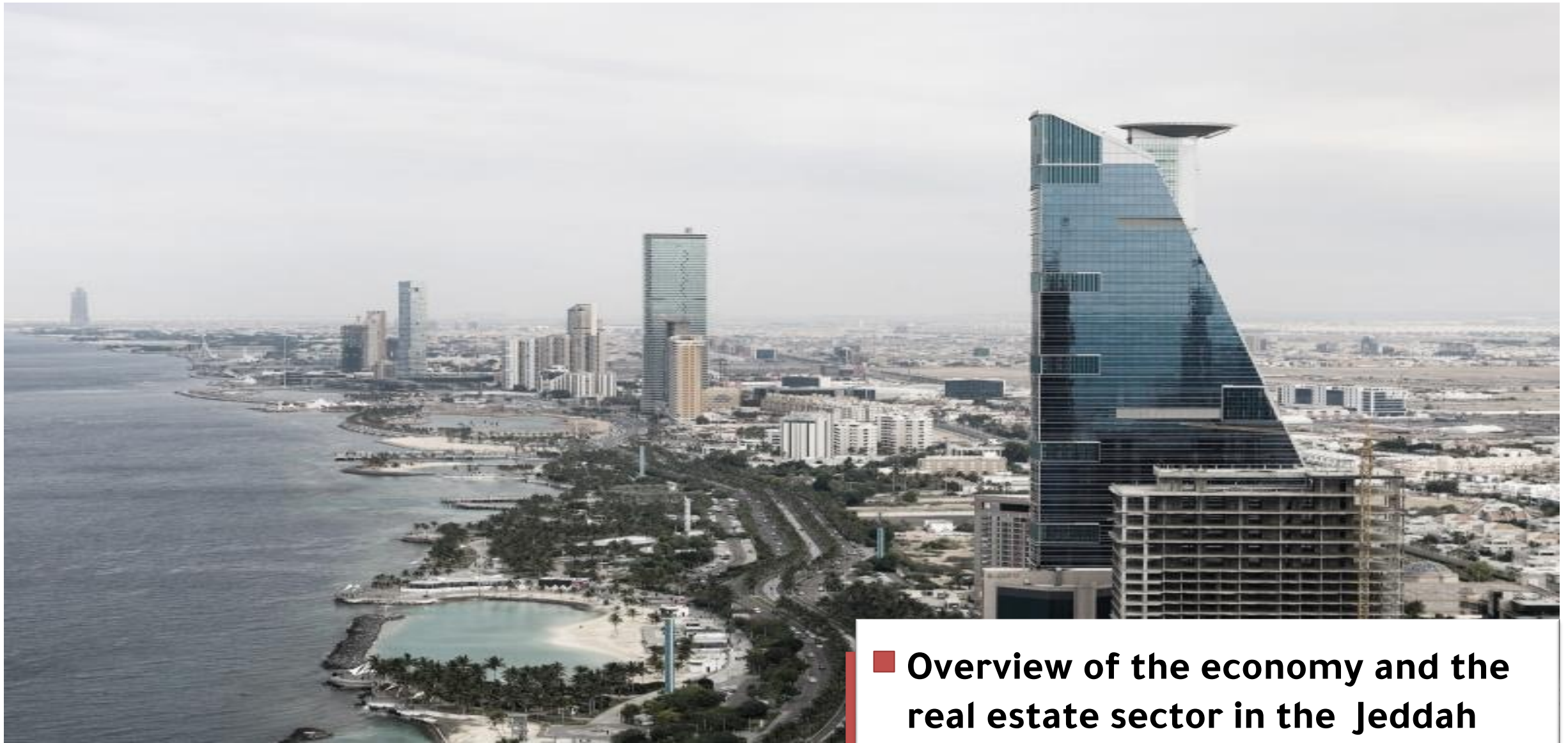
- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- Overview of the economy and the real estate sector in the Jeddah city

Social, service and real estate indicators - Jeddah City - 2023 AD

Social and service indicators:

|   |   |  |   |  |   |
|---|---|--|---|--|---|
| <div>470</div> <div>Public and private school</div> | <div>14</div> <div>University and College</div> | <div>+45ML</div> <div>Traveler</div>         | <div>1,215ML</div> <div>Size of the workforce</div> | <div>4,7ML</div> <div>Population</div> | <div>770KM</div> <div>Area</div>                |
| <div>2</div> <div>Ports</div>                       | <div>3</div> <div>Airports</div>                | <div>+300</div> <div>Markets and malls</div> | <div>1457</div> <div>Factory</div>                  | <div>52</div> <div>Hospitals</div>     | <div>+7.8K</div> <div>Tourist and visitor</div> |

Real estate indicators:

|   |  |   |   |
|---|--|---|---|
| <div>+2,8Billion</div> <div>Total value of leasing transactions</div> | <div>+83,5K</div> <div>Rental deal</div> | <div>+55Billion</div> <div>Total value of the deals</div> | <div>+91K</div> <div>Executed transaction</div> |
|---|--|---|---|

Social, service and real estate indicators - Jeddah City - 2023 AD

Hospitality sector indicators:

|           |            |                  |              |              |              |
|-----------|------------|------------------|--------------|--------------|--------------|
| 62%       | +16K       | 94               | 25           | 27           | 42           |
| Occupancy | Hotel room | Number of hotels | 5 Star Class | 4 Star Class | 3 Star Class |

Administrative sector indicators:

|           |   |   |   |                            |
|-----------|---|---|---|----------------------------|
| 82%       | +300SR                                  | +600SR                                  | +1000SR                                 | +1,250ML                   |
| Occupancy | Average value of a rental meter C class | Average value of a rental meter B class | Average value of a rental meter A class | Commercial rental space/m2 |

Administrative sector indicators:

|           |   |   |   |                            |
|-----------|---|---|---|----------------------------|
| 80%       | +900SR                                  | +1500SR                                 | +2600SR                                 | +2ML                       |
| Occupancy | Average value of a rental meter C class | Average value of a rental meter B class | Average value of a rental meter A class | Commercial rental space/m2 |





## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property's prime location is on Prince Sultan Road.
- The location is close to the main roads that connect it to parts of Jeddah, such as **(King Abdulaziz Road, Medina Road)**.
- The location is close to business centers, ministries and events.

### Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

### Weak points:

- Risks of changing the building system in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

Ownership Data

> Title deed information

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 393010004588 | 12/11/1442 AH | Absolute ownership |

> Location- plan number - plot number - land area:

| City - District    | Plot number | Plan number | Land area            |
|--------------------|-------------|-------------|----------------------|
| Jeddah - Al Zahraa | 177         | ع / 526 / 3 | 4761.5 square meters |

> Borders and lengths:

| Borders and lengths: |               |                 |               |                 |               |                          |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|--------------------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border           | Border length |
| 15m wide corridor    | 41            | Plot No. 183    | 47            | 70m wide street | 105           | Plot No. 178-179-181-182 | 109           |

Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property’s value may be affected.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                      |                |  |
|---|----------------------|----------------|--|
| City  | Jeddah               | Neighborhood   | Al-Zahraa                              |
| Street  | Prince Sultan Road   | Property type  | Commercial and administrative building |
| No. land plan   | ع / 526 / 3          | Plot number    | 177                                    |
| Land Area   | 4761.5 square meters | Built-up area  | 17359 square meters                    |
| Services and facilities available in the real estate area |                      |                |  |
| Electricity network                                       | Telephone network    | Water network  | Sewerage network                       |
| ✓   | ✓                    | ✓              | ✓                                      |
| Water drainage network                                    | Mosque               | Dispensary     | Garden                                 |
| ✓   | ✓                    | ✓              | ✓                                      |
| Public markets  | Civil defense        | Police station | Hospital                               |
| ✓   | ✓                    | ✓              | ✓                                      |
| Hotels  | Petrol station       | Schools        | Governmental services and centers      |
| ✓   | ✓                    | ✓              | ✓                                      |

## Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located west of Jeddah in Al Zahraa district on Prince Sultan Street with easy access to King Abdulaziz Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | West of the city  |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Residential - Commercial - Administrative Multi-Use   |
|                                 | Building ratio - number of floors       | According to the building mass factor, maximum 12 floors  |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |



- When examining the property, it became clear to us that it is a **(Commercial and administrative building)**. Detailed as below:

| Building components |                  |           |                |
|---------------------|------------------|-----------|----------------|
| #                   | Floor            | Area (m2) | Use            |
| 1                   | Basement         | 3935      | Parking        |
| 2                   | Ground floor     | 3991      | Commercial     |
| 3                   | Mezzanine floor  | 2150      | Commercial     |
| 4                   | First floor      | 2983      | Administrative |
| 5                   | Second floor     | 2983      | Administrative |
| 6                   | Upper extensions | 1124.40   | Administrative |
| 7                   | Fences           | 193       | Services       |

Property Description

INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors             |
|-----------------------------|--|---------------|--------------------|
| Veneered wood               | Gypsum plasterboard suspended ceilings | Paint         | Marble - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type    |
| Aluminum and double glazing | High quality                           | Marble        | Thermal - Hydro    |

EXTERIOR FINISHES

| Facades                  | Facilities        | Doors                  | Floors |
|--------------------------|-------------------|------------------------|--------|
| Glass - Cladding - Paint | Cosmetic implants | Electric Securit Glass | Marble |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators   | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-------------|-------------------------------|----------------------------|--------------------------------|
| Central          | 4 Elevators | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking            | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|--------------------|--|---|
| N.A.       | Basement + Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



Property location

Property is located in: **Jeddah**

Neighborhood: **Al-Zahraa**

Street: **Prince Sultan Road**

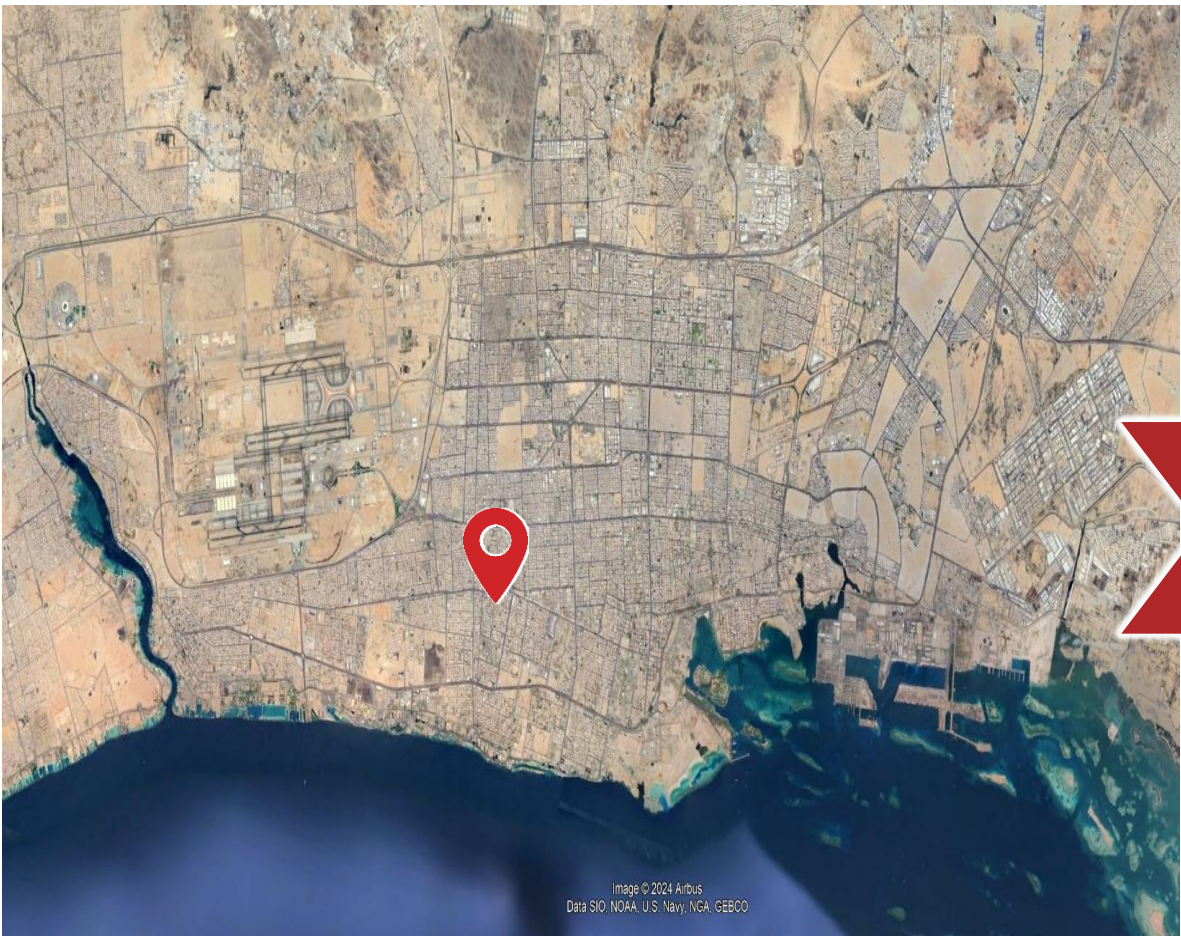
Location coordinates

N :

21.60216

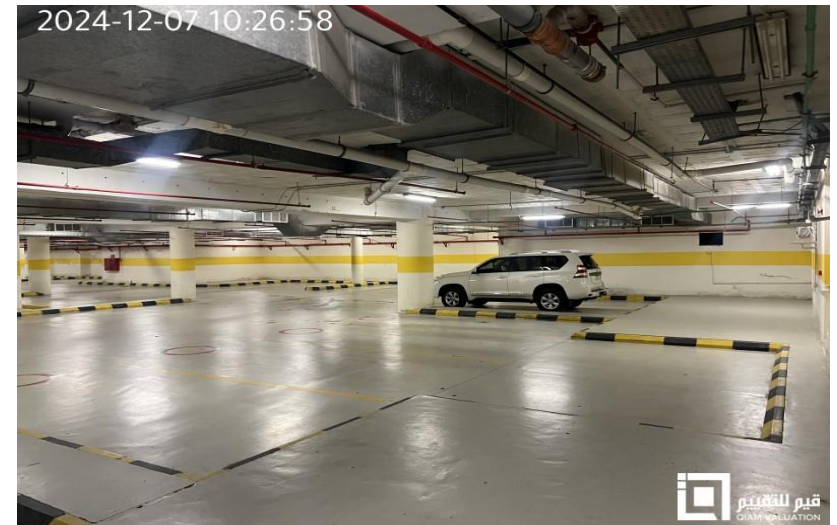
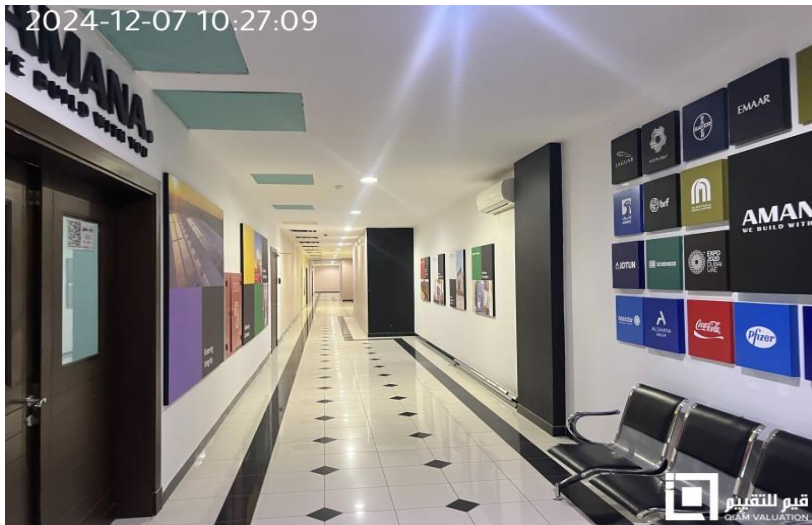
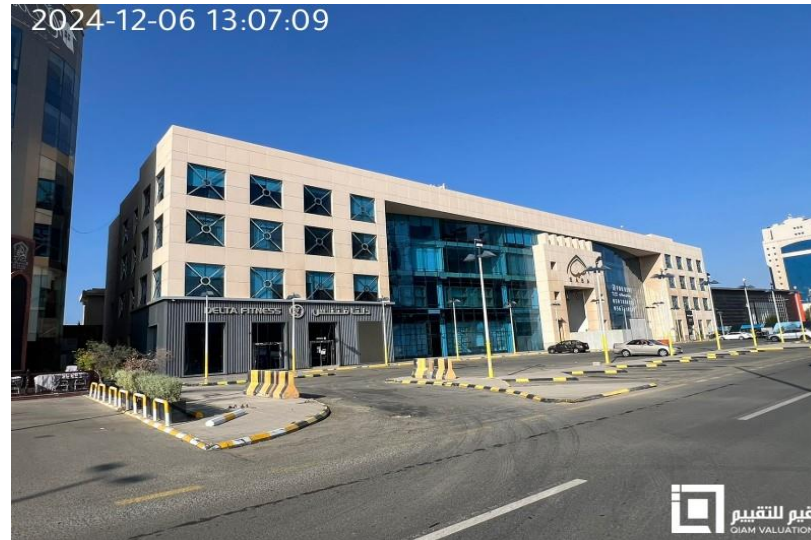
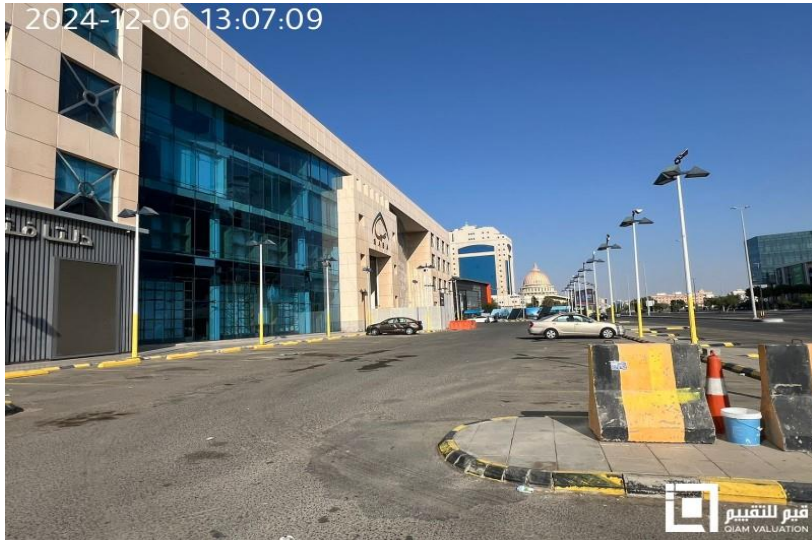
E :

39.14234





## Photographic survey of the Property





Development



## Valuation



## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach   | Income Approach                                 |
|---------------------------|--|---|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>                              | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                                      | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is an administrative commercial building | The fact that the property is income-generating |

### Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |





## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      | 18,000                   |            | 16,690                 |            |
| Condition   | ***                      | Available offer          |            | Available offer        |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | -5.00%                   | - 900      | -5.00%                 | - 835      |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Market conditions value   | ***                      | (900.00)                 |            | (834.50)               |            |
| Value after initial settlements   | ***                      |                          | 17,100     |                        | 15,856     |
| Land area (m <sup>2</sup> )   | 4761.50                  | 2,144                    | -5%        | 1,378                  | -10%       |
| Ease of access  | High                     | High                     | 0%         | High                   | 0%         |
| Property location   | High                     | High                     | 0%         | High                   | 10%        |
| Land shape  | Flat                     | Flat                     | 0%         | Flat                   | 0%         |
| Land topography   | High                     | High                     | 0%         | High                   | 0%         |
| Land use  | Commercial Residential   | Commercial Residential   | 0%         | Commercial Residential | 0%         |
| Surrounding streets   | 2                        | 2                        | 0%         | 2                      | 0%         |
| Total   |                          | -5.00%                   |            | 0.00%                  |            |
| Adjustment value per square meter   |                          | 855-                     |            | -                      |            |
| Final meter value after Adjustments   |                          | 16,245                   |            | 15,856                 |            |
| Net average value per square meter (SAR / m <sup>2</sup> )                                |                          |                          |            | 16,050                 |            |
| Market value of the land (SAR / m <sup>2</sup> )  |                          |                          |            | 76,423,265             |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs) |                  |          |                   |
|--|------------------|----------|-------------------|
| Clause                                   | Built up area m2 | SAR / m2 | Value (SAR)       |
| Basement                                 | 3935             | 2,400    | 9,444,000         |
| Ground floor                             | 3991             | 2,200    | 8,780,200         |
| Mezzanine floor                          | 2150             | 2,200    | 4,730,000         |
| First floor                              | 2983             | 2,200    | 6,562,600         |
| Second floor                             | 2983             | 2,200    | 6,562,600         |
| Upper extensions                         | 1124.4           | 2,200    | 2,473,680         |
| Fences                                   | 193              | 600      | 115,800           |
| <b>Total (SAR)</b>                       | <b>17,359</b>    |          | <b>38,668,880</b> |
| Second: Other costs (indirect)           |                  |          |                   |
| Professional fees                        | 2%               |          | 773,378           |
| Utilities Network                        | 2%               |          | 773,378           |
| Administration costs                     | 2%               |          | 773,378           |
| Financing costs (0 years / 0%)           | 0%               |          | -                 |
| Developer's profitability                | 15%              |          | 5,800,332         |
| <b>Total (SAR)</b>                       |                  |          | <b>8,120,465</b>  |
| <b>Total cost of buildings (SAR)</b>     |                  |          | <b>46,789,345</b> |

| Third: Depreciation cost  |      |                    |
|---|------|--------------------|
| Life span of the property (year)  | Year | 40                 |
| The current age of the property (year)  | Year | 17                 |
| Remaining life of the property (year)   | Year | 23                 |
| Depreciation rate   | %    | 43                 |
| Depreciation value  | SAR  | 19,885,472         |
| <b>Final value of the building (SAR)</b>  |      | <b>26,903,873</b>  |
| Fourth: Value of the property according to the Cost Approach                            |      |                    |
| <b>Final value of the land (SAR)</b>  |      | <b>76,423,265</b>  |
| <b>Final value of buildings (SAR)</b>   |      | <b>26,903,873</b>  |
| <b>Market value of the property according to the Cost Approach (SAR)</b>                |      | <b>103,327,139</b> |
| <b>Market value of the property according to the Cost Approach after rounding (SAR)</b> |      | <b>103,327,000</b> |



Market Survey Data Analysis - Trade shows



| Estimating the value of the rental meter - Trade shows - According to the Market Approach - Comparison method |                          |                          |            |                 |            |
|---|--------------------------|--------------------------|------------|-----------------|------------|
| Clause  |                          | Comparative real estates |            |                 |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2    |            |
|   |                          | Value                    | Adjustment | Value           | Adjustment |
| Rental price per square meter   | ***                      | 1,400                    |            | 1,200           |            |
| Condition   | ***                      | Available offer          |            | Available offer |            |
| valuation/offer date  | 2024                     | 2024                     |            | 2024            |            |
| Market conditions   | ***                      | %0.00                    | -          | %0.00           | -          |
| Financing terms   | ***                      | %0.00                    | -          | %0.00           | -          |
| Market conditions value   | ***                      | -                        |            | -               |            |
| Value after initial settlements   | ***                      | 1,400                    |            | 1,200           |            |
| Area (m2)   | 300.00                   | 150                      | %5-        | 250             | %0         |
| Ease of access  | High                     | High                     | %0         | Average         | %5         |
| Property location   | High                     | High                     | %0         | Average         | %5         |
| Parking availability  | High                     | High                     | %0         | Average         | %5         |
| Design  | High                     | High                     | %0         | Average         | %5         |
| Total   |                          | %5.00-                   |            | %20.00          |            |
| Adjustment value per square meter   |                          | -70                      |            | 240             |            |
| Final meter value after Adjustments   |                          | 1,330                    |            | 1,440           |            |
| Net average value per square meter (SAR / m²)   |                          |                          |            | 1,385           |            |
| Net average value per meter (SAR/meter) after rounding  |                          |                          |            | 1,400           |            |



## Market Survey Data Analysis - Office



| Estimating the value of the rental meter - Administrative offices - According to the Market Approach - Comparison method |                          |                          |            |                 |            |
|--|--------------------------|--------------------------|------------|-----------------|------------|
| Clause   |                          | Comparative real estates |            |                 |            |
| Adjustments factors  | Property under valuation | Comparison 1             |            | Comparison 2    |            |
|  |                          | Value                    | Adjustment | Value           | Adjustment |
| Rental price per square meter  | ***                      | 860                      |            | 700             |            |
| Condition  | ***                      | Available offer          |            | Available offer |            |
| valuation/offer date   | 2024                     | 2024                     |            | 2024            |            |
| Market conditions  | ***                      | %0.00                    | -          | %0.00           | -          |
| Financing terms  | ***                      | %0.00                    | -          | %0.00           | -          |
| Market conditions value  | ***                      |                          | -          |                 | -          |
| Value after initial settlements  | ***                      | 860                      |            | 700             |            |
| Area (m2)  | 230.00                   | 181                      | %2-        | 165             | %2-        |
| Ease of access   | High                     | High                     | %0         | High            | %0         |
| Property location  | High                     | High                     | %0         | High            | %0         |
| Parking availability   | High                     | High                     | %0         | High            | %0         |
| Design   | High                     | High                     | %0         | High            | %0         |
| Total  |                          | %2.00-                   |            | %2.00-          |            |
| Adjustment value per square meter  |                          | -17                      |            | -14             |            |
| Final meter value after Adjustments  |                          | 843                      |            | 686             |            |
| Net average value per square meter (SAR / m²)  |                          |                          | 764        |                 |            |
| Net average value per meter (SAR/meter) after rounding   |                          |                          | 750        |                 |            |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 8%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |  |
|--|------|--|--|
| Government bond rate of return                             | 4.94 | Government bond rate of return                             |  |
| Inflation rate (current year average)                      | 2    | Inflation rate (current year average)                      |  |
| Market risk premium (recession and recovery)               | 1    | Market risk premium (recession and recovery)               |  |
| Special risk premium (the resulting costs of the property) | 1    | Special risk premium (the resulting costs of the property) |  |
| Discount rate with all data above                          | 9    | Discount rate with all data above                          |  |

### Assumptions:

| Discounted Cash Flow method assumptions |            |                                  |    |
|---|------------|----------------------------------|----|
| Total property income                   | 10,577,900 | Discount rate                    | %9 |
| Occupancy rate                          | %95        | Capitalization rate              | %8 |
| Operating Expense Rate                  | %10        | Growth rate - annual from year 3 | %6 |

### Vacancy rate and credit risk:

Based on market survey data, the occupancy rate of similar properties is 95%.

### Operating Expense Rate:

Based on market survey data, the average operating expenses in similar properties are 15%. Given that the property is leased with contracts, taking into account that tenants bear a percentage of service expenses of 5%, the average operating expenses were assumed to be 10%.

### Rental income:

The property income was analyzed by reviewing the property contracts, and it was found that part of the property was occupied by one tenant, representing 35% of the income. Also, the current rents do not reflect the market situation, and the current contracts are about to expire. The rental value according to the market is logical for the current situation. Accordingly, the rental value was calculated according to the contracts and current occupancy for the year 2024 AD. From 2025 AD, the income was adopted according to the market survey data, with a growth rate of 6% calculated every 3 years.

| Annual property income statement (according to market survey data) |                 |           |                                    |                     |
|--|-----------------|-----------|------------------------------------|---------------------|
| Clause   | Number of units | Area (m2) | Rental value per meter (SAR/meter) | Rental value (SAR ) |
| showrooms  | 6               | 2836      | 1,400                              | 3,970,400           |
| Offices  | 29              | 8630      | 750                                | 6,472,500           |
| Rooms  | 10              | 100       | 600                                | 60,000              |
| Telecom tower  | 1               | 1         | 75,000                             | 75,000              |
| Total annual property income (SAR)                                 |                 |           |                                    | 10,577,900          |

## Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows               |            | Investment years |            |            |            |            |            |            |            |            |            | Reversion value |
|-----------------------------------|------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------|
|                                   |            | 2024             | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       |                 |
|                                   |            | 1                | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         |                 |
| Expected growth value             |            | 0.00%            | 0.00%      | 6.00%      | 0.00%      | 0.00%      | 6.00%      | 0.00%      | 0.00%      | 6.00%      | 0.00%      |                 |
| Total rental value                | 10,577,900 | 4,554,645        | 10,577,900 | 11,212,574 | 11,212,574 | 11,212,574 | 11,885,328 | 11,885,328 | 11,885,328 | 12,598,448 | 12,598,448 |                 |
| Occupancy rate                    | 95%        | 4,326,913        | 10,049,005 | 10,651,945 | 10,651,945 | 10,651,945 | 11,291,062 | 11,291,062 | 11,291,062 | 11,968,526 | 11,968,526 |                 |
| Actual gross income               |            | 4,326,913        | 10,049,005 | 10,651,945 | 10,651,945 | 10,651,945 | 11,291,062 | 11,291,062 | 11,291,062 | 11,968,526 | 11,968,526 |                 |
| Minus operating expense ratio     | 10%        | 432,691          | 1,004,901  | 1,065,195  | 1,065,195  | 1,065,195  | 1,129,106  | 1,129,106  | 1,129,106  | 1,196,853  | 1,196,853  |                 |
| Net Operating Income (NOI)        |            | 3,894,221        | 9,044,105  | 9,586,751  | 9,586,751  | 9,586,751  | 10,161,956 | 10,161,956 | 10,161,956 | 10,771,673 | 10,771,673 |                 |
| Reversion value of the building   |            |                  |            |            |            |            |            |            |            |            |            |                 |
| Net Cash Flow                     |            | 3,894,221        | 9,044,105  | 9,586,751  | 9,586,751  | 9,586,751  | 10,161,956 | 10,161,956 | 10,161,956 | 10,771,673 | 10,771,673 |                 |
| Discount Factor                   |            | 0.9217           | 0.8495     | 0.7829     | 0.7216     | 0.6650     | 0.6129     | 0.5649     | 0.5207     | 0.4799     | 0.4423     | 0.4423          |
| Present Value of Cash Flows       |            | 3,589,144        | 7,682,562  | 7,505,545  | 6,917,553  | 6,375,625  | 6,228,721  | 5,740,757  | 5,291,020  | 5,169,107  | 4,764,154  | 59,551,924      |
| Net present value of the property |            |                  |            |            |            |            |            |            |            |            |            | 118,816,112     |

|                                       |             |
|---------------------------------------|-------------|
| Final Property Value                  | 118,816,112 |
| Final Property Value (after rounding) | 118,816,000 |

## Final value of the property

Based on the purpose of the valuation and the nature of the property and its characteristics as a commercial and administrative building property, the valuation of the property using the Income Approach (Discounted Cash Flow method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property being evaluated, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                                       |
|---|---|
| <b>118,816,000</b>                                | <b>One hundred and eighteen million, eight hundred and sixteen thousand Saudi riyls</b> |

This report was approved by the Executive Director

Ismail Muhammad Al-Dubaikhi






## Team



Walid Muhammad Qalisi  
Real estate-Basic Follow  
Membership No 1220001145



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005





## **Appendix**

## Documents received from the client

رقم الصك: 393010004588  
التاريخ: 1442/11/12 هـ

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

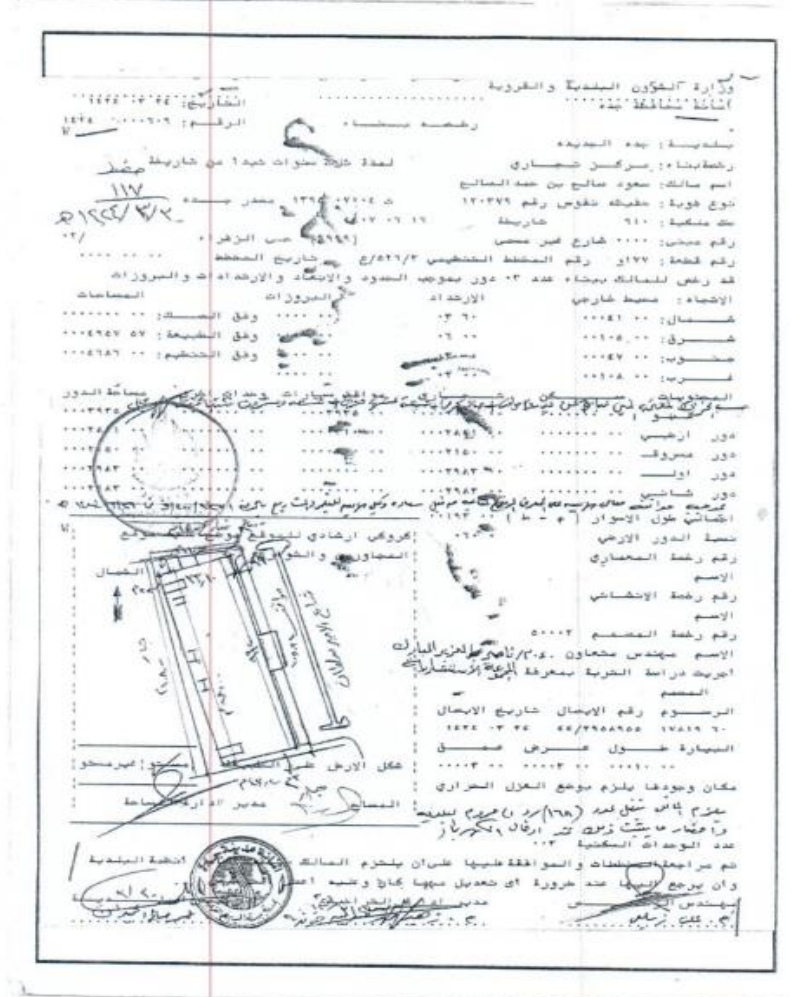
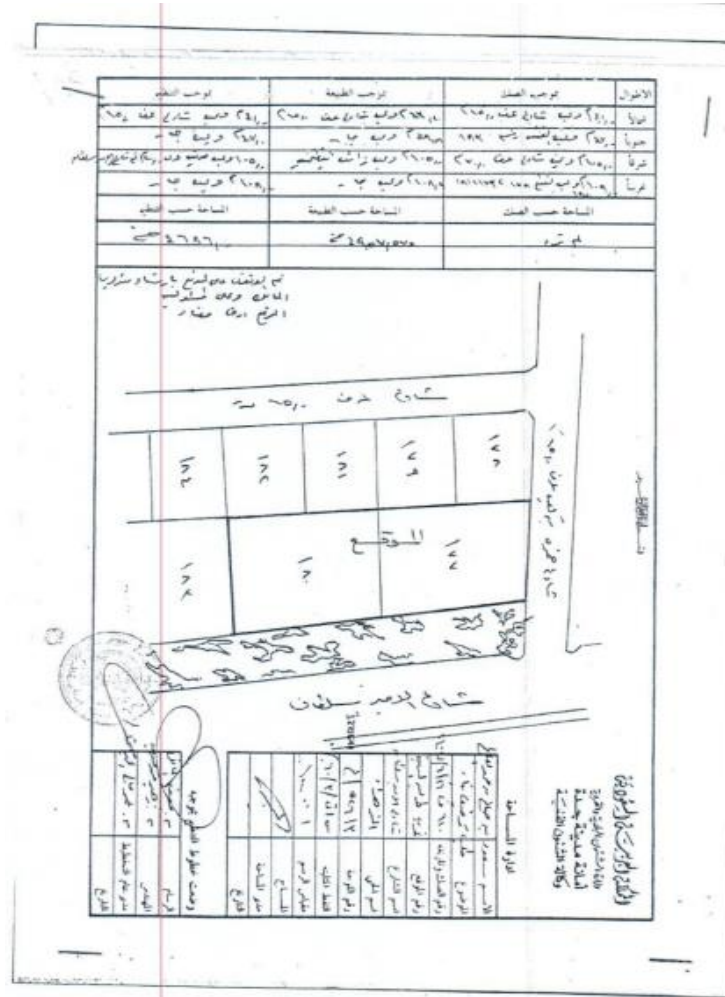
صك رهون

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن مركز تجاري المقام على الأرض وبناء رقم 177 من المخطط رقم 3 / 526 ع الواقع في حي الزهراء بمدينة جدة . و  
مركز تجاري المقام على الأرض وبناء رقم 180 من المخطط رقم 3 / 526 ع الواقع في حي الزهراء بمدينة جدة . وحدودها  
وأطوالها :  
شمالاً: شارع عرض 15م بطول 41 واحد و أربعون متر  
جنوباً: قطعة رقم 183 بطول 47 سبعة و أربعون متر  
شرقاً: شارع السبعين متراً بطول 105 مائة و خمسة متر  
غرباً: قطعة رقم 178 و 179 و 181 و 182 بطول 109 مائة و تسعة متر  
ومساحتها 4761.5 أربعة آلاف و سبعمائة و واحد و ستون متر مربعاً و خمسون سنتماً مربعاً  
العلوية بموجب سجل تجاري رقم 1010896622 بموجب الصك الصادر من الموثقين بالرياض 6 برقم 993598002675 في 24 / 07 / 1442  
قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249  
ضماناً للوفاء بـ 49970978 فقط تسعة و أربعون مليوناً و تسعمائة و سبعون ألفاً و تسعمائة و ثمانية و سبعون  
ريالاً سعودياً لا غير . تسدد على المساق شهرية عددها 1 قيمة كل قسط 49970978 فقط تسعة و أربعون مليوناً و تسعمائة و سبعون  
ألفاً و تسعمائة و ثمانية و سبعون ريالاً سعودياً لا غير . تاريخ حلول القسط 1442/11/13 سبب الرهن : كضمان لما يجب عليهم من  
مستحقات مالية بمبلغ وقدره (49970978) لصالح شركة الراجحي للتطوير المحدودة على أن يكون السداد على قسط واحد بعد سبع  
سنوات ويبلغ بتاريخ 2027-12-30 وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات . واستيفاء مالي  
دعة الراهن من مبلغ و ما نقص يرجع فيه بعد اكمال مايلزم شرعاً . وعليه جرى التصديق تحريراً في 1442 / 11 / 12 لاعتماده  
بوصلى الله على نبينا محمد وآله وصحبه وسلم.

الموثق

الختم الرسمي

ابراهيم عمر محمد الحسين



رقم الترخيص: 2774

## Samples of the contracts that were reviewed



يعتبر هذا العقد عقدًا موثقًا وسدًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |                         |                          |            |                           |
|--------------------------|-------------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:           | Contract No.            | نوع العقد:               | جديد       | Contract Type             |
| 20443024064 / 1-0        |                         |                          |            |                           |
| تاريخ إبرام العقد:       | Contract Sealing Date   | مكان إبرام العقد:        | جدة        | Contract Sealing Location |
| 2024-03-14               |                         |                          |            |                           |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2025-03-31 | Tenancy End Date          |
| 2024-04-01               |                         |                          |            |                           |
| معلق بشرط                | Contract is conditional | لا                       |            |                           |

| ٢ بيانات المؤجر    |            |                      |  |                      |
|--------------------|------------|----------------------|--|----------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة تمدين النولى العقارية شركة شخص واحد | Company name/Founder |
| رقم السجل التجاري: | 1010896622 | الرقم الموحد:        | 7010776792                               | Unified Number       |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2017-10-04                               | CR Date              |

| ٣ بيانات مُمَثِّلِ المؤجر |                         |                    |                          |        |
|---------------------------|-------------------------|--------------------|--------------------------|--------|
| الاسم:                    | سلمان حسين بن يحيى معدي | الجنسية:           | المملكة العربية السعودية | Name   |
| نوع الهوية:               | هوية وطنية              | ID Type            | رقم الهوية:              | ID No. |
| 1073134924                |                         |                    |                          |        |
| رقم الجوال:               | +96656332153            | البريد الإلكتروني: | mualdis@mulkia.com.sa    | Email  |
| العنوان الوطني:           | الرياض                  | National Address   |                          |        |

| ٤ بيانات المستأجر  |            |                      |                   |                      |
|--------------------|------------|----------------------|-------------------|----------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة دلتا للتسويق | Company name/Founder |
| رقم السجل التجاري: | 4030238140 | الرقم الموحد:        | 7007097483        | Unified Number       |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2012-12-24        | CR Date              |

| ٥ بيانات مُمَثِّلِ المستأجر |                                |      |  |  |
|-----------------------------|--------------------------------|------|--|--|
| الاسم:                      | حسان إبراهيم يوسف اخبر علي رضا | Name |  |  |

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يعتبر هذا العقد عقدًا موثقًا وسدًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |                         |                          |            |                           |
|--------------------------|-------------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:           | Contract No.            | نوع العقد:               | جديد       | Contract Type             |
| 20043057026 / 1-0        |                         |                          |            |                           |
| تاريخ إبرام العقد:       | Contract Sealing Date   | مكان إبرام العقد:        | جدة        | Contract Sealing Location |
| 2024-03-07               |                         |                          |            |                           |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2026-04-09 | Tenancy End Date          |
| 2024-04-10               |                         |                          |            |                           |
| معلق بشرط                | Contract is conditional | لا                       |            |                           |

| ٢ بيانات المؤجر    |            |                      |  |                      |
|--------------------|------------|----------------------|--|----------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة تمدين النولى العقارية شركة شخص واحد | Company name/Founder |
| رقم السجل التجاري: | 1010896622 | الرقم الموحد:        | 7010776792                               | Unified Number       |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2017-10-04                               | CR Date              |

| ٣ بيانات مُمَثِّلِ المؤجر |                         |                    |                          |        |
|---------------------------|-------------------------|--------------------|--------------------------|--------|
| الاسم:                    | سلمان حسين بن يحيى معدي | الجنسية:           | المملكة العربية السعودية | Name   |
| نوع الهوية:               | هوية وطنية              | ID Type            | رقم الهوية:              | ID No. |
| 1073134924                |                         |                    |                          |        |
| رقم الجوال:               | +96656332153            | البريد الإلكتروني: | mualdis@mulkia.com.sa    | Email  |
| العنوان الوطني:           | الرياض                  | National Address   |                          |        |

| ٤ بيانات المستأجر  |            |                      |   |                      |
|--------------------|------------|----------------------|---|----------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة حمزة محمد الديري للمقاولات شركة شخص واحد | Company name/Founder |
| رقم السجل التجاري: | 4030199041 | الرقم الموحد:        | 7001614119                                    | Unified Number       |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2010-03-24                                    | CR Date              |

| ٥ بيانات مُمَثِّلِ المستأجر |                 |      |  |  |
|-----------------------------|-----------------|------|--|--|
| الاسم:                      | عمر محمد الديري | Name |  |  |

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يعتبر هذا العقد عقدًا موثقًا وسدًا تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٥/٤/٣ هـ.

| ١ بيانات العقد           |                         |                          |            |                           |
|--------------------------|-------------------------|--------------------------|------------|---------------------------|
| رقم سجل العقد:           | Contract No.            | نوع العقد:               | جديد       | Contract Type             |
| 20146257354 / 1          |                         |                          |            |                           |
| تاريخ إبرام العقد:       | Contract Sealing Date   | مكان إبرام العقد:        | جدة        | Contract Sealing Location |
| 2023-08-20               |                         |                          |            |                           |
| تاريخ بداية مدة الإيجار: | Tenancy Start Date      | تاريخ نهاية مدة الإيجار: | 2023-05-01 | Tenancy End Date          |
| 2024-04-30               |                         |                          |            |                           |
| معلق بشرط                | Contract is conditional | لا                       |            |                           |

| ٢ بيانات المؤجر    |            |                      |                            |                      |
|--------------------|------------|----------------------|----------------------------|----------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة صيا العقارية المحدودة | Company name/Founder |
| رقم السجل التجاري: | 1010437473 | الرقم الموحد:        | 7014894273                 | Unified Number       |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2015-09-10                 | CR Date              |

| ٣ بيانات مُمَثِّلِ المؤجر |                          |                    |                              |        |
|---------------------------|--------------------------|--------------------|------------------------------|--------|
| الاسم:                    | خالد يوسف ابراهيم السلوم | الجنسية:           | المملكة العربية السعودية     | Name   |
| نوع الهوية:               | هوية وطنية               | ID Type            | رقم الهوية:                  | ID No. |
| 1002760260                |                          |                    |                              |        |
| رقم الجوال:               | +966531441000            | البريد الإلكتروني: | hussein.bahamid@sabahome.com | Email  |
| العنوان الوطني:           |                          | National Address   |                              |        |
| رقم سند التمثيل:          | نوع المستند:             | تاريخ الإصدار:     | تاريخ الانتهاء:              | Number |
| -                         | آخرى                     | -                  | 2024-02-10                   |        |

| ٤ بيانات المستأجر  |            |                      |                                     |                      |
|--------------------|------------|----------------------|-------------------------------------|----------------------|
| نوع المنظمة:       | التجارية   | اسم الشركة/المؤسسة:  | شركة البتة الخضراء لتقديم المشروبات | Company name/Founder |
| رقم السجل التجاري: | 4650201645 | الرقم الموحد:        | 7004443458                          | Unified Number       |
| جهة الإصدار:       | -          | تاريخ السجل التجاري: | 2018-07-22                          | CR Date              |

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General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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# Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Burger King Trade show - Obhur



## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Burger King - Trade show - Obhur Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Jeddah, Northern Obhur** neighborhood, pursuant to the assignment issued by you on **06/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Trade show (Burger King restaurant) property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (7,750,000) Seven million seven hundred and fifty thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

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| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
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- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work



Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | ▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052<br>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013<br>▪Walid Qalisi'- Real estate-Basic Follow- Membership No 1220001145 |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Burger King Trade show - Obhur  |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                                 | 06/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

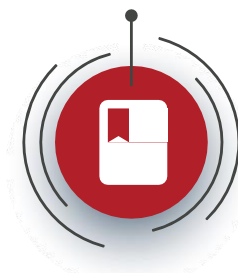
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 02



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

Step 04



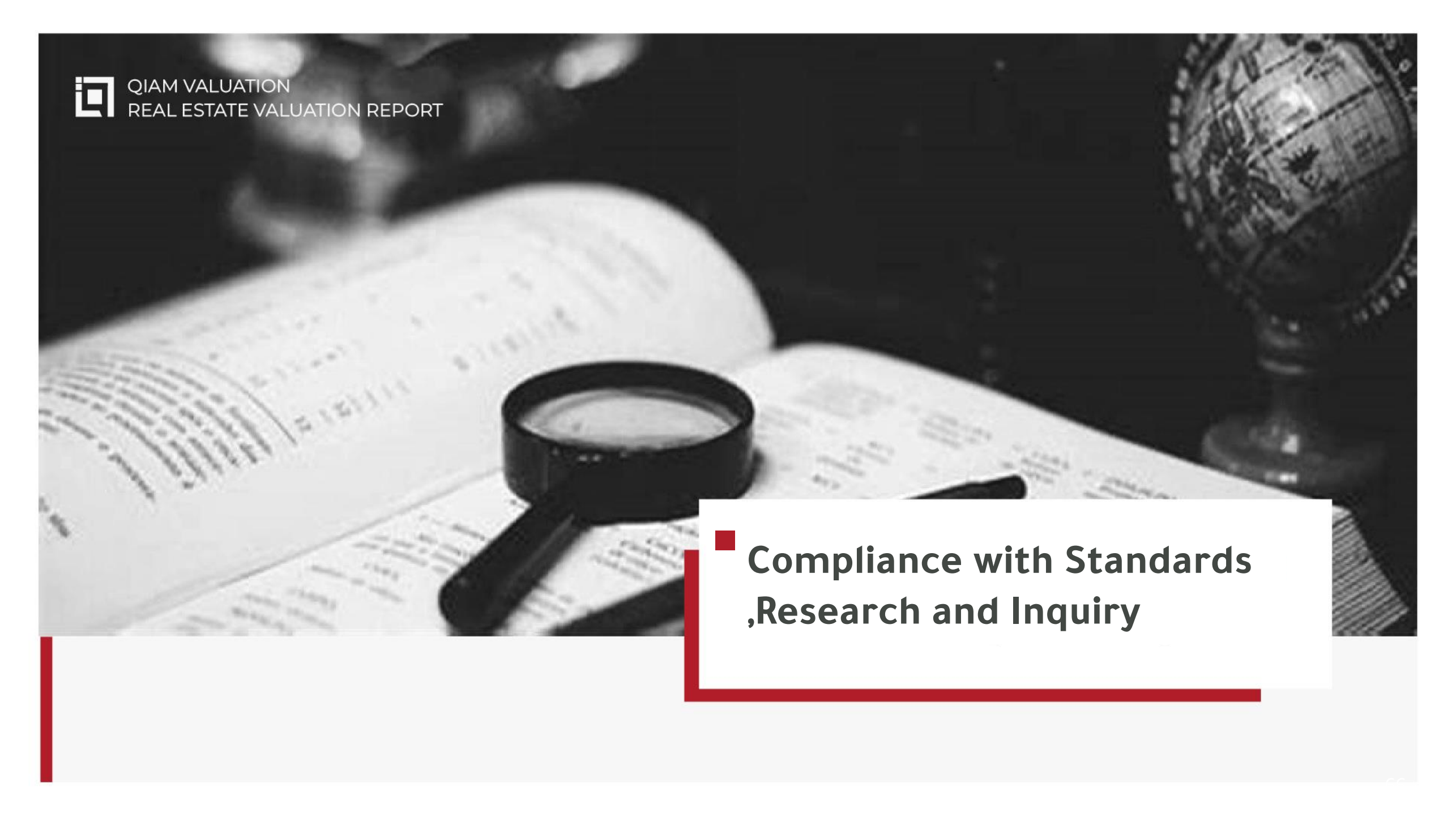
## Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |



## ■ Compliance with Standards ,Research and Inquiry



## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.



## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

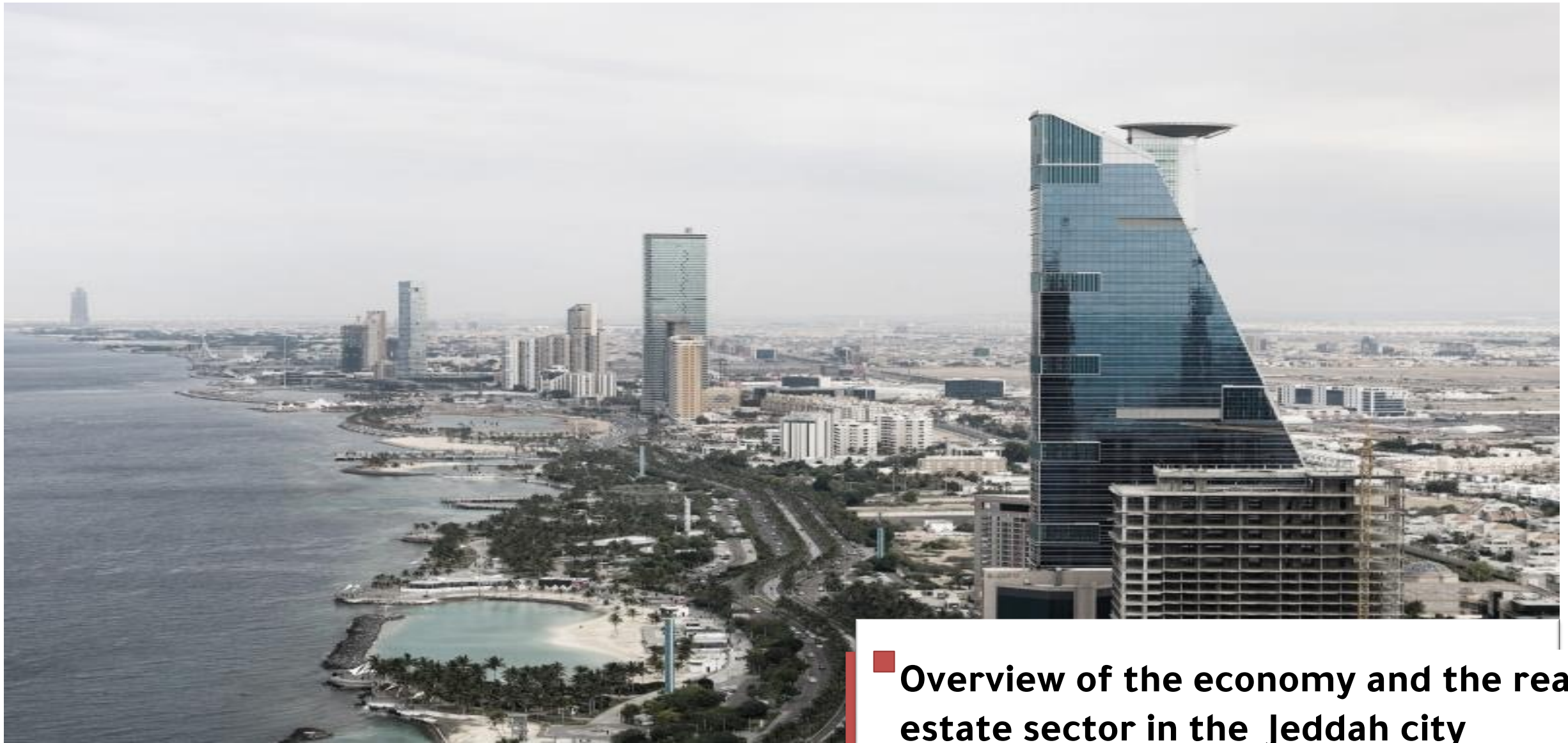
- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in the Jeddah city**

Social, service and real estate indicators - Jeddah City - 2023 AD

Social and service indicators:

|   |   |  |   |  |   |
|---|---|--|---|--|---|
| <div>470</div> <div>Public and private school</div> | <div>14</div> <div>University and College</div> | <div>+45ML</div> <div>Traveler</div>         | <div>1,215ML</div> <div>Size of the workforce</div> | <div>4,7ML</div> <div>Population</div> | <div>770KM</div> <div>Area</div>                |
| <div>2</div> <div>Ports</div>                       | <div>3</div> <div>Airports</div>                | <div>+300</div> <div>Markets and malls</div> | <div>1457</div> <div>Factory</div>                  | <div>52</div> <div>Hospitals</div>     | <div>+7.8K</div> <div>Tourist and visitor</div> |

Real estate indicators:

|   |  |   |   |
|---|--|---|---|
| <div>+2,8Billion</div> <div>Total value of leasing transactions</div> | <div>+83,5K</div> <div>Rental deal</div> | <div>+55Billion</div> <div>Total value of the deals</div> | <div>+91K</div> <div>Executed transaction</div> |
|---|--|---|---|

Social, service and real estate indicators - Jeddah City - 2023 AD

Hospitality sector indicators:

|           |            |                  |              |              |              |
|-----------|------------|------------------|--------------|--------------|--------------|
| 62%       | +16K       | 94               | 25           | 27           | 42           |
| Occupancy | Hotel room | Number of hotels | 5 Star Class | 4 Star Class | 3 Star Class |

Administrative sector indicators:

|           |   |   |   |                            |
|-----------|---|---|---|----------------------------|
| 82%       | +300SR                                  | +600SR                                  | +1000SR                                 | +1,250ML                   |
| Occupancy | Average value of a rental meter C class | Average value of a rental meter B class | Average value of a rental meter A class | Commercial rental space/m2 |

Administrative sector indicators:

|           |   |   |   |                            |
|-----------|---|---|---|----------------------------|
| 80%       | +900SR                                  | +1500SR                                 | +2600SR                                 | +2ML                       |
| Occupancy | Average value of a rental meter C class | Average value of a rental meter B class | Average value of a rental meter A class | Commercial rental space/m2 |





## Site studies

## Property Risk Analysis

### Strength point:

- The property's distinguished location is in the north of Jeddah.
- The location is close to the main roads that connect it to parts of Jeddah, such as **(Abdullah Al Faisal Road, Prince Nayef Road)**.
- The population density surrounding the property's location.

### Weak points:

- Risks of changing the building system in the property area.
- The market value depends on the value of the lease contract.

### Opportunities:

- Benefit from the proximity of the property by establishing a restaurant with a distinctive brand.
- The scarcity of distinctive commercial projects that meet the market needs in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 893010005753 | 13/03/1443 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District         | Plot number | Plan number | Land area         |
|-------------------------|-------------|-------------|-------------------|
| Jeddah - Northern Obhur | 204         | ب / 230     | 552 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                |               |                 |               |
|----------------------|---------------|-----------------|---------------|----------------|---------------|-----------------|---------------|
| Northern border      | Border length | Southern border | Border length | Eastern border | Border length | Western border  | Border length |
| Plot No. 202         | 24            | Plot No. 206    | 24            | Plot No. 203   | 23            | 52m wide street | 23            |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                      |                |                                   |
|---|----------------------|----------------|-----------------------------------|
| City  | Jeddah               | Neighborhood   | Northern Obhur                    |
| Street  | Aabir Al Qarath Road | Property type  | Trade show                        |
| No. land plan   | ب / 230              | Plot number    | 204                               |
| Land Area   | 552 square meters    | Built-up area  | 180 square meters                 |
| Services and facilities available in the real estate area |                      |                |                                   |
| Electricity network                                       | Telephone network    | Water network  | Sewerage network                  |
| ✓   | ✓                    | ✓              | ✓                                 |
| Water drainage network                                    | Mosque               | Dispensary     | Garden                            |
| ✓   | ✓                    | ✓              | ✓                                 |
| Public markets  | Civil defense        | Police station | Hospital                          |
| ✓   | ✓                    | ✓              | ✓                                 |
| Hotels  | Petrol station       | Schools        | Governmental services and centers |
| ✓   | ✓                    | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description  |
|---------------------------------|---|--|
| Area overview                   | Importance of the area                  | The property is located northwest of Jeddah in the northern Obhur district on Aber Al-Qarat Street with easy access to Prince Abdullah Al-Faisal Road. |
| Natural factors (Environmental) | Lands topography                        | Flat   |
|                                 | Pollution                               | N.A.   |
| Planning factors (Urban)        | Location from the city                  | Northwest of the city  |
|                                 | Infrastructure                          | Completed  |
|                                 | Municipal equipment                     | Completed  |
|                                 | Land properties                         | Regular sides and lengths  |
| Building Regulations            | Land use                                | Residential - Commercial Multi-Use   |
|                                 | Building ratio - number of floors       | 65% - Commercial ground floor + mezzanine + two floors and extensions  |
| Economic factors                | Supply and demand                       | Average  |
|                                 | Land prices                             | Average  |
| Legal factors                   | Deficit and trespassing on the property | N.A.   |



## Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(6)** years based on the **(Building permit)**.
- Building permit number **3700105020** dated **22/01/1438 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Trade show )**. Detailed as below:

| Building components |              |           |   |
|---------------------|--------------|-----------|---|
| #                   | Floor        | Area (m2) | Use   |
| 1                   | Ground floor | 180.06    | Burger King Restaurant (Drive Thru Service) |

Property Description

INTERIOR FINISHES

| Doors                       | Ceiling                                | Wall Cladding | Floors              |
|-----------------------------|--|---------------|---------------------|
| Glass                       | Gypsum plasterboard suspended ceilings | Paint         | Ceramic - Porcelain |
| Windows                     | Health kits                            | Stairs        | Insulation type     |
| Aluminum and double glazing | High quality                           | --            | Thermal - Hydro     |

EXTERIOR FINISHES

| Facades       | Facilities        | Doors        | Floors  |
|---------------|-------------------|--------------|---------|
| Glass - Paint | Cosmetic implants | Secret glass | Ceramic |

Electromechanical and air conditioning systems

| Air Conditioning | Elevators | Electrical wiring and outlets | lighting                   | Water Feeding System           |
|------------------|-----------|-------------------------------|----------------------------|--------------------------------|
| Central          | N.A.      | High quality                  | High quality energy saving | Automatic electric pump system |

Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems                   | Security Systems                        |
|------------|---------|--|---|
| N.A.       | Outdoor | Fire Detection Systems - Fire Hose for All Hotel Parts | Indoor and outdoor surveillance cameras |



Property location

Property is located in: **Jeddah**

Neighborhood: **Northern Obhur**

Street: **Aabir Al Qarath Road**

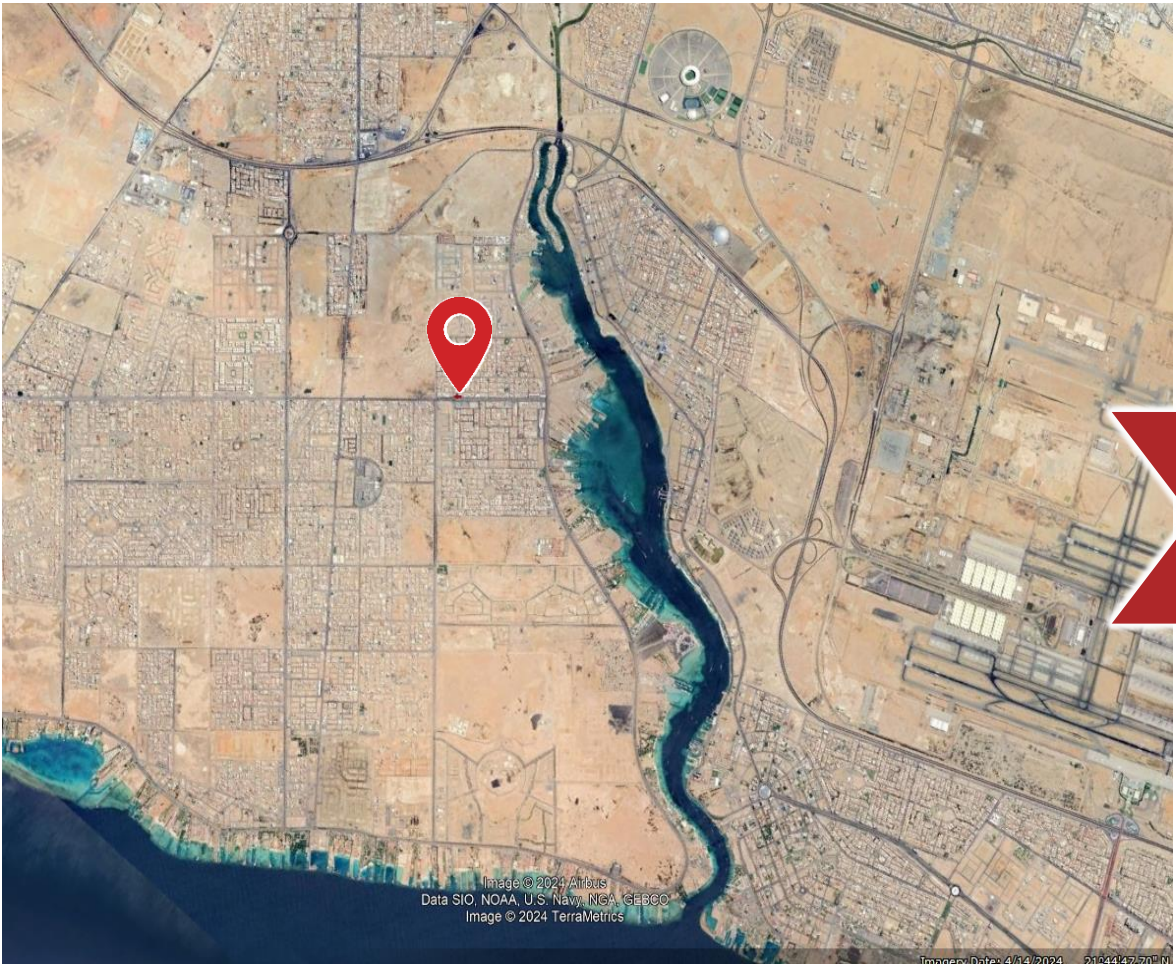
Location coordinates

N :

21.76406

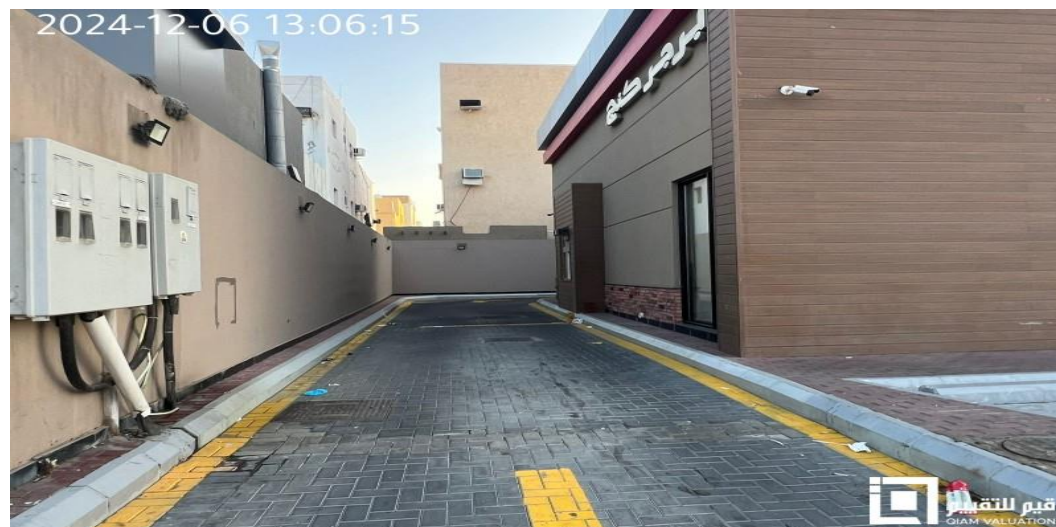
E :

39.11471





## Photographic survey of the Property





Development



## Valuation



## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach | Cost Approach | Income Approach                                 |
|---------------------------|-----------------|---------------|---|
| Used approach             | ---             | ---           | Mainly used                                     |
| Used valuation methods    | ---             | ---           | Discounted Cash Flow method                     |
| Reasons for use / not use | ---             | ---           | The property is rented on a long-term contract. |

### Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

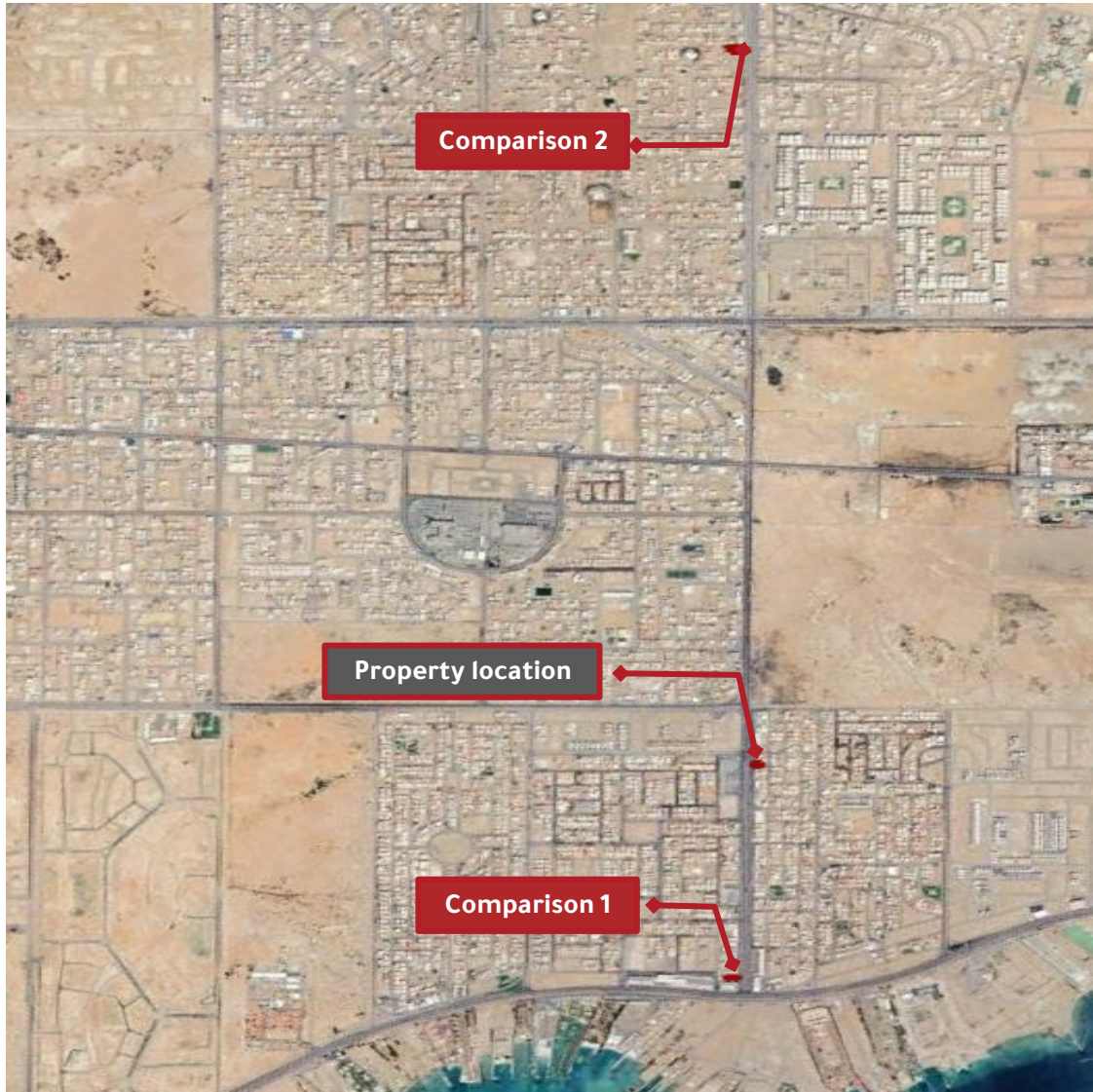
| Level  | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|--------|--|--|---|--|--|
| First  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| Second | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| Third  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |





## Value Estimation

Market Survey Data Analysis - Land Leasing



| Estimating the value of the rental meter - Commercial lands - According to the Market Approach - Comparison method |                          |                          |            |                 |            |
|--|--------------------------|--------------------------|------------|-----------------|------------|
| Clause   |                          | Comparative real estates |            |                 |            |
| Adjustments factors  | Property under valuation | Comparison 1             |            | Comparison 2    |            |
|  |                          | Value                    | Adjustment | Value           | Adjustment |
| Rental price per square meter  | ***                      | 550                      |            | 530             |            |
| Condition  | ***                      | Available offer          |            | Available offer |            |
| Date of valuation/offer  | 2024                     | 2024                     |            | 2024            |            |
| Market Condition   | ***                      | %0.00                    | -          | %0.00           | -          |
| Financing terms  | ***                      | %0.00                    | -          | %0.00           | -          |
| Market conditions value  | ***                      | -                        |            | -               |            |
| Value after initial settlements  | ***                      | 550                      |            | 530             |            |
| Land area (m²)   | 552.00                   | 1,090                    | %5         | 9 45            | %5         |
| Ease of access   | High                     | High                     | %0         | Average         | %5         |
| Property location  | High                     | High                     | %0         | Low             | %10        |
| Parking availability   | High                     | High                     | %0         | Average         | %5         |
| Land shape   | High                     | Average                  | %10        | Average         | %10        |
| Total  |                          | %15.00                   |            | %35.00          |            |
| Adjustment value per square meter  |                          | 83                       |            | 186             |            |
| Final meter value after Adjustments  |                          | 633                      |            | 716             |            |
| Net average value per square meter (SAR / m²)  |                          | 674                      |            |                 |            |
| Net average value per meter (SAR/meter) after rounding   |                          | 700                      |            |                 |            |

## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar commercial lands ranges from 5% to 6%. Accordingly, the return rate was assumed to be 5.5%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1    | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1    | According to the condition and circumstances of the property |
| Discount rate with all data above                          | %9   | %  |

### Assumptions:

#### Discounted Cash Flow method assumptions

|                        |         |  |        |
|------------------------|---------|--|--------|
| Total property income  | 502,500 | Discount rate  | 9%     |
| Occupancy rate         | %100    | Capitalization rate  | %5.5   |
| Operating Expense Rate | %0      | Growth rate - annual from 4th year according to the contract | %10.15 |

### Vacancy rate and credit risk:

Since the property is leased under one contract, the occupancy rate has been assumed to be 100%.

### Operating Expense Rate:

Since the property is rented under a single contract, taking into account the tenant's bearing of all expenses and obligations related to the property, the operating expense rate has been assumed at 0%.

### Rental income:

The property income was analyzed by reviewing the lease contract for the land being evaluated. After verifying the rental value by surveying the market for similar properties, the rental value stated in the contract was relied upon in calculating the market value, taking into account the growth rate stated in the contract.

## Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows               |         | Investment years |         |         |         |         |         |         |         |         |         |         |         |         | Reversion value |
|-----------------------------------|---------|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
|                                   |         | 2024             | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    | 2036    |                 |
|                                   |         | 1                | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 13      |                 |
| Expected growth value             |         | 0.00%            | 0.00%   | 0.00%   | 10.15%  | 0.00%   | 0.00%   | 0.00%   | 9.76%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |                 |
| Total rental value                | 502,500 | 502,500          | 502,500 | 502,500 | 553,500 | 553,500 | 553,500 | 553,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 |                 |
| Occupancy rate                    | 100%    | 502,500          | 502,500 | 502,500 | 553,500 | 553,500 | 553,500 | 553,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 |                 |
| Actual gross income               |         | 502,500          | 502,500 | 502,500 | 553,500 | 553,500 | 553,500 | 553,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 |                 |
| Minus operating expense ratio     | 0%      | -                | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       |                 |
| Net Operating Income (NOI)        |         | 502,500          | 502,500 | 502,500 | 553,500 | 553,500 | 553,500 | 553,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 |                 |
| Reversion value of the building   |         |                  |         |         |         |         |         |         |         |         |         |         |         |         |                 |
| Net Cash Flow                     |         | 502,500          | 502,500 | 502,500 | 553,500 | 553,500 | 553,500 | 553,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 | 607,500 |                 |
| Discount Factor                   |         | 0.9174           | 0.8417  | 0.7722  | 0.7084  | 0.6499  | 0.5963  | 0.5470  | 0.5019  | 0.4604  | 0.4224  | 0.3875  | 0.3555  | 0.3262  | 0.3262          |
| Present Value of Cash Flows       |         | 461,009          | 422,944 | 388,022 | 392,114 | 359,737 | 330,034 | 302,784 | 304,884 | 279,710 | 256,614 | 235,426 | 215,987 | 198,153 | 3,602,790       |
| Net present value of the property |         |                  |         |         |         |         |         |         |         |         |         |         |         |         | 7,750,208       |

|                                       |           |
|---------------------------------------|-----------|
| Final Property Value                  | 7,750,208 |
| Final Property Value (after rounding) | 7,750,000 |

**Final value of the property**

Based on the purpose of the valuation and the nature and characteristics of the property, as it is a commercial building property leased under a single contract, the evaluation of the property using the Income Approach (Discounted Cash Flow method) is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Income Approach as a basis for the fair value of the property being evaluated, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                  |
|---|--|
| <b>7,750,000</b>                                  | <b>Seven million seven hundred and fifty thousand Saudi riyals</b> |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi





## Team



Walid Muhammad Qalisi  
Real estate-Basic Follow  
Membership No 1220001145



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013




Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**

## Documents received from the client



أمانة  
جدة

## رخصة بناء







المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة محافظة جدة  
إدارة رخص البناء

**إصدار رخصة بناء تجارية :**

|                        |   |            |   |                |              |
|------------------------|---|------------|---|----------------|--------------|
| رقم الرخصة             | 3700105020  | التاريخ    | 22/محرم/1441  | صلاحيتها       | 21/محرم/1441 |
| الاستخدام              | اسم صاحب الرخصة                                     |            |   |                |              |
| رخصة بناء محلات تجارية | إبراهيم محمد إبراهيم الحديدي<br>جواز رقم 0508514889 |            |   |                |              |
| البلدية                | رقم التروكي   | رقم المخطط | رقم العقدة  | الحاي          | اسم الشارع   |
| نقبات الفرقة           | 3701618516  | 230 أ/ب    | 204   | لُحُر الشمالية | غير معصفي    |
| الجهة                  | الحدود  | الارتفاع   | <div style="border: 2px solid red; padding: 5px;"> <p>جميع التعميرات الواردة بالمعاملة الالكترونية تعتبر مضافة على المكتب الهندسي والمالك كل فيما يخصه وعلى جميع المالكات الهندسية ضرورة اطلاع المالك على جميع التعميرات وتعتبر من مسؤوليته، يجب الالتزام بتقيد الزمان المحدد وفي قيد الزمان الجزائي المحددة بخطخط الزمان الجزائي الممنوع.</p> <p>امداد رخصة البناء لا يمنح الموافقة على الترخيص ما لم يتم التوافق مع الشروط المحددة باللائحة رقم 1666</p> <p>تركيب الوحدات المكشوفة والاعمير (الكلابنج) لجميع الوحدات حسب التصميم يجب الالتزام بارتفاعها</p> <p>كشف الجوارح يجب الالتزام بارتفاع منطقتين الأولى من الجداري لغرضي يجب الالتزام بارتفاعات ذوي الاحتياجات الخاصة وعدم الامتزاج بالعمارة عند تنفيذ الاعمير واستخدام سواك الجداري الموافقة على الشرائط والمواصفات المعمول بها في المنطقة وسلامة المارة وتطبيق خصوصية الممتلكات المجاورة والالتزام بعدم كشف الجوارح</p> </div> |                |              |
| الضمان                 | 24.00 متر بخدشها العقدة رقم 202                     | 4.75       |   |                |              |
| الضرب                  | 23.00 متر بخدشها العقدة رقم 207                     | 4          |   |                |              |
| الضرب                  | 24.00 متر بخدشها العقدة رقم 206                     | 4.75       |   |                |              |
| الضرب                  | 23 متر بخدشها شارع عرض 52.00متر                     | 6          |   |                |              |

| المساحات وعدد الوحدات ومواصفات المساكن |      |       |       |        |      |
|--|------|-------|-------|--------|------|
| مختصات الترخيص                         | سكني |       | تجاري |        | اخرى |
|  | عدد  | مساحة | عدد   | مساحة  | عدد  |
| إجمالي                                 | 0    | 0     | 2     | 180.06 | 2    |
| إجمالي أرضي                            | 0    | 0     | 2     | 180.06 | 2    |

|   |   |
|---|---|
| 2406832.2737<br><br>512061.6324<br><br>178.85 | احداثيات التروكي<br><br>الشعارات<br><br>الضروقات<br><br>المكتب الهندسي<br>حساب البناء للاستشارات الهندسية<br>المكتب المشرف<br>حساب البناء للاستشارات الهندسية<br>قيمة رسوم الرخصة |
|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| عدد المواقيف 6<br><br>عدد غرف الكهرباء لا يوجد  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">           التروكي الإرشادي<br/><br/>  </td> <td style="width: 30%;">           طول التسور 60<br/><br/>           عدد الوحدات 2<br/><br/>           عدد الأدوار 1         </td> <td style="width: 40%;">           المخطط<br/><br/>  </td> </tr> </table> | التروكي الإرشادي<br><br> | طول التسور 60<br><br>عدد الوحدات 2<br><br>عدد الأدوار 1 | المخطط<br><br> |
| التروكي الإرشادي<br><br> | طول التسور 60<br><br>عدد الوحدات 2<br><br>عدد الأدوار 1   | المخطط<br><br>           |   |   |

|  |  |
|--|--|
| المخطط الإداري<br><br>أحمد سعد علوان القاضي<br><br>مهندس الدراسة<br><br>عبدالرحمن أحمد محمد الأسمر<br><br>أعضاء مدير التجاري/إداري<br><br>ناصر أسامة أحمد سمارة<br><br>مدير إدارة رخص البناء<br><br>فواز بن أحمد رجب | تجميع الشروط العامة المتدوية طبق نموذج رخصة البناء جزء لا يتجزأ من هذه الرخصة وعلى المالك التأكيد بما نصت عليه هذه الشروط<br>وقع تحت مسؤولية |
|--|--|

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد؛  
فإن قطعة الأرض رقم 204 من المخطط رقم 230 / ب شمالاً: قطعة رقم 202 بطول 24 أريعة و عشرون متر جنوباً: قطعة رقم 206 بطول 24 أريعة و عشرون متر شرقاً: قطعة رقم 203 بطول 23 ثلاثة و عشرون متر غرباً: شارع عرض 52 م بطول 23 ثلاثة و عشرون متر ومساحتها 552 خمسة و اثنين و خمسون متر مربعاً  
1010896622 بموجب الصك الصادر من الموثقين بترخيص رقم 493598002678 في 24 / 07 / 1442 قد تم رعاها وما  
7442105 فلفط سبعة ملايين و أربعمئة و الثمان و اربعون ألفاً و مائة و خمسة و مئالت سعودية لا غير. تمسك على أقساط شهرية  
عدها 1 قيمة كل قسط تاريخ حلول القسط 14/03/1443 سبب الرهن : أداة ضمان للوفاء بالمديونية عقد رقم 224534908  
ويحق للمصرف بيع العقار إذا تعذر المدون عن سداد المديونية أو جزء منها قبل حلول كل الدين المضمون (السداد) على قسط واحد  
بمبلغ 7442105 ريال بتاريخ 30-12-2028م) وفي حالة عدم السداد فللمرتهن بيع العقار ببقية التي تنتهي عندها الرهات . واستيفاء  
مبلغ ثمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال ملوئزم شرعاً. وعليه جرى التصديق تحريراً في 13 / 03 / 1443  
لاعتماده ،وصلني الله على نبينا محمد وآله وصحبه وسلم.

التمت الرسمي

ابراهيم عمر محمد المسين

الموافق

رقم الصك: 893010005753  
التاريخ: 1443/03/13 هـ

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

صك رهائن

إبراهيم عمر محمد الحسين

رقم القيد: 715

## Samples of the contracts that were reviewed

| الرقم التسلسلي No | قيمة الإيجار Rent value | قيمة القيمة المضافة VAT | قيمة الخدمات Services | إجمالي القيمة Total value | تاريخ الإصدار (هـ) Issued Date(AH) | تاريخ الاستحقاق (هـ) Due Date(AH) | تاريخ الإصدار (هـ) Issued Date(AH) | تاريخ الاستحقاق (هـ) Due Date(AH) |
|-------------------|-------------------------|-------------------------|-----------------------|---------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| 8                 | 553500.00               | 83025.00                | 0.00                  | 636525.00                 | 2029-09-16                         | 2029-09-26                        | 1451-05-17                         | 1451-05-07                        |
| 9                 | 553500.00               | 83025.00                | 0.00                  | 636525.00                 | 2030-09-16                         | 2030-09-26                        | 1452-05-28                         | 1452-05-18                        |
| 10                | 553500.00               | 83025.00                | 0.00                  | 636525.00                 | 2031-09-16                         | 2031-09-26                        | 1453-06-09                         | 1453-05-28                        |
| 11                | 607500.00               | 91125.00                | 0.00                  | 698625.00                 | 2032-09-16                         | 2032-09-26                        | 1454-06-21                         | 1454-06-11                        |
| 12                | 607500.00               | 91125.00                | 0.00                  | 698625.00                 | 2033-09-16                         | 2033-09-26                        | 1455-06-22                         | 1455-06-22                        |
| 13                | 607500.00               | 91125.00                | 0.00                  | 698625.00                 | 2034-09-16                         | 2034-09-26                        | 1456-07-13                         | 1456-07-03                        |
| 14                | 607500.00               | 91125.00                | 0.00                  | 698625.00                 | 2035-09-16                         | 2035-09-26                        | 1457-07-24                         | 1457-07-14                        |
| 15                | 607500.00               | 91125.00                | 0.00                  | 698625.00                 | 2036-09-16                         | 2036-09-26                        | 1458-08-06                         | 1458-07-25                        |

قيمة إيجارية تقديرية سنوية: نعم

| السنة الأولى | السنة الثانية | السنة الثالثة | السنة الرابعة | السنة الخامسة | السنة السادسة | السنة السابعة | السنة الثامنة | السنة التاسعة | السنة العاشرة | السنة الحادية عشر |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| 0            | 0             | 0             | 0             | 0             | +10.1492537%  | +10.1492537%  | +10.1492537%  | +10.1492537%  | +10.1492537%  | +20.8953224%      |

### ١٤ التزامات الطرفین

يتم تحديد الطرف الذي يتحمل الالتزامات التالية بالاختيار بين (المستأجر / المؤجر)

تحول التزامات الأطراف بعد تحديثها إلى المادة الخامسة تحت (التزامات المؤجر / التزامات المستأجر / أحكام عامة)

### ١٥ مواد العقد

المادة الأولى: البيانات السابقة على التزامات الأطراف

تعد البيانات السابقة على التزامات الأطراف والمحددة في البنود من (١-14) جزءاً لا يتجزأ من هذا العقد ومفسرة ومكملة له.

المادة الثانية: محل العقد

اتفق المؤجر والمستأجر بموجب هذا العقد على تأجير الوحدة الإيجارية المحددة بالبنود رقم(9) وفقاً للشروط والأحكام والالتزامات المنصوص عليها في هذا العقد. ويقر المستأجر بمعاييره للوحدة الإيجارية، وبقبوله للتعاقد حسب الأوصاف المذكورة، وأنها صالحة لنشاط تجاري المتفق عليه في البند رقم (10).

المادة الثالثة: مدة الإيجار وتحديد العقد

١-٣-١ مدة هذا العقد (5478) يوماً تبدأ من تاريخ 20-02-1444 هـ الموافق 16-09-2022 م، وتنتهي بتاريخ 05-08-1459 هـ الموافق 15-09-2037 م. وفي حال وجود اختلاف بين التاريخين الهجري والميلادي، يعمل بالتاريخ الميلادي في جميع بنود العقد.

٢-٣-٢ تنتهي مدة الإيجار مع انتهاء مدة العقد. وإذا رغب الطرفان بالتأجيل، تتم كتابة عقد جديد يُلغى عليه الطرفان.

المادة الرابعة: الأجرة

إجمالي قيمة العقد ( 9565125.00 ) ريالاً سعوديًّا، يلتزم المستأجر بدفعها للمؤجر بحسب ما هو مذكور في البند رقم (١٢) من هذا العقد وكما هو مذكور في البند (١٣) من هذا العقد.

المادة الخامسة: التزامات المستأجر / التزامات المؤجر / أحكام عامة: بعد تحديثها في (البند 12)

### ٥-١ التزامات المستأجر

١-١-٥ يلتزم المستأجر بدفع قيمة الأجرة في المواعيد المتفق عليها.

٢-١-٥ يلتزم المستأجر بالتفديد بمسادة ومواصفات اللوحة الخاصة بالوحدة الإيجارية والمحددة في البند (9) من هذا العقد.

٣-١-٥ يلتزم المستأجر أن يلتزم ويأشر نشاطه التجاري خلال مدة لا تتجاوز ( 30 ) يوماً من تاريخ العقد وفي حالة انتهاء مدة هذه الفترة دون افتتاح الوحدة الإيجارية وبعد النشاط التجاري وبعد عدم تحايجه مع اشعار المؤجر خلال ( 30 ) يوماً فيجب للمؤجر فسخ العقد من جهته دون الحاجة إلى إدار أو حكم قضائي ويجب للمؤجر حينها تأجير الوحدة الإيجارية لتغير مع المحافظة على حقوق المستأجر بالمطالبة بإعاني قيمة العقد المدفوعة بعد خصم المبرون والسعي بقيمة الإيجار ومعترف

|  |   |   |   |
|--|---|---|---|
| Engineering Supervision Fee (Not included in total contract amount): | - | ريال لكل متر مربع من مساحة الوحدة الإيجارية | مبلغ الإشراف الهندسي (لا يدخل ضمن القيمة الإجمالية لعقد الإيجار)        |
| Unit Finishing Fee (Not included in total contract amount):          | - | ريال لكل متر مربع من مساحة الوحدة الإيجارية | مبلغ تجهيز الوحدة الإيجارية (لا يدخل ضمن القيمة الإجمالية لعقد الإيجار) |
| Retainer Fee (Included in total contract amount):                    | - |   | مبلغ المبرون المتفق عليه (يدخل ضمن القيمة الإجمالية لعقد الإيجار):      |

|                            |   |                          |                    |   |                        |
|----------------------------|---|--------------------------|--------------------|---|------------------------|
| Electricity Annual Amount: | - | الأجرة السنوية للكهرباء: | Gas Annual Amount: | - | الأجرة السنوية للمياه: |
| Water Annual Amount:       | - |                          |                    |   |                        |

|                          |     |                 |                            |   |   |
|--------------------------|-----|-----------------|----------------------------|---|---|
| General Services Amount: | 0.0 | والتي تشمل على: | General Services Included: | - | الأجرة السنوية للخدمات العامة: (يدخل ضمن القيمة الإيجارية لعقد الإيجار) |
|--------------------------|-----|-----------------|----------------------------|---|---|

|      |                    |                    |    |                          |                   |
|------|--------------------|--------------------|----|--------------------------|-------------------|
| سولي | Rent payment cycle | عدد دفعات الإيجار: | 15 | Number of Rent Payments: | دورة سداد الأيجار |
|------|--------------------|--------------------|----|--------------------------|-------------------|

|           |  |   |            |                      |                                     |
|-----------|--|---|------------|----------------------|-------------------------------------|
| 577875.00 | First rental payment: (Includes deposit) | مبلغ ضريبة القيمة المضافة على القيمة الإيجارية: | 1247625.00 | VAT on rental value: | دفعة الإيجار الأولى: (تشمل المبرون) |
|-----------|--|---|------------|----------------------|-------------------------------------|

| الرقم التسلسلي No. | الرقم الضريبي Vat number | نوع الهوية ID Type | رقم الهوية أو السجل التجاري ID/CR Number |
|--------------------|--------------------------|--------------------|--|
|--------------------|--------------------------|--------------------|--|

|   |                 |             |            |
|---|-----------------|-------------|------------|
| 1 | 310199293800003 | رقم التسجيل | 1010896422 |
|---|-----------------|-------------|------------|

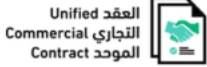
|           |              |                         |
|-----------|--------------|-------------------------|
| 502500.00 | Annual Rent: | القيمة السنوية للإيجار: |
|-----------|--------------|-------------------------|

|   |            |                      |
|---|------------|----------------------|
| إجمالي قيمة العقد:  | 9565125.00 | Total Contract value |
| يشمل: القيمة الإيجارية، ومبلغ المبرون، ومبلغ ضريبة القيمة المضافة، إن وجدت - وقيمة الخدمات العامة، والأجرة السنوية للغاز والكهرباء، والمياه والصرف الصحي إذا تحدث كميالاً (إنه) . |            |                      |

|                   |   |                          |
|-------------------|---|--------------------------|
| طرق الدفع المتمدة | الدفع عن طريق الوسيط العقاري/المؤجر أو الدفع إلكترونيًا من خلال قنوات الدفع المتاحة | Approved payment methods |
|-------------------|---|--------------------------|

### ١٣ جدول سداد الدفعات

| الرقم التسلسلي No | قيمة الإيجار Rent value | قيمة القيمة المضافة VAT | قيمة المصارف Services | إجمالي القيمة Total value | تاريخ الإصدار (هـ) Issued Date(AH) | تاريخ الاستحقاق (هـ) Due Date(AH) |
|-------------------|-------------------------|-------------------------|-----------------------|---------------------------|------------------------------------|-----------------------------------|
| 1                 | 502500.00               | 75375.00                | 0.00                  | 577875.00                 | 2022-09-16                         | 2022-09-26                        |
| 2                 | 502500.00               | 75375.00                | 0.00                  | 577875.00                 | 2023-09-16                         | 2023-09-26                        |
| 3                 | 502500.00               | 75375.00                | 0.00                  | 577875.00                 | 2024-09-16                         | 2024-09-26                        |
| 4                 | 502500.00               | 75375.00                | 0.00                  | 577875.00                 | 2025-09-16                         | 2025-09-26                        |
| 5                 | 502500.00               | 75375.00                | 0.00                  | 577875.00                 | 2026-09-16                         | 2026-09-26                        |
| 6                 | 553500.00               | 83025.00                | 0.00                  | 636525.00                 | 2027-09-16                         | 2027-09-26                        |
| 7                 | 553500.00               | 83025.00                | 0.00                  | 636525.00                 | 2028-09-16                         | 2028-09-26                        |



يعتبر هذا العقد عقدًا موثقًا ومستأً تنفيذيًا بموجب قرار مجلس الوزراء رقم (١٣١) وتاريخ ١٤٣٠/٤/٣ هـ.

| ١ بيانات العقد           |                                  |
|--------------------------|----------------------------------|
| رقم سجل العقد:           | 20200782393 / 1 Contract No.     |
| نوع العقد:               | جديد Contract Type               |
| تاريخ إبرام العقد:       | 2022-08-31 Contract Sealing Date |
| مكان إبرام العقد:        | جدة Contract Sealing Location    |
| تاريخ بداية مدة الإيجار: | 2022-09-16 Tenancy Start Date    |
| تاريخ نهاية مدة الإيجار: | 2037-09-15 Tenancy End Date      |
| معلق بشرط                | لا Contract is conditional       |

|                       |                          |
|-----------------------|--------------------------|
| طريقة دفع رسوم العقد: | المؤجر Ejar Fees Paid By |
|-----------------------|--------------------------|

| ٢ بيانات المؤجر      |   |
|----------------------|---|
| نوع المنظمة:         | التجارية Organization Type                                    |
| اسم الشركة/المؤسس:   | شركة تعدين الدولي العقارية شركة شخص واحد Company name/Founder |
| رقم السجل التجاري:   | 1010896422 CR No.   |
| رقم الموحد:          | 7010776792 Unified Number                                     |
| جهة الإصدار:         | - Issued by   |
| تاريخ السجل التجاري: | 2017-10-04 CR Date  |

| ٣ بيانات ممثّل المؤجر  |  |
|------------------------|--|
| الاسم:                 | سلمان حسين بن يحيى معويدي Name                 |
| الجنسية:               | المملكة العربية السعودية Nationality           |
| نوع الهوية:            | هوية وطنية ID Type                             |
| رقم الهوية:            | 1073134924 ID No.                              |
| رقم الجوّال:           | +964564332153 Mobile No.                       |
| العنوان الوطني:        | البريد الإلكتروني: muaidis@mulkia.com.sa Email |
| رقم سند التمثيل Number | نوع المستند Type                               |
| رقم سند التمثيل Number | تاريخ الانتهاء Expiry Date                     |
| رقم سند التمثيل Number | تاريخ الإصدار Issue Date                       |
| رقم سند التمثيل Number | وكالة شريعية إلكترونية                         |
| رقم سند التمثيل Number | 2021-09-16                                     |
| رقم سند التمثيل Number | 2022-09-05                                     |

| ٤ بيانات المستأجر  |  |
|--------------------|--|
| نوع المنظمة:       | التجارية Organization Type                                       |
| اسم الشركة/المؤسس: | شركة العليان للخدمات الغذائية شركة شخص واحد Company name/Founder |

General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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🌐 [www.qiam.com.s](http://www.qiam.com.s)

☎ +966 92 002 5832



## Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Al-Shiraa Trade Shows

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Al-Shiraa Trade Shows Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Jeddah, Al-Shiraa** neighborhood, pursuant to the assignment issued by you on **06/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of Al-Shiraa Trade Shows property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (14,156,000) Fourteen million one hundred and fifty-six thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
|--|----|
| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the property was not evaluated using the Income Approach because the construction of the property was not fully completed and is under construction and it was not fully rented, and therefore the valuation was done using the Cost Approach only.
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.





QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

## Scope of work Standard No. 101

| Other users   | Client (Report Owner)                   | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund       | ▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052<br>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013<br>▪Walid Qalisi'- Real estate-Basic Follow- Membership No 1220001145 |
| Assumed value   | Value Basis                             | Purpose of the valuation  |
| Current use   | Fair value                              | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                      | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Cost approach (Replacement Cost method) | Al-Shiraa Trade Shows   |
| Report issuance date  | Valuation date (measurement)            | Inspection date   |
| 04/02/2025 AD   | 31/12/2024 AD                           | 06/12/2024 AD   |

## Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

## Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

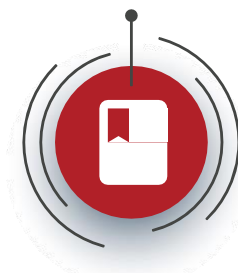
- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



Step 02



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 04



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

## Standard 102: Compliance with Standards and Research and Inquiry

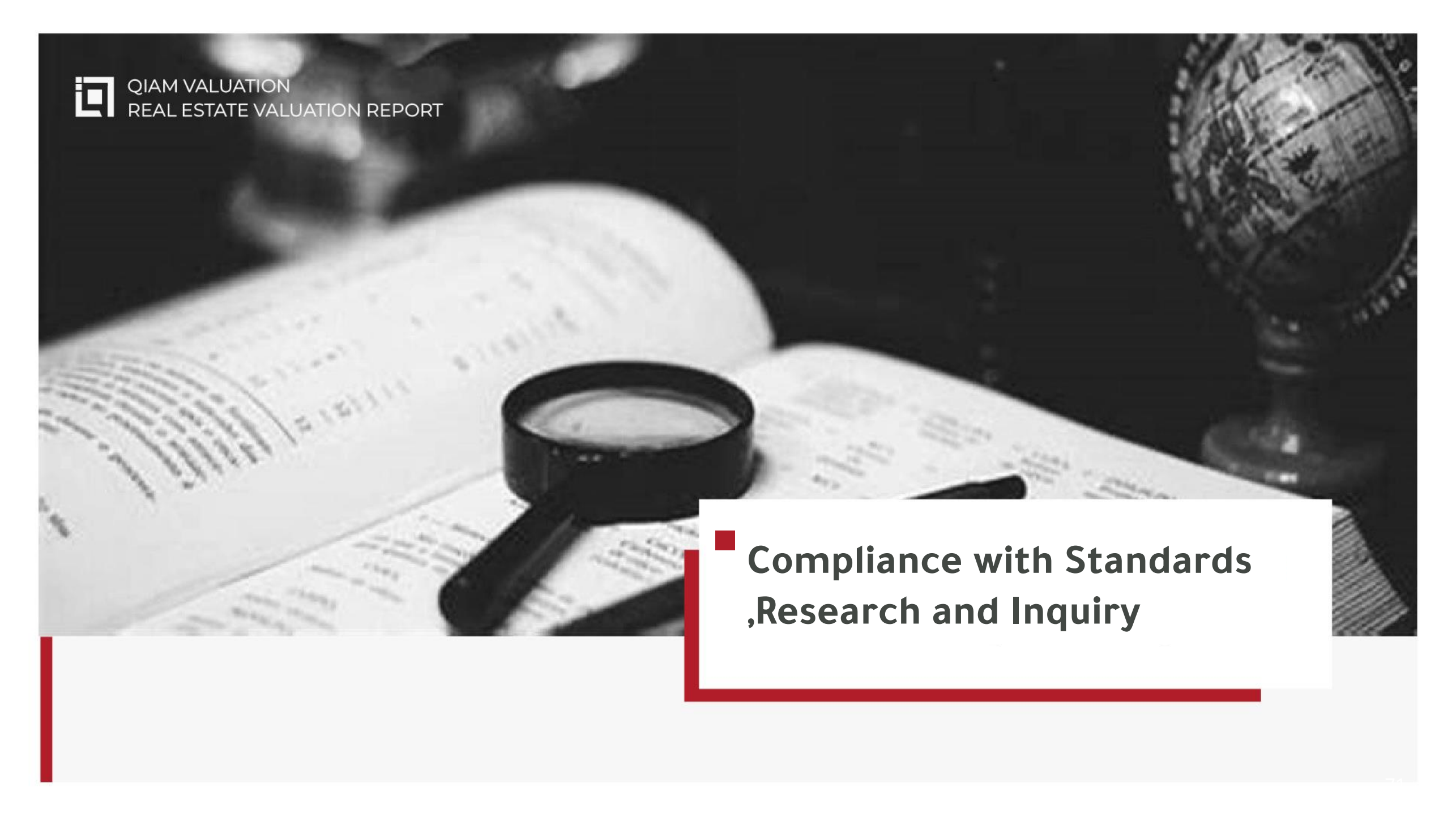
This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | Trusted | The contracts were viewed and authenticated by the Ejar platform.   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |





## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 “property, plant and equipment” IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



■ An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia



## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

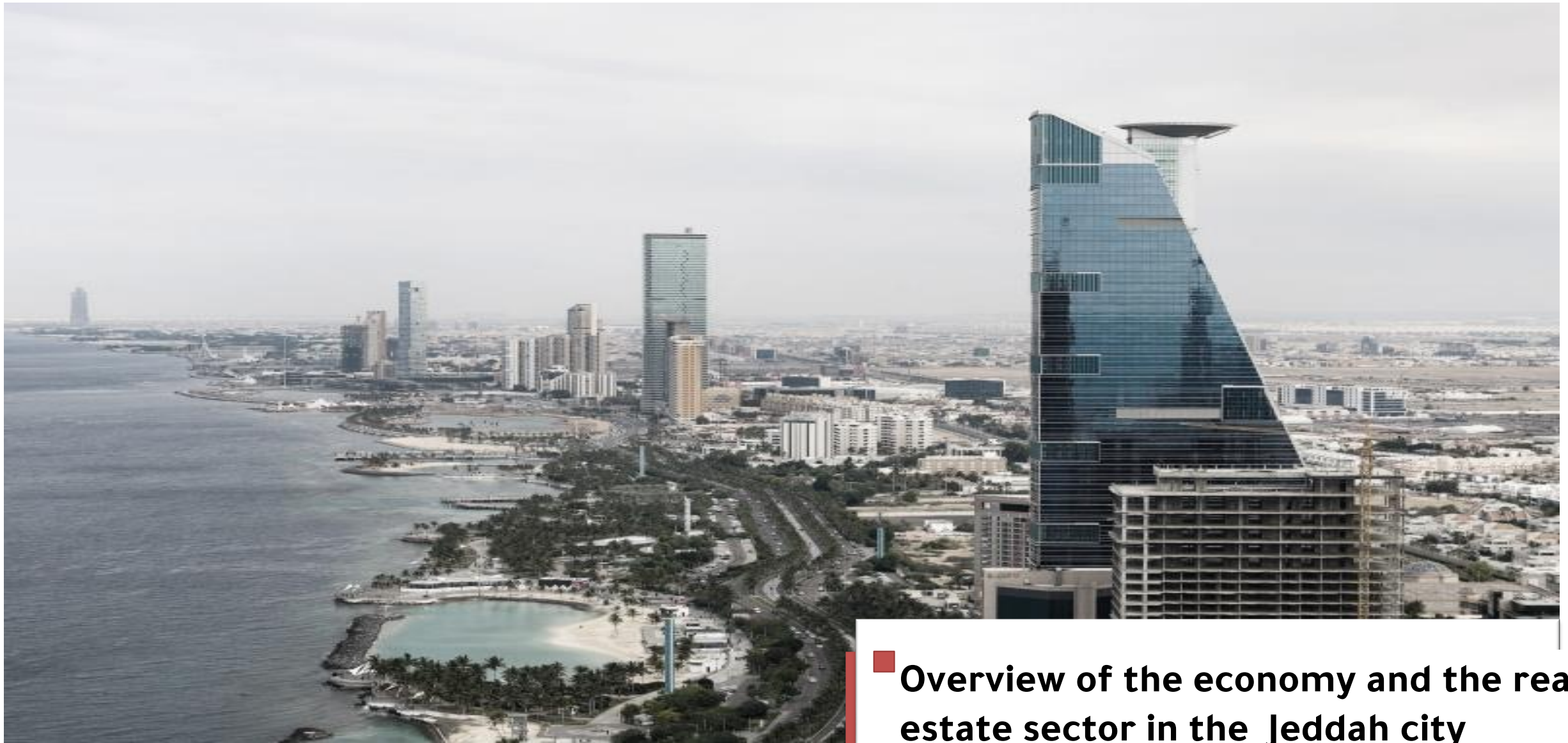
- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in the Jeddah city**

Social, service and real estate indicators - Jeddah City - 2023 AD

Social and service indicators:

|   |                                     |                                  |   |                            |                                     |
|---|-------------------------------------|----------------------------------|---|----------------------------|-------------------------------------|
| <b>470</b><br>Public and private school | <b>14</b><br>University and College | <b>+45ML</b><br>Traveler         | <b>1,215ML</b><br>Size of the workforce | <b>4,7ML</b><br>Population | <b>770KM</b><br>Area                |
| <b>2</b><br>Ports                       | <b>3</b><br>Airports                | <b>+300</b><br>Markets and malls | <b>1457</b><br>Factory                  | <b>52</b><br>Hospitals     | <b>+7.8K</b><br>Tourist and visitor |

Real estate indicators:

|   |                              |   |                                     |
|---|------------------------------|---|-------------------------------------|
| <b>+2,8Billion</b><br>Total value of leasing transactions | <b>+83,5K</b><br>Rental deal | <b>+55Billion</b><br>Total value of the deals | <b>+91K</b><br>Executed transaction |
|---|------------------------------|---|-------------------------------------|



Social, service and real estate indicators - Jeddah City - 2023 AD

Hospitality sector indicators:

|           |            |                  |              |              |              |
|-----------|------------|------------------|--------------|--------------|--------------|
| 62%       | +16K       | 94               | 25           | 27           | 42           |
| Occupancy | Hotel room | Number of hotels | 5 Star Class | 4 Star Class | 3 Star Class |

Administrative sector indicators:

|           |   |   |   |                            |
|-----------|---|---|---|----------------------------|
| 82%       | +300SR                                  | +600SR                                  | +1000SR                                 | +1,250ML                   |
| Occupancy | Average value of a rental meter C class | Average value of a rental meter B class | Average value of a rental meter A class | Commercial rental space/m2 |

Administrative sector indicators:

|           |   |   |   |                            |
|-----------|---|---|---|----------------------------|
| 80%       | +900SR                                  | +1500SR                                 | +2600SR                                 | +2ML                       |
| Occupancy | Average value of a rental meter C class | Average value of a rental meter B class | Average value of a rental meter A class | Commercial rental space/m2 |



## ■ Site studies

## Property Risk Analysis

### Strength point:

- The property's prime location is on Prince Abdul Majeed Road, north of Jeddah.
- The location is close to the main roads that connect it to parts of Jeddah, such as (Madinah Road).

### Opportunities:

- Benefit from the proximity of the property to the new neighborhoods north of Jeddah.
- The scarcity of distinctive commercial projects that meet the market needs in the property area.

### Weak points:

- Risks of changing the building system in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 793010005754 | 13/03/1443 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District    | Plot number | Plan number | Land area            |
|--------------------|-------------|-------------|----------------------|
| Jeddah - Al Shiraa | 270 / ب     | 3 / 505 / ت | 1995.5 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                      |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border       | Border length |
| 52m wide corridor    | 41.24         | Plot No. 185    | 40            | 10m wide street | 47            | Plot No. 268 and 249 | 50            |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                                  |                |                                   |
|---|----------------------------------|----------------|-----------------------------------|
| City  | Jeddah                           | Neighborhood   | Al-Shiraa                         |
| Street  | Prince Abdulmajeed Bin Abdulaziz | Property type  | Trade Shows                       |
| No. land plan   | 3 / 505 / ت                      | Plot number    | 220 / ب                           |
| Land Area   | 1995.5 square meters             | Built-up area  | 544.6 square meters               |
| Services and facilities available in the real estate area |                                  |                |                                   |
| Electricity network                                       | Telephone network                | Water network  | Sewerage network                  |
| ✓   | ✓                                | ✓              | ✓                                 |
| Water drainage network                                    | Mosque                           | Dispensary     | Garden                            |
| ✓   | ✓                                | ✓              | ✓                                 |
| Public markets  | Civil defense                    | Police station | Hospital                          |
| ✓   | ✓                                | ✓              | ✓                                 |
| Hotels  | Petrol station                   | Schools        | Governmental services and centers |
| ✓   | ✓                                | ✓              | ✓                                 |



Factors affecting the property

| Impact element                  | Impact determinants                     | Description   |
|---------------------------------|---|---|
| Area overview                   | Importance of the area                  | The property is located northwest of Jeddah in Al-Sheraa district on Prince Abdul Majeed Street with easy access to Madinah Road. |
| Natural factors (Environmental) | Lands topography                        | Flat  |
|                                 | Pollution                               | N.A.  |
| Planning factors (Urban)        | Location from the city                  | Northwest of the city   |
|                                 | Infrastructure                          | Completed   |
|                                 | Municipal equipment                     | Completed   |
|                                 | Land properties                         | Regular sides and lengths   |
| Building Regulations            | Land use                                | Residential - Commercial Multi-Use  |
|                                 | Building ratio - number of floors       | 65% - Commercial ground floor + mezzanine + two floors and extensions   |
| Economic factors                | Supply and demand                       | Average   |
|                                 | Land prices                             | Average   |
| Legal factors                   | Deficit and trespassing on the property | N.A.  |

## Property Description

- The building area was determined based on the **(Building permit)**.
- The age of the property was determined as **(0)** years based on the **(Building permit)**.
- Building permit number **4400195566** dated **19/06/1444 AH**
- The state of the property on the date of valuation **(31/12/2024)**

When examining the property, it became clear to us that it is a **(Trade Shows)**. Detailed as below:

| Building components |              |           |             |
|---------------------|--------------|-----------|-------------|
| #                   | Floor        | Area (m2) | Use         |
| 1                   | Ground floor | 544.6     | Trade Shows |
| 2                   | Fences       | 90        | Services    |

## Property Description

## INTERIOR FINISHES

|                             |  |               |                 |
|-----------------------------|--|---------------|-----------------|
| Doors                       | Ceiling                                | Wall Cladding | Floors          |
| Glass                       | Gypsum plasterboard suspended ceilings | Paint         | Porcelain       |
| Windows                     | Health kits                            | Stairs        | Insulation type |
| Aluminum and double glazing | N.A.                                   | N.A.          | Thermal - Hydro |

## EXTERIOR FINISHES

| Facades | Facilities | Doors        | Floors |
|---------|------------|--------------|--------|
| Paint   | N.A.       | Secret glass | Tiles  |

## Electromechanical and air conditioning systems

|                    |           |                               |          |                      |
|--------------------|-----------|-------------------------------|----------|----------------------|
| Air Conditioning   | Elevators | Electrical wiring and outlets | lighting | Water Feeding System |
| Under installation | N.A.      | Under installation            | N.A.     | N.A.                 |

## Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems | Security Systems |
|------------|---------|--------------------------------------|------------------|
| N.A.       | Outdoor | N.A.                                 | N.A.             |

Property location

Property is located in: **Jeddah**

Neighborhood: **Al-Shiraa**

Street: **Prince Abdulmajeed Bin Abdulaziz**

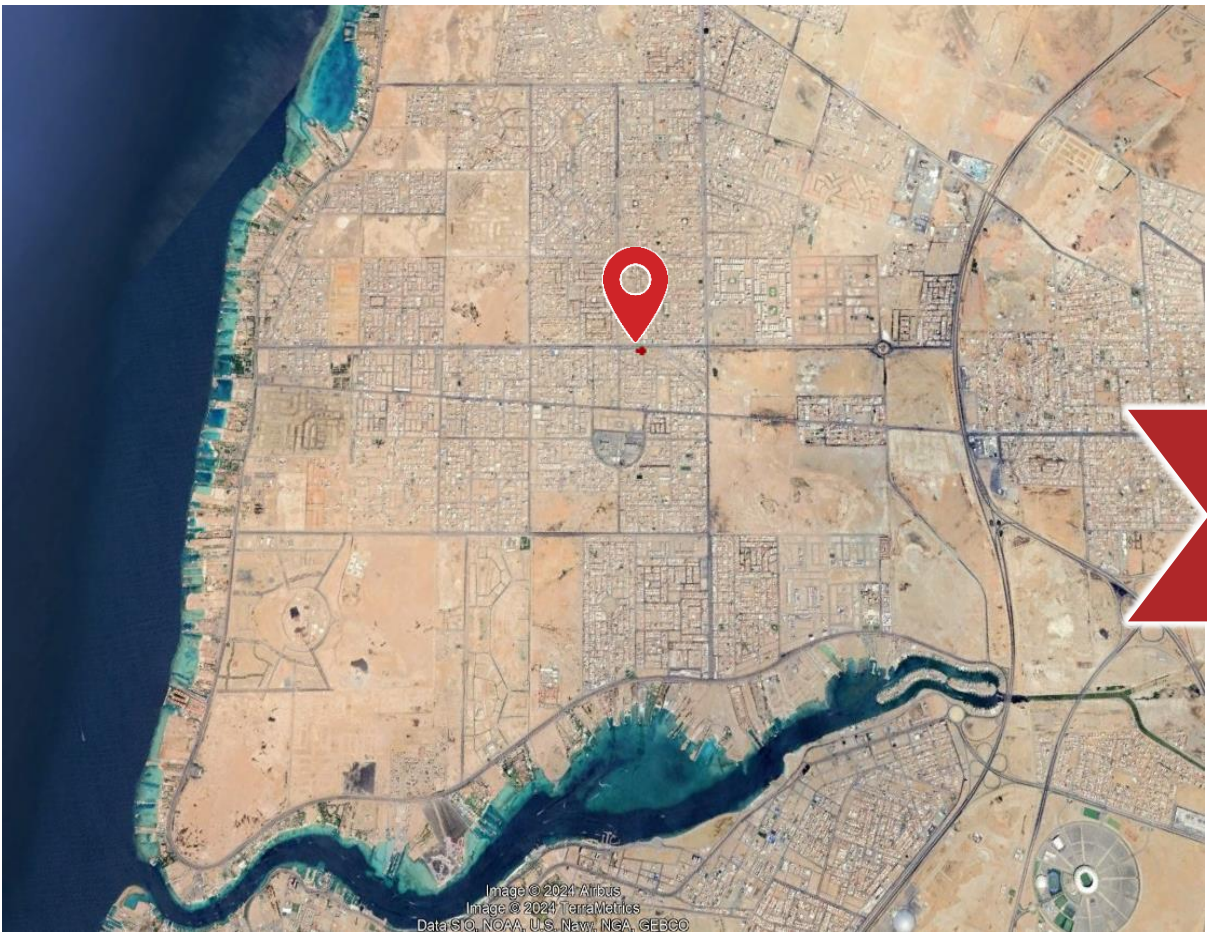
Location coordinates

N :

21.77618

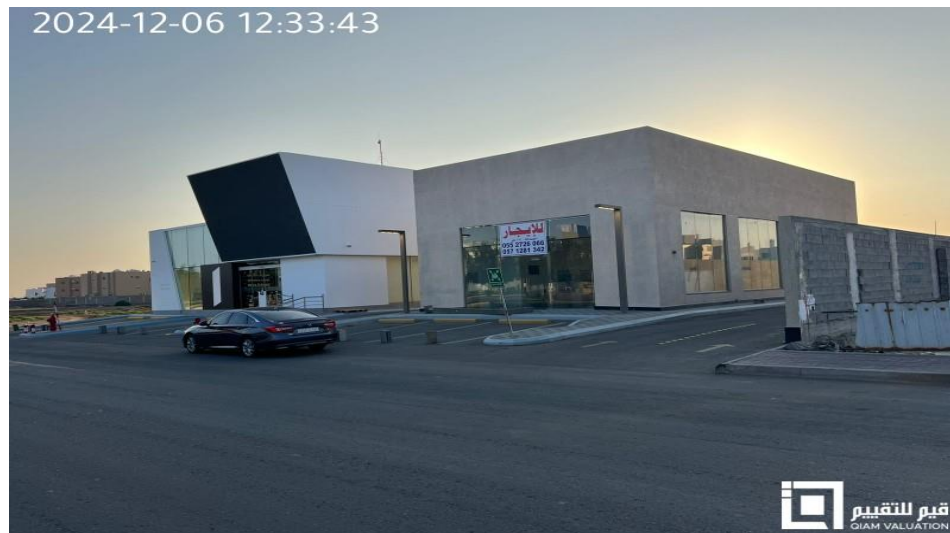
E :

39.09493





## Photographic survey of the Property







## Valuation

## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.



## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                          | Income Approach |
|---------------------------|--|--|-----------------|
| Used approach             | <b>Used as an assist</b>                     | <b>Mainly used</b>                     | ---             |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                       | ---             |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial showroom. | ---             |

### Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |



## Value Estimation

Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      |                          | 7,200      | 56,200                 |            |
| Condition   | ***                      | Executed                 |            | Executed               |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Financing terms   | ***                      | 0.00%                    | -          | 0.00%                  | -          |
| Market conditions value   | ***                      | 5-                       |            | 5-                     |            |
| Value after initial settlements   | ***                      | 7,200                    |            | 56,200                 |            |
| Land area (m²)  | 1995.50                  | 5625                     | -7%        | 51,744                 | 0%         |
| Ease of access  | High                     | High                     | 0%         | High                   | 0%         |
| Property location   | High                     | High                     | 0%         | High                   | 0%         |
| Land shape  | Flat                     | Flat                     | 0%         | Flat                   | 0%         |
| Land topography   | Average                  | Average                  | -5%        | High                   | -5%        |
| Land use  | Commercial Residential   | Commercial Residential   | 0%         | Commercial Residential | 0%         |
| Surrounding streets   | 2                        | 2                        | 0%         | 1                      | 5%         |
| Total   |                          | -12.00%                  |            | 0.00%                  |            |
| Adjustment value per square meter   |                          | 864-                     |            | -                      |            |
| Final meter value after Adjustments   |                          | 6,336                    |            | 6,200                  |            |
| Net average value per square meter (SAR / m²)   |                          | 6,268                    |            |                        |            |
| Market value of the land (SAR / m²)   |                          | 12,507,794               |            |                        |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs) |                  |          |             |
|--|------------------|----------|-------------|
| Clause                                   | Built up area m2 | SAR / m2 | Value (SAR) |
| Ground floor                             | 544.6            | 2,200    | 1,198,120   |
| Parking lot                              | 1451             | 100      | 145,100     |
| Fences                                   | 90               | 600      | 54,000      |
| Total (SAR)                              | 2,086            |          | 1,397,220   |
| Second: Other costs (indirect)           |                  |          |             |
| Professional fees                        | 2%               |          | 27,944      |
| Utilities Network                        | 2%               |          | 27,944      |
| Administration costs                     | 2%               |          | 27,944      |
| Financing costs (0 years / 0%)           | 0%               |          | -           |
| Developer's profitability                | 15%              |          | 209,583     |
| Total (SAR)                              |                  |          | 293,416     |
| Total cost of buildings (SAR)            |                  |          | 1,690,636   |

| Third: Depreciation cost   |      |            |
|--|------|------------|
| Life span of the property (year)   | Year | 40         |
| The current age of the property (year)   | Year | 1          |
| Remaining life of the property (year)  | Year | 39         |
| Depreciation rate  | %    | 3          |
| Depreciation value   | SAR  | 42,266     |
| Final value of the building (SAR)  |      | 1,648,370  |
| Fourth: Value of the property according to the Cost Approach                     |      |            |
| Final value of the land (SAR)  |      | 12,507,794 |
| Final value of buildings (SAR)   |      | 1,648,370  |
| Market value of the property according to the Cost Approach (SAR)                |      | 14,156,164 |
| Market value of the property according to the Cost Approach after rounding (SAR) |      | 14,156,000 |



**Final value of the property**

Based on the purpose of the valuation and the nature of the property and its characteristics as a commercial exhibition property and The property is not currently being used to its highest and best potential, the property was valued using the Cost Approach (Replacement cost method), which is considered the best method for estimating the price on the measurement date of **31/12/2024**, which was reached using the Cost Approach as a basis for the fair value of the property subject to evaluation, as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)                       |
|---|---|
| <b>14,156,000</b>                                 | <b>Fourteen million one hundred and fifty-six thousand Saudi riyals</b> |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi




## Team



Walid Muhammad Qalisi  
Real estate-Basic Follow  
Membership No 1220001145



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 1210000005



## **Appendix**

## Documents received from the client

[illegible]

**وزارة العدل**

**ابراهيم عبد محمد الحسين**  
**الرئيس**  
ترخيص رقم 39/999

**رقم الملف:** 793010005754  
**التاريخ:** 1443/03/13 هـ

**صفحة** من **٥**

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

فإن قطعة الأرض رقم 270 / ب من المخطط رقم 505 / 3 / ت الواقع في حي الشراع بمدينة جدة . و قطعة الأرض رقم 250 / ب من المخطط رقم 505 / 3 / ت الواقع في حي الشراع بمدينة جدة . وقطعة الأرض رقم 269 / ب من المخطط رقم 1505 / 3 / ت الواقع في حي الشراع بمدينة جدة . وقطعة الأرض رقم 251 / ب من المخطط رقم 505 / 3 / ت الواقع في حي الشراع بمدينة جدة : وحذوها وأطولها :

شمالاً: موقوف سيارات متوسط عرض 2.00 م شارع عرض 52.00 بطول 37 يبدأ من الغرب للشمال الشرقي بطول سبعة و ثلاثون متر ثم يتسمر بالتساوي للشرق بطول 24 متر

جنوباً: شرقاً جزء من القطعة رقم 285 مكرز وغرباً جزء من القطعة رقم 285 بطول 40 أربعون متر

شرقا: شمالاً شارع عرض 10 م وجنوباً موقوف سيارات متوسط عرض 18 بطول 47 سبعة و أربعون متر

غرباً: جنوباً القطعة رقم 268 وشمالاً لقطعة رقم 249 بطول 60 عـ.د.و٠ متر

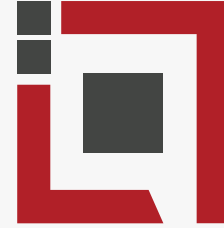
ومساحتها 1995.5 ألف و تسعمائة و خمسة و تسعون متر مربعاً و خمسون سنتيمتراً مربعاً وذلك بموجب خطاب امارة جدة رقم 3600082483 في 13 / 4 / 1437 هـ المقيد لدينا برقم 371302352 في 8 / 4 / 1437 هـ المملوكة لشركة التأمين الأولى التجارية بموجب سجل تجاري رقم 1010896622 بموجب الصك الصادر من الموثقين بالرياض 6 برقم 493598002676 في 24 / 07 / 1442 أذ تم رخصتها وما أقيم أو سلّم عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 خضماً للواء ب 15266453 فقط خمسة عشر مليوناً و مئتان و ستة و ستون ألفاً و أربعة و ثلاثة و خمسون ريالاً سعوديلاً لا غير تسدد على القسط شهرياً عندها 1 قيمة كل قسط تاريخ حلول القسط المديونية أو جزء منها قبل حلول كل للواء والمديونين (الصادر على قسط واحد بمبلغ 15266453 ايحل بتاريخ 30-12-2028م) وفي حالة عدم السداد للزمتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ماقى نعمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال مايلزم شرعاً . وعليه جرى التصديق كتحريراً في 13 / 03 / 1443 لا اعتداه ،وصلنى الله خير نيّنا محمد وآله وصحبه وسلّم.

**الموافق**

**الخاتم الرسمي**

**ابراهيم عبد محمد الحسين**

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General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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## Real State Valuation Report

**Presented to: Mulkia Gulf Real Estate REIT Fund**



MULKIA  
INVESTMENT

Trade shows - Khamis Mushait

## Statement

Dear Esteemed : **Mulkia Gulf Real Estate REIT Fund**

Greetings

**Subject: Trade shows - Khamis Mushait Valuation Report**

We, Qiam and Partner Real Estate valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Khamis Mushait, King Khalid Road** neighborhood, pursuant to the assignment issued by you on **08/12/2024 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2022** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below. Based on the completed study, we attach to you the results of the fair price estimation of Trade shows properties for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **31/12/2024 AD**, **For an amount of only (6,896,000) Six million eight hundred and ninety six thousand Saudi riyals.**

**With sincere gratitude...**

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




**Valuation report filing code**

**At the Saudi Authority for Accredited Valuers**

# قيـم للتقـيـم

## QIAM VALUATION

### Content

|  |    |
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| The specific assumptions and limitations of the report                               | 01 |
| Scope of work  | 02 |
| An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia | 03 |
| Site studies   | 04 |
| Valuation  | 05 |
| Value Estimation   | 06 |
| Appendix   | 07 |



- **The specific assumptions and limitations of the report**

## Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the evaluation, the property was evaluated using the Cost Approach (**Replacement Method**) and the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the Mulkiya Gulf Real Estate REIT Fund**), the evaluation was based on the value (**fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2022 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Title deed). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.





QIAM VALUATION  
REAL ESTATE VALUATION REPORT



## ■ Scope of work

Scope of work Standard No. 101

| Other users   | Client (Report Owner)                         | Real estate valuer's identity   |
|---|---|---|
| Mulkia REIT Fund - Capital Market Authority   | Mulkia Gulf Real Estate REIT Fund             | <ul style="list-style-type: none"><li>▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052</li><li>▪ Salem Al Fai'- Real estate-Basic Follow- Membership No 1210000013</li><li>▪Alwaleed Khaled Musa- Associate Member - Real Estate - 1210001381</li></ul> |
| Assumed value   | Value Basis                                   | Purpose of the valuation  |
| Current use   | Fair value                                    | Periodic valuation of the assets of Gulf Real Estate REIT Fund  |
| Report type for client  | Valuation Approach                            | Asset subject to valuation  |
| Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations) | Income Approach (Discounted Cash Flow method) | Trade shows - Khamis Mushait  |
| Report issuance date  | Valuation date (measurement)                  | Inspection date   |
| 00/00/0000 AD   | 31/12/2024 AD                                 | 08/12/2024 AD   |

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

**Fair value** is 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. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 104 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

## Scope of work Standard No. 101

### Report currency

Saudi riyal

### Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

### Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2022 AD

### Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

### Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

### Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

## Work Stages

- Meeting with the client and determining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outputs from it.

Step 01



- Collecting and analyzing office and field market data in order to gain knowledge of past and current market trends and market indicators that will be relied upon when applying valuation methods.

Step 03



- Work on preparing the report in accordance with Standard 101 for Description of the Report and Standard 103 for Report Preparation.

Step 05



- Previewing the property, identifying its characteristics and specifications, matching documents with reality, analyzing the location of the property and the uses surrounding the property, while defining the scope of the geographical search and the appropriate activities and projects.

Step 02



- Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to carry out financial calculations to reach the market value according to the chosen methods..

Step 04



## Standard 102: Compliance with Standards and Research and Inquiry

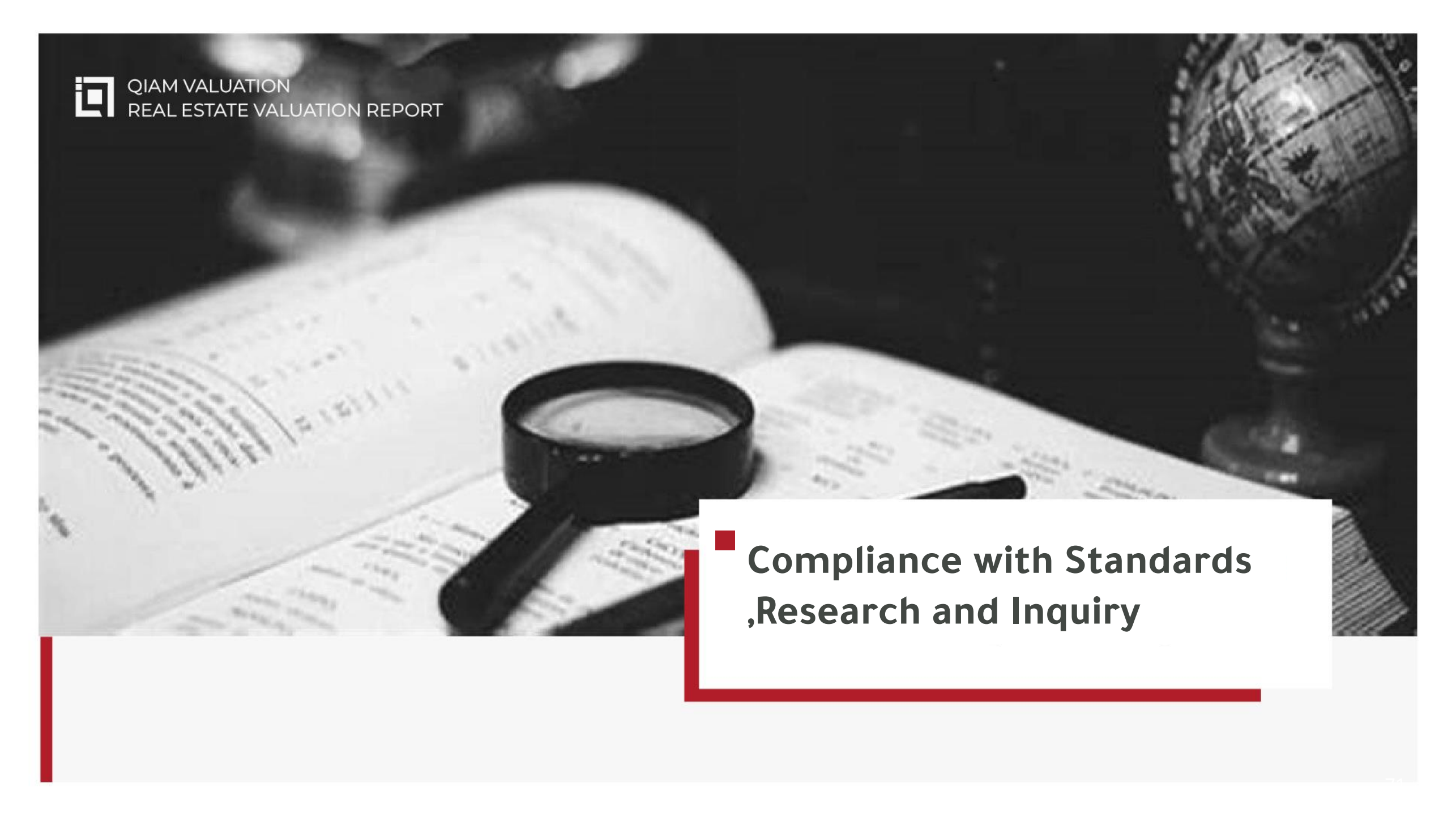
This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of value (Fair value ) is consistent with the purpose of the valuation (Periodic valuation of the assets of Gulf Real Estate REIT Fund).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that valuation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the evaluation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all evaluation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

## Judging the reliability of the information provided and taken into the report

| Provider | Data and information                        | Verdict | Judgment reasons  |
|----------|---|---------|---|
| Client   | Title deed                                  | Trusted | The deed sent by the client has been verified   |
|          | Building permit                             | Trusted | Construction Permit Validated - Balady platform.  |
|          | Lease contracts                             | -----   | -----   |
| Market   | Commercial meter prices                     | Trusted | Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data |
|          | Practical experience of real estate offices | Trusted | Certified by official records in the real estate area   |
|          | Source independence                         | Trusted | A source independent and external to the asset being valued   |





## ■ Compliance with Standards ,Research and Inquiry

## Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided  
The following matters were taken into consideration:  
The purpose of the valuation  
The relevance of the information to the outcome of the valuation  
The source practical experience in relation to the subject matter of the valuation  
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

## Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101  
Scope of Work Paragraph 20:  
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

### Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

## Real estate and investment properties in the preparation of financial reports

### Clarifying the difference between real estate and investment properties in the financial statements

#### Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

#### Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



■ An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia



## 2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

## Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



## Business Sectors Overview

### Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

### Office Sector

- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

### Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

### Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- **Overview of the economy and the real estate sector in the Khamis Mushait city**

## Social, service and real estate indicators - Khamis Mushait City - 2023

### Social and service indicators:

|                                 |                             |                                   |                        |                     |                                 |
|---------------------------------|-----------------------------|-----------------------------------|------------------------|---------------------|---------------------------------|
| 88<br>Public and private school | 2<br>University and College | +10ML<br>Traveler                 | 220K<br>Workforce size | +601K<br>Population | 500KM<br>Area                   |
|                                 | 1<br>Airports               | +24<br>Markets and shopping malls | 265<br>Factory         | 4<br>Hospital       | +1.8ML<br>Tourists and visitors |

### Real estate indicators:

|  |                              |  |                               |
|--|------------------------------|--|-------------------------------|
| <b>+33ML</b><br>Total value of rental transactions | <b>+2521K</b><br>Rental deal | <b>+2.8Billion</b><br>Total value of executed transactions | <b>+4.2K</b><br>Executed deal |
|--|------------------------------|--|-------------------------------|





## Site studies

## Property Risk Analysis

### Strength point:

- The property's prime location is on King Khalid Road.
- The site is close to the main roads that connect it to the rest of the Asir region, such as **(Prince Sultan Road, King Abdullah Road, and King Fahd Road)**.

### Weak points:

- Risks of changing the building system in the property area.

### Opportunities:

- Benefit from the proximity of the property to the largest and most important commercial centers in the governorate.
- The scarcity of distinctive commercial projects that meet the market needs in the property area.

### Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

## Ownership Data

➤ **Title deed information**

| Owner name                        | Deed number  | Deed date     | Ownership Type     |
|-----------------------------------|--------------|---------------|--------------------|
| Tamdeen First Real Estate Company | 393010005752 | 13/03/1443 AH | Absolute ownership |

➤ **Location- plan number - plot number - land area:**

| City - District                   | Plot number | Plan number | Land area          |
|-----------------------------------|-------------|-------------|--------------------|
| Khamis Mushait - King Khalid Road | N.A.        | N.A.        | 1500 square meters |

➤ **Borders and lengths:**

| Borders and lengths: |               |                 |               |                 |               |                 |               |
|----------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Northen border       | Border length | Southern border | Border length | Eastern border  | Border length | Western border  | Border length |
| 20m wide corridor    | 30            | 20m wide street | 30            | 16m wide street | 50            | 64m wide street | 50            |

### Assumptions regarding ownership of the property

The property being evaluated is mortgaged to Al Rajhi Development Company Limited. For the purposes of this report, we have assumed that there is good and valid ownership free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

## Real estate data and Services available in the real estate area

| Real Estate Data  |                    |                |                                   |
|---|--------------------|----------------|-----------------------------------|
| City  | Khamis Mushait     | Neighborhood   | King Khalid Road                  |
| Street  | King Khalid Road   | Property type  | Trade Shows                       |
| No. land plan   | N.A.               | Plot number    | N.A.                              |
| Land Area   | 1500 square meters | Built-up area  | 567.2 square meters               |
| Services and facilities available in the real estate area |                    |                |                                   |
| Electricity network                                       | Telephone network  | Water network  | Sewerage network                  |
| ✓   | ✓                  | ✓              | ✓                                 |
| Water drainage network                                    | Mosque             | Dispensary     | Garden                            |
| ✓   | ✓                  | ✓              | ✓                                 |
| Public markets  | Civil defense      | Police station | Hospital                          |
| ✓   | ✓                  | ✓              | ✓                                 |
| Hotels  | Petrol station     | Schools        | Governmental services and centers |
| ✓   | ✓                  | ✓              | ✓                                 |

Factors affecting the property

| Impact element                  | Impact determinants                     | Description  |
|---------------------------------|---|--|
| Area overview                   | Importance of the area                  | The property is located south of Khamis Mushait city on King Khalid Road with easy access to Prince Sultan Road. |
| Natural factors (Environmental) | Lands topography                        | Flat   |
|                                 | Pollution                               | N.A.   |
| Planning factors (Urban)        | Location from the city                  | South of the city  |
|                                 | Infrastructure                          | Completed  |
|                                 | Municipal equipment                     | Completed  |
|                                 | Land properties                         | Regular sides and lengths  |
| Building Regulations            | Land use                                | Residential - Commercial - Administrative (Multi-use)  |
|                                 | Building ratio - number of floors       | 65% - maximum four floors and an extensions  |
| Economic factors                | Supply and demand                       | Average  |
|                                 | Land prices                             | Average  |
| Legal factors                   | Deficit and trespassing on the property | N.A.   |



- When examining the property, it became clear to us that it is a **(Trade Shows)**. Detailed as below:

| Building components |              |           |             |
|---------------------|--------------|-----------|-------------|
| #                   | Floor        | Area (m2) | Use         |
| 1                   | Ground floor | 567.2     | Trade Shows |
| 2                   | Fences       | 160       | Services    |

## Property Description

## INTERIOR FINISHES

|                             |  |               |                 |
|-----------------------------|--|---------------|-----------------|
| Doors                       | Ceiling                                | Wall Cladding | Floors          |
| Glass                       | Gypsum plasterboard suspended ceilings | Paint         | Porcelain       |
| Windows                     | Health kits                            | Stairs        | Insulation type |
| Aluminum and double glazing | N.A.                                   | N.A.          | Thermal - Hydro |

## EXTERIOR FINISHES

| Facades | Facilities | Doors        | Floors |
|---------|------------|--------------|--------|
| Paint   | N.A.       | Secret glass | Tiles  |

## Electromechanical and air conditioning systems

| Air Conditioning   | Elevators | Electrical wiring and outlets | lighting | Water Feeding System |
|--------------------|-----------|-------------------------------|----------|----------------------|
| Under installation | N.A.      | Under installation            | N.A.     | N.A.                 |

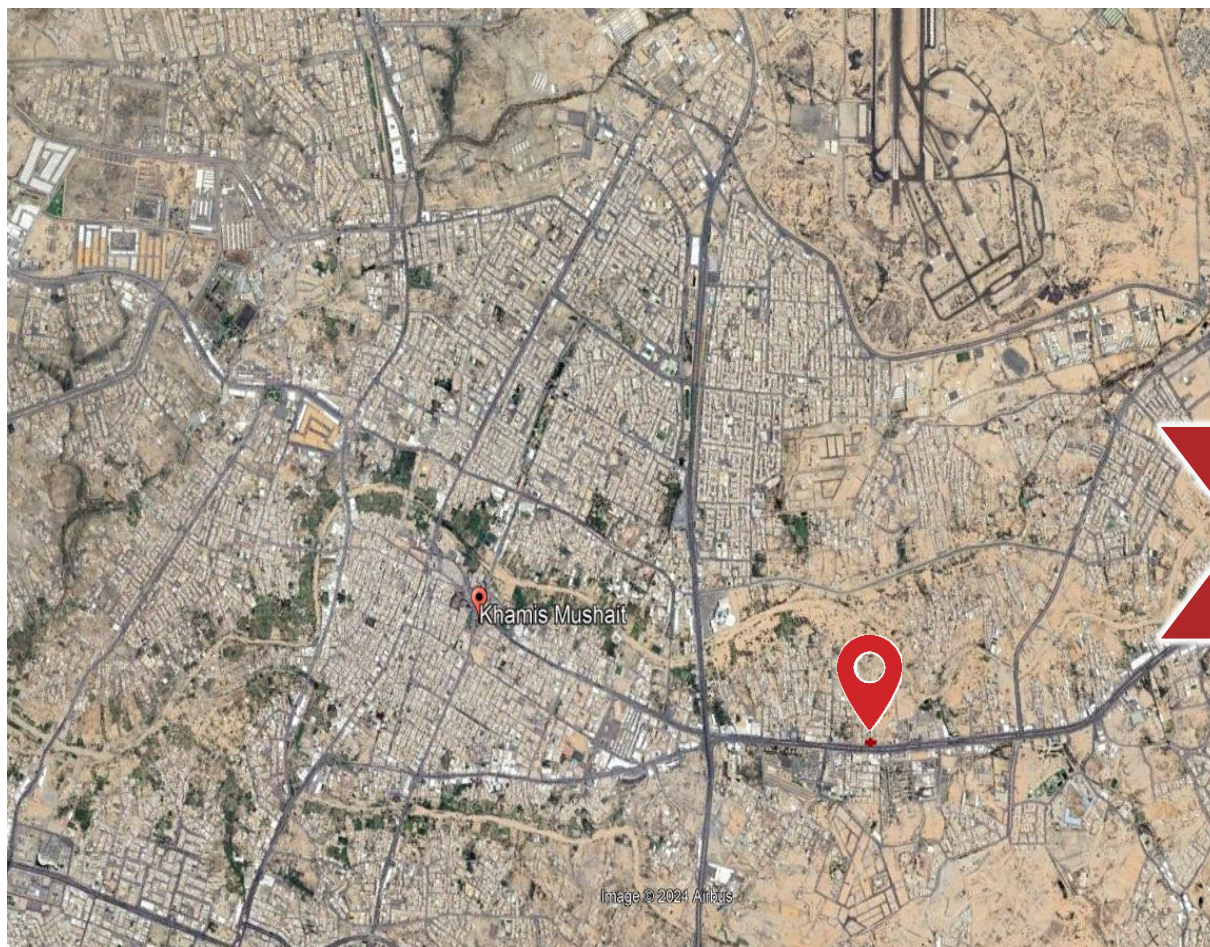
## Security and safety systems - other facilities

| Facilities | Parking | Fire Alarm and Extinguishing Systems | Security Systems |
|------------|---------|--------------------------------------|------------------|
| N.A.       | Outdoor | N.A.                                 | N.A.             |



Street: **King Khalid Road**

|                      |            |          |            |          |
|----------------------|------------|----------|------------|----------|
| Location coordinates | <b>N :</b> | 18.27093 | <b>E :</b> | 42.73898 |
|----------------------|------------|----------|------------|----------|





## Photographic survey of the Property

2024-12-08 17:21:19



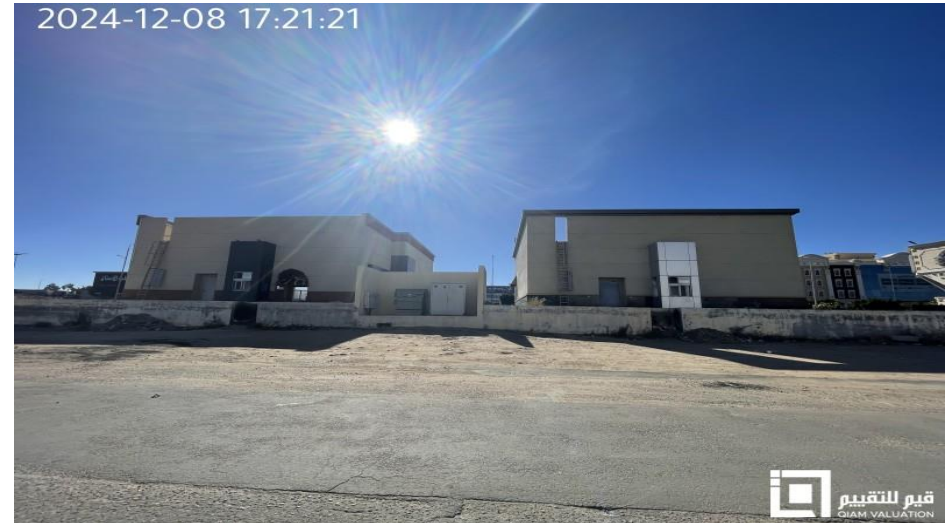
2024-12-08 17:21:23



2024-12-08 17:21:22



2024-12-08 17:21:21





Development



## Valuation



## Valuation Approaches



### ❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



### ❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



### ❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

## Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

**The market approach should be applied and afforded significant weight under the following circumstances:**

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

**The key steps in the comparable transactions method are:**

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

## Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

### Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

### Used methods of Cost Approach :

- a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

### Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula  $(\text{current age of the building} / \text{Lifespan}) * 100$ .

## Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

**Income Approach should be applied and given priority or significant weight in the following cases:**

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

**Income Approach Methods:**

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

**Discounted Cash Flow method (DCF)**

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

**Direct Capitalization Method:**

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

**Residual value method:**

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

## Used valuation approaches and methods - Fair value hierarchy

### Used valuation methods

| Valuation Approaches      | Market Approach                              | Cost Approach                          | Income Approach                                 |
|---------------------------|--|--|---|
| Used approach             | <b>Used as an assist</b>                     | <b>Used as an assist</b>               | <b>Mainly used</b>                              |
| Used valuation methods    | Similar Comparisons                          | Replacement cost                       | Discounted Cash Flow method                     |
| Reasons for use / not use | To know the market prices of lands and units | The property is a commercial showroom. | The fact that the property is income-generating |

### Hierarchy:

The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

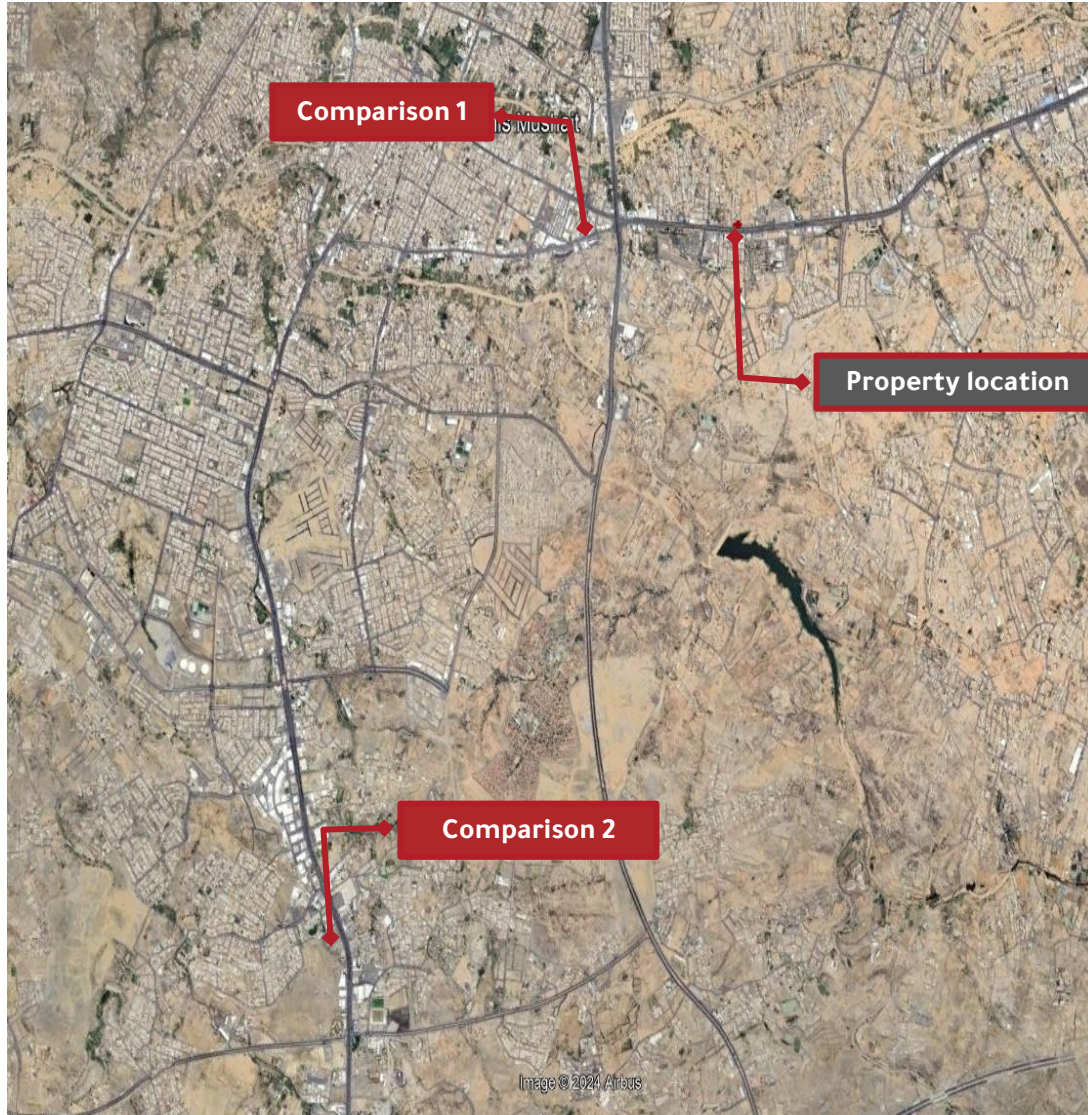
| Level         | Clarification  | Input statement  | Classification                          | Source   | Judgment and documentation   |
|---------------|--|--|---|--|--|
| <b>First</b>  | Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.       | ----   | ----                                    | ----   | ----   |
| <b>Second</b> | They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly | Commercial and commercial residential offers in the real estate area | It is classified under the second level | Accredited real estate offices in the real estate area | Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions |
| <b>Third</b>  | They are the inputs that cannot be monitored and are given the lowest priority   | ----   | ----                                    | ----   | ----   |





## Value Estimation

## Estimating the value of the land - Market Approach - Comparisons method



| Valuating the land according to Market Approach - Method of comparison with similar sales |                          |                          |            |                        |            |
|---|--------------------------|--------------------------|------------|------------------------|------------|
| Clause  |                          | Comparative real estates |            |                        |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2           |            |
|   |                          | Value                    | Adjustment | Value                  | Adjustment |
| Price per square meter  | ***                      | 3,200                    |            | 4,400                  |            |
| Condition   | ***                      | Available offer          |            | Available offer        |            |
| Date of valuation/offer   | 2024                     | 2024                     |            | 2024                   |            |
| Market Condition  | ***                      | %5.00-                   | 160 -      | %5.00-                 | 220 -      |
| Financing terms   | ***                      | %0.00                    | -          | %0.00                  | -          |
| Market conditions value   | ***                      | (160.00)                 |            | (220.00)               |            |
| Value after initial settlements   | ***                      | 3,040                    |            | 4,180                  |            |
| Land area (m²)  | 1500.00                  | 2,626                    | %3         | 2,400                  | %3         |
| Ease of access  | High                     | Low                      | %10        | High                   | %5-        |
| Property location   | High                     | Low                      | %10        | High                   | %5-        |
| Land shape  | Regular                  | Regular                  | %0         | Regular                | %0         |
| Land topography   | Average                  | Average                  | %0         | Average                | %0         |
| Land use  | Commercial Residential   | Commercial Residential   | %0         | Commercial Residential | %0         |
| Surrounding streets   |                          | 2                        | %5         | 3                      | %0         |
| Total   |                          | %28.00                   |            | %7.00-                 |            |
| Adjustment value per square meter   |                          | 851                      |            | -293                   |            |
| Final meter value after Adjustments   |                          | 3,891                    |            | 3,887                  |            |
| Net average value per square meter (SAR / m²)   |                          | 3,889                    |            |                        |            |
| Market value of the land (SAR / m²)   |                          | 5,833,950                |            |                        |            |

## Similar Comparisons Method Assumptions

**Based on the approach used in calculating the market value, which is Market Approach (Method of similar comparisons), the following was assumed:**

**Relative control of the area:** It is customary to promote a smaller area of the land that achieves a higher value compared to the land that is larger in area, and sometimes vice versa.

Here, it was assumed that 5% would be allocated for each multiplier, and the percentage may vary according to the estimate and experience of the real estate valuer, depending on the state of the real estate market and the valuer's experience.

**Market condition:** Adjustments against the market condition conditions are often referred to as (time) Adjustment or in the case of negotiation over the offered value. Market conditions may change with the change of time, and the percentage is variable according to the market condition.

**Ease of access:** The movement of access to the real estate subject to evaluation is easy, as well as the ease of access to the comparable properties (high, medium, low), Accordingly, a rate of 5% was assumed for each level.

**Location of the property:** The location is where the property is located, whether it is on a road front or second row, or has two roads or two entrances, and it has a direct and high impact on the value of the property, and half of it is (high, medium, low), accordingly, a rate of 5% was assumed for each level.

**Land shape:** One of the physical characteristics that affect the property is the shape of the land, whether it is regular or irregular, Accordingly, a rate of 5% was assumed.

**Usage:** The planning of the property was taken into account, as it is a layout (Residential, Commercial, Office, Agricultural, Industrial) for the property being evaluated and the comparative properties, and it is possible for the property to include more than one use, and accordingly, a rate of 5% was assumed according to the classification of use.

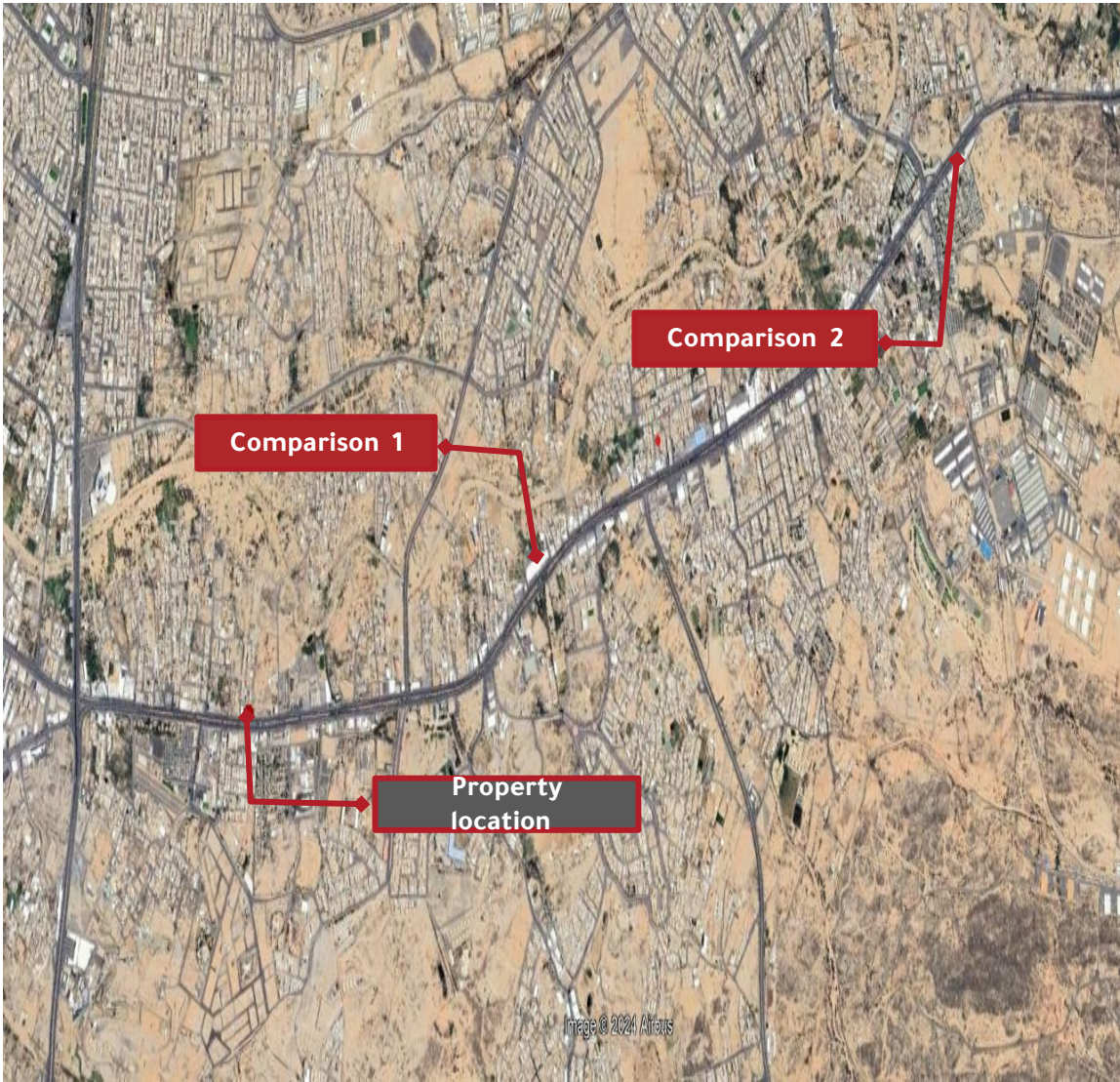
**Surrounding streets:** The location affects the value of real estate directly if it is on one or two streets, as well as the views it provides and the provision of various advantages. Accordingly, a rate of 5% was assumed for each difference for one street.

## Property Valuation - Cost Approach - Replacement Method

| First: Construction Costs (Direct Costs)  |                  |          |                  |
|---|------------------|----------|------------------|
| Clause  | Built up area m2 | SAR / m2 | Value (SAR)      |
| Ground floor  | 567.2            | 1,600    | 907,520          |
| Fences  | 160              | 600      | 96,000           |
| <b>Total (SAR)</b>  | <b>727</b>       |          | <b>1,003,520</b> |
| Second: Other costs (indirect)  |                  |          |                  |
| Professional fees   | %2               |          | 20,070           |
| Utilities Network   | %2               |          | 20,070           |
| Administration costs  | %2               |          | 20,070           |
| Financing costs (0 years / 0%)  | %0               |          | -                |
| Developer's profitability   | %15              |          | 150,528          |
| <b>Total (SAR)</b>  |                  |          | <b>210,739</b>   |
| <b>Total cost of buildings (SAR)</b>  |                  |          | <b>1,214,259</b> |
| Third: Depreciation cost  |                  |          |                  |
| Life span of the property (year)  | Year             |          | 40               |
| The current age of the property (year)  | Year             |          | 5                |
| Remaining life of the property (year)   | Year             |          | 35               |
| Depreciation rate   | %                |          | 13               |
| Depreciation value  | SAR              |          | 151,782          |
| <b>Final value of the building (SAR)</b>  |                  |          | <b>1,062,477</b> |
| Fourth: Value of the property according to the Cost Approach                            |                  |          |                  |
| <b>Final value of the land (SAR)</b>  |                  |          | <b>5,833,950</b> |
| <b>Final value of buildings (SAR)</b>   |                  |          | <b>1,062,477</b> |
| <b>Market value of the property according to the Cost Approach (SAR)</b>                |                  |          | <b>6,896,427</b> |
| <b>Market value of the property according to the Cost Approach after rounding (SAR)</b> |                  |          | <b>6,896,000</b> |



Estimating the rental value per square meter for trade shows- Comparison method



| Estimating the value of the rental meter - Trade shows - According to the Market Approach - Comparison method |                          |                          |            |              |            |
|---|--------------------------|--------------------------|------------|--------------|------------|
| Clause  |                          | Comparative real estates |            |              |            |
| Adjustments factors   | Property under valuation | Comparison 1             |            | Comparison 2 |            |
|   |                          | Value                    | Adjustment | Value        | Adjustment |
| Rental price per square meter   | ***                      | 850                      |            | 1,200        |            |
| Condition   | ***                      | Average                  |            | Average      |            |
| valuation/offer date  | 2024                     | 2024                     |            | 2024         |            |
| Market conditions   | ***                      | %0.00                    | -          | %0.00        | -          |
| Financing terms   | ***                      | %0.00                    | -          | %0.00        | -          |
| Market conditions value   | ***                      | -                        | -          | -            | -          |
| Value after initial settlements   | ***                      | 850                      |            | 1,200        |            |
| Area (m2)   | 283.50                   | 180                      | %5-        | 80           | %10-       |
| Ease of access  | High                     | High                     | %0         | High         | %0         |
| Property location   | High                     | High                     | %0         | High         | %0         |
| Parking availability  | High                     | Average                  | %5         | Average      | %5         |
| Design  | High                     | Average                  | %5         | Average      | %5         |
| Total   |                          | %5.00                    |            | %0.00        |            |
| Adjustment value per square meter   |                          | 43                       |            | -            |            |
| Final meter value after Adjustments   |                          | 893                      |            | 1,200        |            |
| Net average value per square meter (SAR / m²)   |                          |                          |            | 1,046        |            |
| Net average value per meter (SAR/meter) after rounding  |                          |                          |            | 1,000        |            |



## Analysis of valuation assumptions data - Discounted Cash Flow Methods

### Operational rate of return:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Evaluation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 7.5%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

### Discount rate:

| Discount rate (cumulative model method)                    |      |  |
|--|------|--|
| Government bond rate of return                             | 4.94 | Saudi Tadawul Fund   |
| Inflation rate (current year average)                      | 2    | Saudi Central Bank   |
| Market risk premium (recession and recovery)               | 1.5  | According to the condition and circumstances of the market   |
| Special risk premium (the resulting costs of the property) | 1.5  | According to the condition and circumstances of the property |
| Discount rate with all data above                          | 10   | %  |

### Assumptions:

| Discounted Cash Flow method assumptions |         |  |      |
|---|---------|--|------|
| Total property income                   | 567,000 | Discount rate  | %10  |
| Occupancy rate                          | %100    | Capitalization rate  | %7.5 |
| Operating Expense Rate                  | %0      | Growth rate - annual from 4th year according to the contract | %6   |

### Vacancy rate and credit risk:

In the case of the property being evaluated, the occupancy rate was assumed to be 100%.

### Operating Expense Rate:

Based on market survey data, the average operating expenses in similar properties are 0% as showrooms are leased under contracts with the tenants bearing the operating expenses.

### Rental income:

The property income was analyzed through market survey data with a growth rate of 6% per 3 years.

### Statement of the property's annual income (according to market survey data).

| Clause                             | Area (m2) | Rental value per meter (SAR/meter) | Rental value (SAR ) |
|------------------------------------|-----------|------------------------------------|---------------------|
| Trade show 1                       | 283.5     | 1,000                              | 283,500             |
| Trade show 2                       | 283.5     | 1,000                              | 283,500             |
| Total annual property income (SAR) |           |                                    | 567,000             |

## Calculating the market value - Discounted Cash Flow method

| Cash flow - Inflows               |         | Investment years |         |         |         |         |         |         |         |         |         | Reversion value |
|-----------------------------------|---------|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
|                                   |         | 2024             | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    |                 |
|                                   |         | 1                | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      |                 |
| Expected growth value             |         | %0.00            | %0.00   | %0.00   | %6.00   | %0.00   | %0.00   | %0.00   | %6.00   | %0.00   | %0.00   |                 |
| Total rental value                | 567,000 | 567,000          | 567,000 | 567,000 | 601,020 | 601,020 | 601,020 | 601,020 | 637,081 | 637,081 | 637,081 |                 |
| Occupancy rate                    | %100    | 567,000          | 567,000 | 567,000 | 601,020 | 601,020 | 601,020 | 601,020 | 637,081 | 637,081 | 637,081 |                 |
| Actual gross income               |         | 567,000          | 567,000 | 567,000 | 601,020 | 601,020 | 601,020 | 601,020 | 637,081 | 637,081 | 637,081 |                 |
| minus operating expense ratio     | %0      | -                | -       | -       | -       | -       | -       | -       | -       | -       | -       |                 |
| Net Operating Income (NOI)        |         | 567,000          | 567,000 | 567,000 | 601,020 | 601,020 | 601,020 | 601,020 | 637,081 | 637,081 | 637,081 |                 |
| Reversion value of the building   |         |                  |         |         |         |         |         |         |         |         |         |                 |
| Net Cash Flow                     |         | 567,000          | 567,000 | 567,000 | 601,020 | 601,020 | 601,020 | 601,020 | 637,081 | 637,081 | 637,081 |                 |
| Discount Factor                   |         | 0.9091           | 0.8264  | 0.7513  | 0.6830  | 0.6209  | 0.5645  | 0.5132  | 0.4665  | 0.4241  | 0.3855  | 0.3855          |
| Present Value of Cash Flows       |         | 515,455          | 468,595 | 425,995 | 410,505 | 373,186 | 339,260 | 308,418 | 297,203 | 270,185 | 245,622 | 3,274,965       |
| Net present value of the property |         |                  |         |         |         |         |         |         |         |         |         | 6,929,390       |

|                                       |           |
|---------------------------------------|-----------|
| Final Property Value                  | 6,929,390 |
| Final Property Value (after rounding) | 6,929,000 |

**Final value of the property**

Based on the purpose of the valuation and the nature of the property and its characteristics as a commercial exhibition property (not rented and without income), the valuation of the property using the Cost Approach (Replacement Cost method) is considered the best method for estimating the price on the measurement date of 31/12/2024, which was reached using the Cost Approach as a basis for the fair value of the property subject to valuation, which is as follows:

| Price on the date of measurement in numbers (SAR) | Price on the date of measurement in writing (SAR)              |
|---|--|
| 6,896,000   | Six million eight hundred and ninety-six thousand Saudi riyals |

**This report was approved by the Executive Director**

Ismail Muhammad Al-Dubaikhi




## Team



Alwaleed Khaled Musa  
Real estate - Associate  
Membership No 1210001381



Salem Mohammed Al Fai'  
Real estate-Basic Follow  
Membership No 1210000013



Ismail Al-Dubaikhi  
Real estate-Basic Follow  
Membership No 121000005



## **Appendix**



## Documents received from the client

رقم الطلب: 1443/03/13

نوع الطلب: رخصة بناء

الجهة: شركة توريد الاثاث المنزلية شركة توريد

رقم الهوية: 7010776792

نوع الهوية: سجل تجاري

رقم الرخصة: 450614241889

نوع الرخصة: رخصة بناء

حالة الرخصة: يوجد طلب على الرخصة

تاريخ إصدارها: 1437/07/17

تاريخ إنشائها: 1440/07/17

رقم الطلب: 1443/03/13

نوع الطلب: رخصة بناء

الجهة: شركة توريد الاثاث المنزلية شركة توريد

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نوع الهوية: سجل تجاري

رقم الرخصة: 450614241889

نوع الرخصة: رخصة بناء

حالة الرخصة: يوجد طلب على الرخصة

تاريخ إصدارها: 1437/07/17

تاريخ إنشائها: 1440/07/17

وزارة العدل  
ابراهيم عمر محمد الحسين  
الرياض  
ترخيص رقم 39/999

رقم الصك: 393010005752  
التاريخ: 1443/03/13 هـ

صك رهن

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن الجزء المتعلق من المستودع المظلم على الأرض الواقعة على طريق المدينة العسكرية بمدينة خميس مشيط، وحدودها وأطوالها:

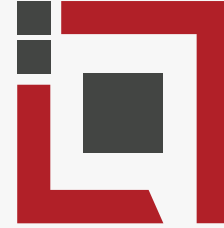
شمالاً: شارع عرضه 20م بطول 30 ثلاثون متر  
جنوباً: شارع عرضه 20م بطول 30 ثلاثون متر  
شرقاً: شارع عرضه 16م بطول 50 خمسون متر  
غرباً: طريق المدينة العسكرية عرضه 64م بطول 50 خمسون متر  
ومساحتها 1500 ألف و خمسمائة متر مربعاً المملوكة لشركة تعدين الاواني التطويرية بموجب سجل تجاري رقم 1010896622 بموجب الصك الصادر من الموثقين بالرياض 6 برقم 293598002673 في 24 / 07 / 1442 قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضمناً للوفاء بـ 14042105 فقط أربعة عشر مليوناً و الثمان و أربعون ألفاً و مئة و خمسة ريالات سعودي لا غير. تستند على أقساط شهرية عددها 1 قيمة كل القسط. تاريخ حلول القسط 1443/03/14 سبب الرهن: أداة ضمان للوفاء بالمديونية عدد رقم 22455468 ويحق للمصرف بيع العقار إذا تكرر المدين عن سداد المديونية أي جزء منها قبل حلول كل الدين المضمون(السداد على أقساط واحد بمبلغ 14042105/بحل بتاريخ 30-12-2028م وفي حالة عدم السداد فلفمترهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء باقي ثمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال ميلزام شرعاً. وعليه جرى التصديق تحريراً في 1443 / 03 / 13 لاتماده، بوصلى الله على نبينا محمد وآله وصحبه وسلم.

الموثق

ابراهيم عمر محمد الحسين

القلم الرئيسي

رقم التماس: 714



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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