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# Valuation Report

## QBIC PLAZA, RIYADH, KSA

## SNB CAPITAL

REPORT ISSUED 28 JULY 2022

*ValuStrat Consulting*
703 Palace Towers
Dubai Silicon Oasis
Dubai
United Arab Emirates
Tel.: +971 4 326 2233
Fax: +971 4 326 2223
www.valustrat.com

خبير التثمين العقاري
6th floor, South tower
Al Faisaliah Complex
Riyadh
Saudi Arabia
Tel.: +966 11 2935127
Fax: +966 11 2933683

111, Jameel square
Tahlia Road
Jeddah
Saudi Arabia
Tel.: +966 12 2831455
Fax: +966 12 2831530

# TABLE OF CONTENTS

# 1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

## 1.1 THE CLIENT

**Danial Mahfooz, CFA**
Vice President
SNB Capital, KSA

## 1.2 THE PURPOSE OF VALUATION

The valuation is for the semi-annual REIT exercise and submission to the Capital Market Authority (CMA).

## 1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise:

| *Description* | *Property Details* |
|---|---|
| Property Name | QBIC Plaza |
| Land Area (sq. m.) | 17,444.21 |
| Built-Up Area (sq. m.) | 37,588.33 |
| Gross Leasable Area (sq. m.) | 21,253 |
| Owner | Sandouq Tamkeen (the SPV of AlAhli REIT Fund) |
| Location | Al Ghadeer District, Riyadh, KSA |
| GPS Coordinates | 24°46'18.66"N, 46°39'58.70"E |
| Interest Valued | Assumed Freehold |

*Source: Client 2022*

## 1.4 VALUATION APPROACH

We have undertaken the Discounted Cash Flow (DCF) approach to valuation.

## 1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on our inspection of the subject property on 30 June 2022.

*The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.*

## 1.6 OPINION OF VALUE

| Property Name | Passing Income | Exit Yield | Discount Rate | Property Value [Rounded] |
|---|---|---|---|---|
| QBIC Plaza | 21,613,000 p.a. | 8.5% | 11% | SAR 258,000,000 |

*The executive summary and valuation should not be considered other than as part of the entire report. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.*

## 1.7 SALIENT POINTS (GENERAL COMMENTS)

*Whilst most global markets remain disrupted along with the effects of the extraordinary market conditions over the past two plus years through the COVID-19 pandemic, it appears the KSA economy appears stable and strong within a recovery mode on the back of higher oil demand and private consumption along with KSA's Vision 2030 looks to diversify the economy away from oil through focusing on direct foreign investment, tourism and the increase of locals in the workforce.*

*The cost of risk is also likely to stay elevated in 2022 reflecting the volatile global health situation, high inflation and rising interest rates, etc.*

*The real estate traditional determinants of location and value for money continue to be a key success influencing property and accommodation preference though investors in KSA are also no less sensitive to asset classes and the location of property providing investor expectations and stable long-term income for portfolios and funds. Equally, strong investor appetite remains for 'best in class / 'Institutional Asset Class – Grade A' / good quality property providing long term income.*

*With all positive activity and investment by the government creating opportunities through projects across the Kingdom's Vision 2030 and through the creation of the Giga projects has meant a stable KSA economy with positive outlook going forward throughout 2022 and beyond.*

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property. It is assumed that the subject property is freehold and is not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Note that property values are subject to fluctuation over time as market conditions may change. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace. Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

*This executive summary and valuation should not be considered other than as part of the entire report.*

# 2 VALUATION REPORT

## 2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for SNB Capital ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

## 2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

| *Description* | *Property Details* |
|---|---|
| Property Name | QBIC Plaza |
| Land Area (sq. m.) | 17,444.21 |
| Built-Up Area (sq. m.) | 37,588.33 |
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| Location | Al Ghadeer District, Riyadh, KSA |
| GPS Coordinates | 24°46'18.66"N, 46°39'58.70"E |
| Interest Valued | Assumed Freehold |

*Source: Client 2022*

## 2.3 PURPOSE OF VALUATION

The valuation is for the semi-annual REIT exercise and submission to the Capital Market Authority (CMA).

## 2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taqeem Regulations (Saudi Authority for Accredited Valuers) and the International Valuation Standards Council (IVSCs') incorporating International Valuations Standards (IVS) 2022.

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

## 2.5 BASIS OF VALUATION

### 2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the ***Market Value*** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. ***Market Value*** is defined as: -

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

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

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

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

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

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

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

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

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

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

'***and without compulsion***' establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

***Market value*** is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.

***Market value*** is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

### 2.5.2 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken back in December 2021.

### 2.5.3 STATUS OF VALUER

| *Status of Valuer* | *Survey Date* | *Valuation Date* |
|---|---|---|
| External Valuer | *25 June 2022 | 30 June 2022 |

**The inspection was external and visual in nature only*

## 2.6 EXTENT OF INVESTIGATION

In accordance with instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our inspection was limited to the external visual assessment of the subject property including its basement parking, ground floor retail/showrooms and upper floor offices. For the purpose of our report, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

## 2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

### 2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and,

The market value conclusion arrived at for the property reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

## 2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

## 2.9 DETAILS AND GENERAL DESCRIPTION

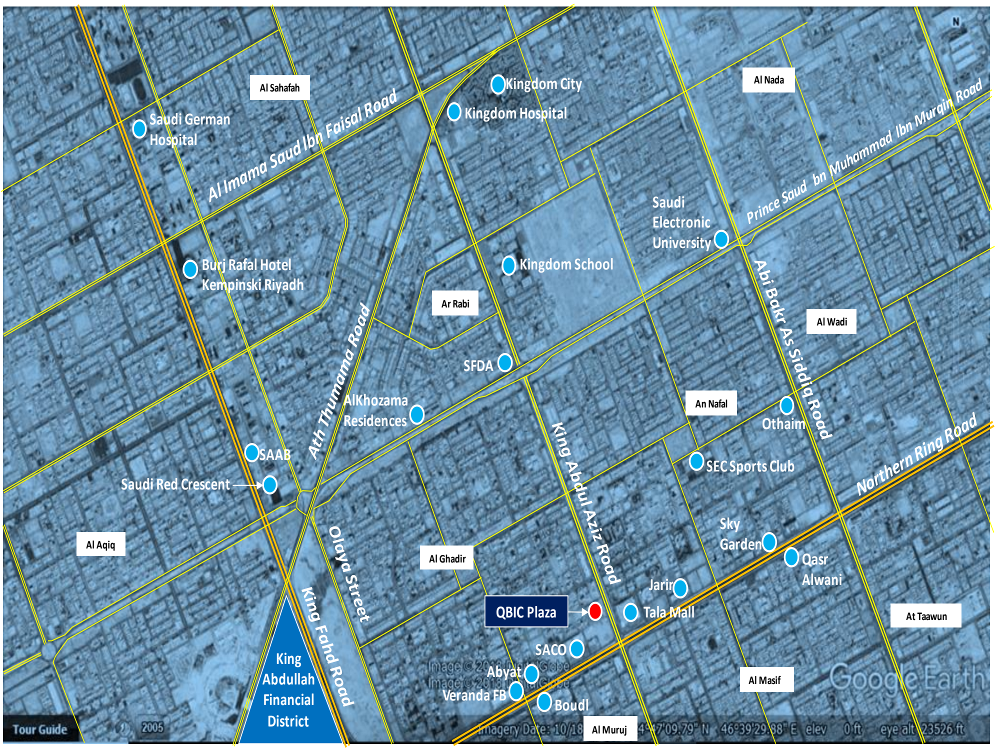
### 2.9.1 LOCATION AND DESCRIPTION OF THE PROPERTY

The subject property, identified as QBIC Plaza, is located along the southwest side of King Abdul Aziz Road, within Al Ghadeer District, Riyadh, Kingdom of Saudi Arabia.

It is situated about 200 meters & 250 meters northwest of Tala Mall & Northern Ring Road, respectively; and approximately 350 meters & 650 meters northeast of SACO World & Abyat, respectively.

Additionally, King Abdullah Financial District, soon to be new central business district of Riyadh, is located about 2.5 kilometers southwest of the aforesaid property. QBIC Plaza's immediate neighborhood is mainly for commercial use. Some of the notable commercial establishments in the vicinity includes the Tala Mall, SACO World, Jarir Bookstore, Abyat, Veranda F&B, etc.

It is easily accessible thru the fronting King Abdul Aziz Road which directly links to the nearby Northern Ring Road, a major thoroughfare connecting to important destinations in the city. For ease of reference, refer to the illustration below.




*Source: Google Extract 2022 - For Illustrative Purposes Only*

The illustration below further shows the exact location of the subject property and the characteristics of its immediate neighbourhood and environs.


*Source: Google Extract 2022 - For Illustrative Purposes Only*

As mentioned above, the subject property is a commercial development known as QBIC Plaza. The land is rectangular in shape and on level terrain. It is bounded by four streets namely – King Abdulaziz Road on the northeast, Tanduf Street on the southeast, Wadi Rikham on the southwest and Tanmar Street on the northwest. QBIC Plaza is a grade-A strip mall built mainly of reinforced concrete structure with a modern façade finish. It consists of a 2-level basement parking, three floors for retail, F&B and office units with modern open terrace design.

As per building permit provided to us (refer to copy in the appendices section), it has a total built-up area of 37,588.33 square meters as detailed below.

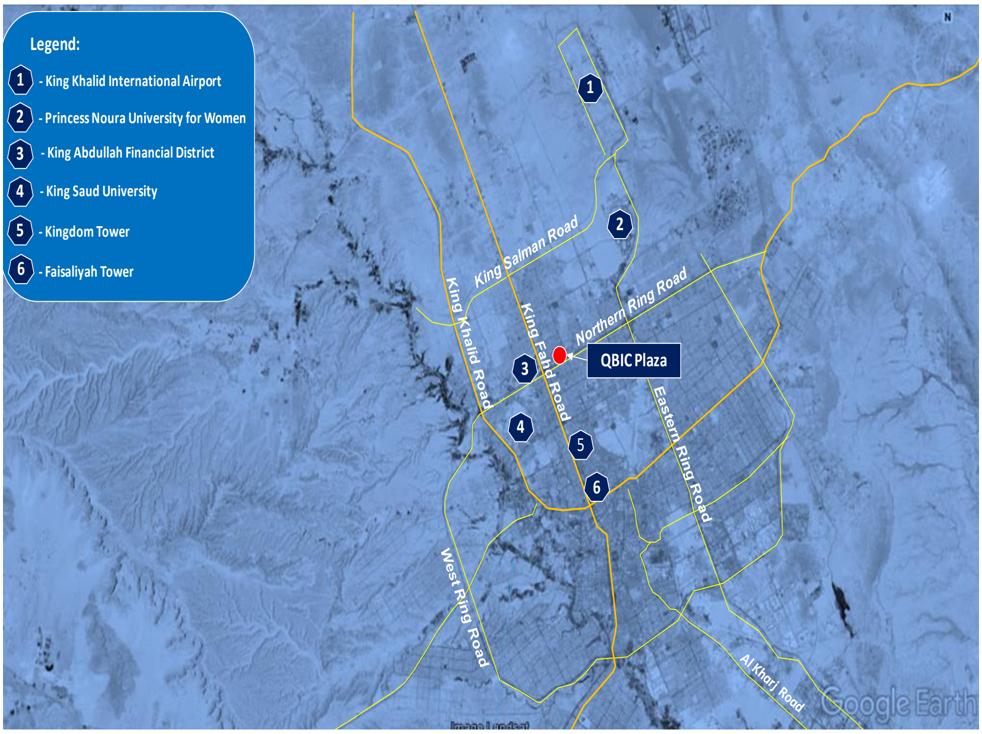
| Floor level | BUA (sq. m.) | Use |
|---|---|---|
| 1st Basement | 5,167.79 | Parking |
| 2nd Basement | 14,492.98 | Parking |
| Ground Floor | 7,832.22 | Retail Showroom |
| Mezzanine | 1,553.37 | Retail/Showroom |
| First Floor | 2,651.40 | F&B |
| First Floor | 3,050.00 | Office |
| Annex Floor | 1,609.00 | Office |
| Annex Floor | 1,231.57 | F&B |
| Total BUA (sq. m.) | 37,588.33 | |

*Source: Client 2022*

### 2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

As mentioned above, the subject property known as QBIC Plaza is a grade-A commercial development situated in a prominent commercial district. It is close to the King Abdullah Financial District, an important development in the city which will be considered the new business center of Riyadh. It is well accessible thru the fronting King Abdul Aziz Road which directly connects to the Northern Ring Road, a major thoroughfare leading to important landmarks and common destinations in the City. The Kingdom Hospital, Kingdom School, Kingdom City, Tala Mall are other known establishment nearby the subject property. The table and illustration below provide an approximate distance of the subject property relative to major landmarks & developments in the city.

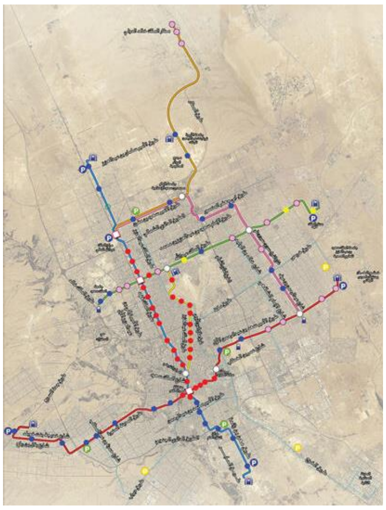
| *Landmarks* | *Distance from subject property (km.)* |
|---|---|
| King Abdullah Financial District | 2.5 |
| King Saud University | 6.5 |
| Kingdom Tower | 6.7 |
| Faisaliyah Tower | 9.2 |
| Princess Noura University | 9.8 |
| King Khalid International Airport | 21 |



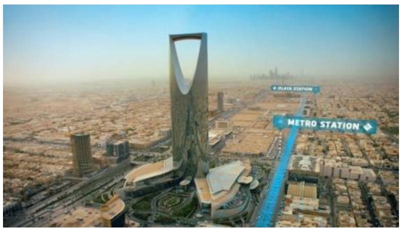

*Source: Google Extract 2022 - For Illustrative Purposes Only.*

Moreover, one of the on-going important developments in the city is the Riyadh Metro System which consist of 6 interconnected routes plying across the city’s most common destinations. With the expected completion of this major infrastructure, mobility within the city will be greatly enhanced.

### 2.9.2.1 THE RIYADH METRO SYSTEM



The new City Metro of Riyadh is a rapid transit system under construction to be completed circa. 2022-23, which will be of benefit to Riyadh's population, business and future growth of Riyadh, etc. The Metro will help in many ways for the day to day life activities of the people such as traffic control, school journeys, shopping journey and business commuting, etc. The city metro project is one of the world's largest infrastructure projects currently under-construction. It consists of trains and buses, which includes 6 railway lines stretching 176 kilometers with 85 stations, penetrating the capital of Saudi Arabia, Riyadh, from all directions. It is expected that the capacity of the project is estimated at 1.16 million passengers daily in the beginning of the operation and will reach to as high as 3.6 million passengers after a decade. Other expected benefits from the project includes the reduction of the number of car trips by nearly 250 thousand trips a day and to provide the equivalent of 400 thousand liters of fuel per day and thus reduce air pollutant emissions. Three leading consortia, including the US Construction company Bechtel Group Inc., Spain's FCC and Italy's Ansaldo STS have been awarded contracts to build the project. The Metro Project comprises of the following six lines.




- **Line 1** (Blue Line) runs in the north-south direction along Olaya and Batha streets, starting from slightly north of King Salman Bin Abdul Aziz Street and ending at in the south. The Metro will be mostly underground in a tunnel along Olaya and King Faisal Streets, and elevated on a viaduct along Batha Street and at the northern and southern ends. Line 1 extends over a length of approximately 38 km (24 mi) and features 22 stations, in addition to 4 transfer stations with Lines 2, 3, 5, and 4&6.
- **Line 2** (Red Line) runs in the east-west direction along King Abdullah Road, between King Saud University and the eastern sub-center, mostly on a raised strip in the median of a planned freeway. This Line extends over a length of about 25.3 km (15.7 mi) and features 13 stations, in addition to 3 transfer stations with Lines 1, 5 and 6.
- **Line 3** (Orange Line) runs in the east-west direction along Al–Madinah Al Munawwarah and Prince Saad Bin Abdulrahman Al Awal Roads, starting at the west near Jeddah Expressway and ending at the east near the National Guard camp of Khashm El Aan. The metro will be mostly elevated along the western part of Al–Madinah Al Munawwarah Road, then underground in tunnels in the central section of the line, and generally at grade along Prince Saad Ibn Abdulrahman Road. The length of the line is approximately 40.7 km (25.3 mi) and it features 20 stations, in addition to 2 transfer stations with Lines 1 and 6.
- **Line 4** (Yellow Line) reaches to King Khalid International Airport from King Abdullah Financial District, mainly on a mix of elevated and at-grade alignment. The length of the line is around 29.6 km (18.4 mi) and it features 8 stations (3 common with Line 6), in addition to 1 transfer station with Lines 1 and 6.

- **Line 5** (Green Line) runs underground in a tunnel along King Abdulaziz Street, between King Abdul Aziz Historical Centre and the Riyadh Airbase, before connecting with King Abdullah Road. The length of the line is about 12.9 km (8.0 mi) and it features 10 stations, in addition to 2 transfer stations with Lines 1 and 2.
- **Line 6** (Purple Line) follows a half-ring starting at King Abdullah Financial District, passing by Imam Mohamed Bin Saud University and ending at Prince Saad Ibn Abdulrahman Al Awal Road. It runs mostly elevated except along Sheikh Hasan Bin Husein Bin Ali Street. The length of the line is approximately 29.9 km (18.6 mi) and it features 8 stations (3 common with Line 4), in addition to 3 transfer stations with Lines 1, 2 and 3.

The commencement date for the project was in early 2014, with projected completion date circa. 2023.

## 2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

| Details | |
|---|---|
| Area | Based on the document supplied by the client, the total land area of the property is 17,444.21 sq. m. and the building's total built-up area (BUA) is 37,588.33 sq. m. |
| Topography | Generally, the property is rectangular in shape and on level terrain |
| Drainage | Assumed available and connected. |
| Flooding | ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work.<br>Note: It is understood that there is no known flooding in this area. |
| Landslip | ValuStrat's' verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work. |

### 2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are, we aware of any planning proposals which are likely to directly adversely affect this property. In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particular onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a “Lawful Development” Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments.

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject property referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

### 2.10.2 SERVICES

We have assumed that the subject property referred within this report is connected to mains electricity, water, drainage, and other municipality services.

It should be borne in mind that electrical requirements and testing standards have become more stringent in recent years and that the system requires annual inspection, testing and upgrading according to Saudi Electrical Standards. We have not been provided a test certificate and a valid certificate from the owners and should be requested by the client or owners need to satisfy themselves they are complying with Saudi Electrical Standards.

According to Civil Defence regulations in Saudi Arabia known as the Civil Defence system released by Royal Decree No. M/10 on 05-10-1406, corresponding to 20-01-1986]; firefighting system(s) must be in place providing protection to both people, public and private properties.

For the purpose of this valuation exercise, we assume all necessary consents are in place for Civil Defence regulations.

## 2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors’ local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that the solicitors investigate the title in order to ensure this is correct.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation.

This should be confirmed by your legal advisers. The subject property is registered under the below-mentioned title deed (refer to copy in the appendices section) which we assumed on freehold basis.

Should this not be the case we reserve the right to amend our valuation and this report.

| *Description* | *Property Details* |
|---|---|
| Property Name | QBIC Plaza |
| Title Deed No. | 410116050972 |
| Title Deed Date | 1/11/1441 Hijri |
| Land Area (sq. m.) | 17,444.21 |
| Owners | Sandouq Tamkeen (the SPV of AlAhli REIT Fund) |
| Location | Al Ghadeer District, Riyadh, KSA |
| Interest Valued | Freehold |

*Source: Client 2022*

We have been instructed by the client that the subject property is leased to the Ministry of Housing (MOH) for an initial term of 3 years renewable for a full term of 6 years on a triple net basis. We also understand that the lease has completed.

For the purposes of this valuation exercise, we assume that there are no onerous terms and conditions impacting this valuation. Should this be the case, we reserve the right to amend our valuation and report.

*NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.*

## 2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow (DCF) based on the first 6 years occupied by the Ministry of Housing (MOH) and partial vacant possession.

With the phased occupation of operational tenants and so the 7$^{th}$ year market rent assumption is made as mentioned by the client.

### 2.12.1 DISCOUNTED CASH FLOW (DCF)

The subject property falls into a broad category of investment property with the prime value determinant being the property's ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

In determining our opinion of Market Value of the subject property referred in this report, we have utilized the Investment Approach in specific, adopting a Discounted Cash Flow (DCF) technique. The DCF approach involves the discounting of the net cash flow (future income receivable under lease agreements and forecast take-up of vacant units) on a yearly basis over, in this instance, an assumed 10-year cash flow horizon. This cash flow is discounted at an appropriate rate to reflect the associated risk premium, in order to determine a Net Present Value of the subject property at that particular Internal Rate of Return (IRR) and exit equivalent yield. The projected income stream reflects the anticipated rental growth inherent in a property investment based upon the physical, tenancy or market characteristics related to that property.

In addition to projected operating costs and allowances, future capital expenditure can also be reflected in the cash flow. Cash inflows comprise income from the property adjusted to reflect actual and assumed lease conditions and rental growth, whilst cash outflows comprise operating costs adjusted to reflect anticipated inflation.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream after deductions for the associated operating expenses of the property as provided by the client.

### 2.12.2 MARKET RENTS, VALUATION ASSUMPTIONS & COMMENTARY

Sales or rental evidence for similar properties within Riyadh are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia. Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of similar strip malls and retail plazas within Riyadh.

| |  |  |  |
|---|---|---|---|
| **Details** | **Veranda F&B** | **Black Garden** | **Al Ezdihar Complex** |
| Type | F&B Plaza | F&B Plaza | Retail Strip |
| Location | Northern Ring Road | Northern Ring Road | Northern Ring cor. Othman Bin Affan |
| Retail Space Area (m²) | - | 192 - 336 | 192 - 336 |
| Retail Rental Rate per m² | SAR 1,500 | SAR 850 | SAR 850 |
| Office Space Area (m²) | 200 - 400 | - | - |
| Office Rental Rate per m² | SAR 1,000 | - | - |



| Details | Sahafa Center | Tilal Center | Jarir Complex |
|---|---|---|---|
| Type | Strip Mall | Strip Mall | Retail Strip |
| Location | King Abdulaziz Road | Al Malga District | Othman Bin Affan cor. Al Thumama Rd. |
| Retail Space Area (m²) | 62 - 250 | 75 - 456 | 325 - 390 |
| Retail Rental Rate per m² | SAR 1,200 - SAR 1,800 | SAR 1,000 - SAR 2,000 | SAR 1,000 |
| Office Space Area (m²) | 337 - 447 | - | - |
| Office Rental Rate per m² | SAR 400 - SAR 550 | - | - |



| Details | Yarmouk Center | Tijan Plaza | Izdihar Center |
|---|---|---|---|
| Type | Strip Mall | Retail Strip | Strip Mall |
| Location | Dammam Rd., Al Yarmuk | King Khalid Road | Izdihar District |
| Retail Space Area (m²) | 74 - 320 | 114 - 280 | 200 - 1,200 |
| Retail Rental Rate per m² | SAR 1,300 - SAR 1,800 | SAR 690 - SAR 950 | SAR 925 - SAR 1,060 |
| Office Space Area (m²) | - | 70 - 192 | 90 - 250 |
| Office Rental Rate per m² | - | SAR 400 - 550 | SAR 650 |



| Details | Al Tamayuz Center | Irqah Plaza | Rawana Plaza |
|---|---|---|---|
| Type | Strip Mall | Retail Strip | Retail Strip |
| Location | Ghirnatah District | Irqah District | Uthman Bin Affan Road |
| Retail Space Area (m²) | 150 - 576 | 88 - 320 | 208 - 317 |
| Retail Rental Rate per m² | SAR 1,250 - SAR 1,680 | SAR 1,200-SAR 2,000 | SAR 1,000 |
| Office Space Area (m²) | 95 - 130 | - | 88 - 148 |
| Office Rental Rate per m² | SAR 750 - SAR 1,020 | - | SAR 550 |

Considering the above information, we have assumed the following rental rates for the subject property dependent upon the type, location, size and direction.

| Type | Rent Rate Projection per m² (SAR) | |
|---|---|---|
| | Minimum | Maximum |
| Office | 850 | 1,100 |
| Restaurant | 1,350 | 1,900 |
| Terrace (Office) | 350 | 650 |
| Terrace (Restaurant) | 500 | 900 |
| Mezzanine | 800 | 850 |
| Shops | 1,500 | 1,600 |
| Showrooms | 1,200 | 1,700 |

The subject property's Full Rental Income is SAR 25.8 million per annum.

However, we reiterate that the said figure is an estimate of possible rent the property will generate based on current market rental rates, assuming the property is complete and operational. We understand from the client the property is now complete.

### 2.12.3 ASSUMPTIONS & COMMENTARY

As mentioned above, the client has requested to provide an alternative valuation assessment for the subject property taking into consideration on the following scenario and assumptions that the subject property is leased to the Ministry of Housing (MOH) for an initial term of 3 years with a renewable full term of 6 years on a triple net basis. We also understand that the lease has completed.

We have likewise made the following additional assumptions:

1. The Lease with Ministry of Housing inclusive of VAT occupied for 6 years on triple net renewable basis.
2. On the assumption operational cost will be borne by the lessee.
3. The rental agreed is as follows:

   Years 1-3 – SAR 21,613,000 per annum

   Years 4-6 – SAR 20,532,320 per annum
4. Thereafter the cash flow assumes the subject property will revert to market rent at (SAR 25.8 million) on the basis provided at section 2.12.2 above and have not shown growth thereafter. With occupancy rates in year 7 at 90% and years 8-10 at 85%.
5. Should the above terms be incorrect, we reserve the right to amend our valuation and this report.

In this instance, we have adopted the following rates:

*Operational Cost*

*Based on the sale & leaseback agreement, we have assumed the operational cost is the responsibility of the Lessee in the 6 years occupation. Once the rent reverts to market rent – vacant possession with have reflected an operational cost of 15%, although we do expect operational tenants to agree a service charge for the upkeep of common areas, etc. within the standard operational leases.*

*Discount Rate and Exit Yield*

*The discount rate reflects the return required to mitigate the risk associated with the particular investment type in question; therefore, echoes the opportunity cost of capital.*

*To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply.*

*Market risk will also reflect where we are in the property cycle and more importantly the valuation uncertainty and the current dip in the economy due to the current COVID-19 pandemic crisis. Hence, we have adopted a discount rate of 11%.*

*The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.*

*Based upon our experience and discussions in the market; we consider that investors would consider a yield between 8.0% to 9% to be an acceptable range of return given the subject property will be a new grade-A strip mall.*

*Furthermore, the said property is considered to be attractive to investors as it is strategically located near the soon to be new Central Business District of Riyadh with the anticipated completion of the King Abdullah Financial District.*

*Also, the property has an excellent accessibility thru the fronting King Abdul Aziz Road and the nearby Northern Ring Road, a major thoroughfare in the city. Also reflecting a strong covenant – Ministry oh Housing (MOH) occupying for the 6-year term. For these criteria, we have adopted an 8.5% yield for this exercise.*

### 2.12.4 SUMMARY OF MARKET VALUE - DCF

The resultant value based upon the above variables/assumptions for the subject property is follows:

| Property Name | Passing Income | Exit Yield | Discount Rate | Property Value [Rounded] |
|---|---|---|---|---|
| QBIC Plaza, Riyadh | 21,613,000 p.a. | 8.5% | 11% | SAR 258,000,000 |

## 2.13 VALUATION

### 2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow (DCF) Approach and assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

**SAR 258,000,000 (Two Hundred Fifty-Eight Million, Saudi Arabian Riyals).**

*The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.*

*We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'*

*The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.*

*The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.*

## 2.14 MARKET CONDITIONS SNAPSHOT

### 2.14.1 MARKET ASSESSMENT, TIMES OF UNCERTAINTY (COVID-19 PANDEMIC) & VALUATION COMMENTARY OVERVIEW

The past two plus years of extraordinary market conditions have made it difficult for investors to confidently assess changes in property prices. The COVID-19 recovery has meant higher energy prices, supply chain disruptions mean 2022 will be the year to repair global economy if possible.

The world is rapidly changing with ongoing structural shifts, population growth, urbanization, climate change and the digital revolution continue to profoundly impact our world and societies.

Though KSA has shown resilience with high oil price revenues and current budget of Q1 – 2022 showing surplus of SAR 57 billion and Public Investment Fund (PIF) – sovereign wealth fund going from strength to strength.

Since the lifting of travel bans, the KSA real estate market is in a healthy position with many analysts predicting a strong 2022 for real estate (vision 2023) with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

Also, the government has now allowed the full foreign ownership of retail and wholesale operations along with previously opening up of the Tadawul Stock Market to foreign investment supported by current energy reforms, cutting subsidies, creating jobs, privatizing state-controlled assets and increasing private sector contribution to the country's economy, etc. With all the opportunities throughout the Kingdom and the creation of the Giga projects, there was an ambitious resilience which was suddenly shutdown overnight due to the initial lockdown period. With all the current uncertainty, market stagnation and short-term challenges whereby force majeure (as a result of the pandemic's cause beyond anyone's reasonable control) had created inactivity. As mentioned above the KSA market's ambitions and resilience, we understand investor sentiment remains strong as it was prior to the pandemic and the KSA was on an upward course showing growth in the last quarter of 2019 after a period of subdued market conditions.

The current global crushing of liquidity in economies will have impact on markets and real estate market and this maybe the case with many economies across the globe; however, the KSA market has shown resilience in previous years through a period of downward trend (2016-18), a correction allowing for the market to bottom out with 2019 experiencing growth in the first quarter and subdued market conditions throughout 2019. The latter part of Q4 – 2019 saw positive growth with strong investor appetite, though the market lacking good quality stock. Now with the Saudi government confirming a stimulus package of SR 120 billion plus, we understand the market will bounce back with investors underlying strong appetite. This will delay any evidence in the short term of declining prices and with the government stimulus will assist any short-term losses on transactions, private and public funds, although will need to be sustained in the short-term.

The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut, though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

In short, the pandemic was expected to be a short-term shock wave with an eventual surge of business activity leading to a rapid recovery either in the form of a "V-shape" or a more gradual recovery in the form of a "U-shape" bounce back. Accordingly, we expected the KSA market to surge in business through 2021 and now 2022 allowing for markets to start flourishing towards long term sustainability in social trends and patterns along with socio-economic distancing in a growing cycle. On the other hand, should the global economic impact of the Coronavirus pandemic (COVID-19) outbreak persist and will be dependent on how long the virus lasts, how far it spreads and how much lock-down, public organizations quarantines disrupt the market. Indeed, the current response to COVID-19 means that we are faced with unprecedented set of circumstances on which to base judgement(s). There is strong evidence that real estate markets have sprung back to strong activity and growth fairly quickly as we are experiencing in the Kingdom of Saudi Arabia.

Equally, the short-term generally speaking we do not expect the current real estate market to show any small adjustment in prices/rates. The KSA real estate market is a developing market with much invested by the government in infrastructure projects, so we expect the government's latest stimulus to preserve liquidity and for demand to hold having limited / no bearing on prices / rates.

### 2.14.2 MARKET CONDITIONS PRIOR TO THE PANDEMIC & THE KSA LOCKDOWN

The roll out of vaccinations offered hope in controlling this disease and provide a path of recovery in sight along with recovery in oil price provides further impetus.

The Kingdom of Saudi Arabia (KSA) - world's largest exporter of crude oil, embarked four years (2016) ago on an ambitious economic transformation plan, "Saudi Arabia Vision 2030". In a hope to reduce its reliance on revenue from hydrocarbons, given the plummeting oil price revenues from 2014.

Through the current vision 2030 and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy.

Despite economic headwinds, across the region, KSA has shown resilience through a period of subdued real estate market activity. The real estate sector generally follows the fortunes of the greater economy and whilst Saudi Arabia is undergoing structural reforms politically, economically and socially will transform the Kingdom towards a service economy post-oil era.

These changes along with significant amounts of investment - estimated to soon be over 1 trillion US dollars will create vast amounts of opportunities for the public and private sectors across all businesses segments.

The KSA economy in the first quarter of 2019 has relied on the current oil price rise to pull it out of recession; however, the previous 18-24 months, KSA faced a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues.

Oil prices starting to surge again around 65 dollars a barrel currently from under 30 dollars a barrel in early in 2016 which resulted in a crash in prices and the economy dipped into negative territory in 2017 for the first time since 2009, a year after the global financial crisis.

General consensus anticipates a strong Saudi economy in the period ahead (2022-2023), supported by both the oil and non-oil sector. So ultimately it appears the economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall. The economy slipped into recession in 2018 but returned to growth in 2019, albeit at the fairly modest level of 1.7%, according to estimates from the International Monetary Fund (IMF). However, the return to growth is mainly due to a return to increase in oil prices again and output which, in turn, is enabling an increase in government spending.

Accordingly, in the short term needs to rely on the oil revenue and this reliance is being channelled into public spending. The reforms that have been pushed through to date have led to important changes aiding the economy. The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce. Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars. A due enactment of law will encourage public-private partnerships to herald more foreign investment.

The economic transformation that the KSA has embarked upon is complex and multidimensional and will certainly take time to turn around a non-oil serviced economy, although there have been recent positive signs, but it will remain in the short term with the support of oil revenues.

On the other hand, the KSA was resilient in the previous recession in 2007/2008 on strong oil reserves and not only can the Saudi government be relied upon to step in to rescue troubled lenders, reliable institutions for procedural reasons but crucially, it can also afford to do so, although has suffered due to previous oil price declines and it has meant increased spending.

Vision 2030 to diversify the economy from reliance on oil, has only just commenced in previous years and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region. Reform efforts include a reduction of subsidies on fuel and electricity and the implementation of a 5 per cent VAT back on 01 January 2018 which increased to 15 per cent VAT as of 01 July 2020. The government is also striving to get women to play a greater role in the economy including recently allowing them to drive back in 2019. Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAFD) along with 4 VOX screens opening at Riyadh Park Mall. The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF. With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030.

As part of wider reforms to overhaul the economy and to allow for deep rooted diversification, the Public Investment Fund (PIF) have initiated plans to bolster the tourism / entertainment industry by forming ambitious plans such as the following:

Red Sea Tourism Project

To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination. For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

Al Faisaliyah Project

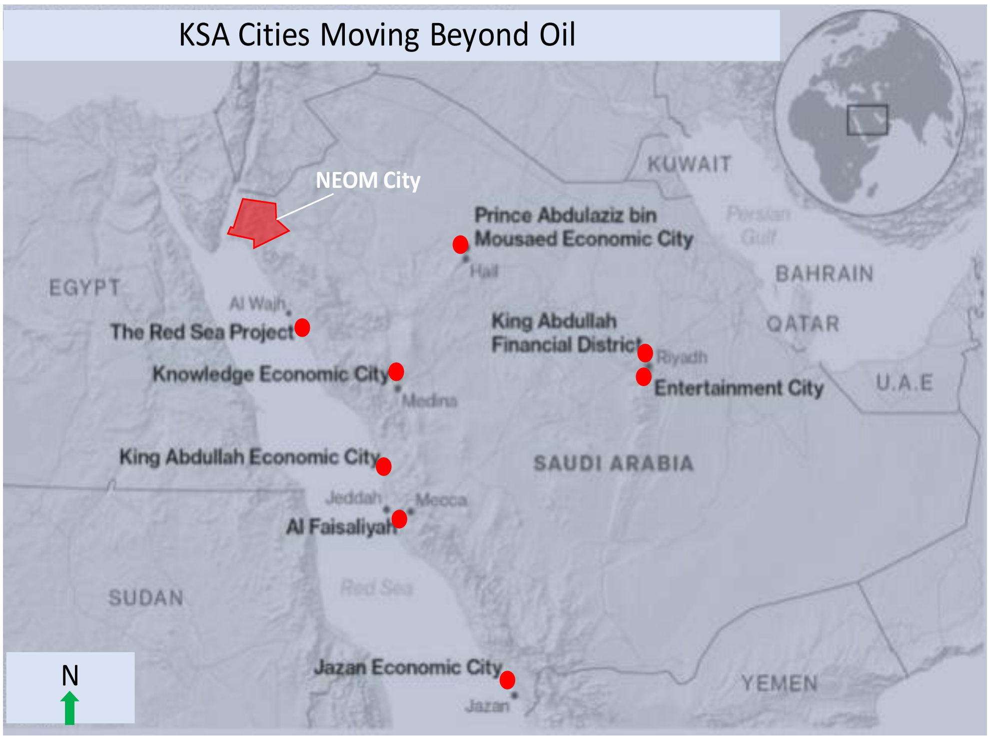
The project will consist of 2,450 square kilometres of residential units, entertainment facilities, an airport and a seaport. Refer to the below illustration for the location.

Qiddiya Entertainment City

Qiddiya Entertainment City will be a key project within the Kingdom's entertainment sector located 40 kilometres away from the center of Riyadh. Currently alleged for "The First Six Flags-branded theme park". The 334 square kilometre entertainment city will include a Safari Park too.

The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels.

The project will also consist around 4,000 vacation houses to be built by 2025 and up to 11,000 units by 2030. Again, for ease of reference refer to the below illustration for the location.



Neom City

The NEOM city project will operate independently from the "existing governmental framework" backed by Saudi government along with local and international investors. The project will be part of a 'new generation of cities' powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Economic Cities

The overall progress with the Economic Cities has been slow and projects on hold over the past 7-10 years, although KAFD has recently given the go ahead to complete by 2020. Within the Saudi Vision 2030 the governed referenced that they will work to "salvage" and "revamp".

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to decline in both sales and rental values. We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.

Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above. As mentioned earlier, KSA experienced positive growth by oil price rise in the first quarter of 2021; hence the main driver of the recovery remains oil.  Over 2021 we envisage the Kingdom's consumer outlook to be more favourable in economic conditions.

Moreover, tax on development land implemented in 2017/18 has kept the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.  In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing. This initiative will create stability and growth in the Kingdom's housing sector by injecting liquidity and capital into the market. Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part.

The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past (2008-2016). The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy. The real estate market performance in 2019/20 and the general trend in KSA for most sectors have remained subdued given lower activity levels, while prices have been under pressure across most asset classes leading to a gradual softening of rental and sale prices.

The real estate sector remains subdued, and prices may have bottomed out across sectors, and we expect in the medium to long term for the market to pick-up further growth given the reforms and transformation in KSA, although we expect the growth to be slow and steady subject to a stable political environment in KSA and across the region.

The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation.

All in all, market volatility remains currently, and prices are likely to witness further deterioration in the short term. Since the issuing of this report the KSA lockdown for the COVID-19 health crisis was lifted back on 21 June 2020 and the economy is now trying to get back to normalcy. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2022.

*Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It must be borne in mind that both rental and capital values can fall as well as rise.*

## 2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature. The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

## 2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

## 2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding.

The information revealed in this report is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

For and on Behalf of, ***ValuStrat.***

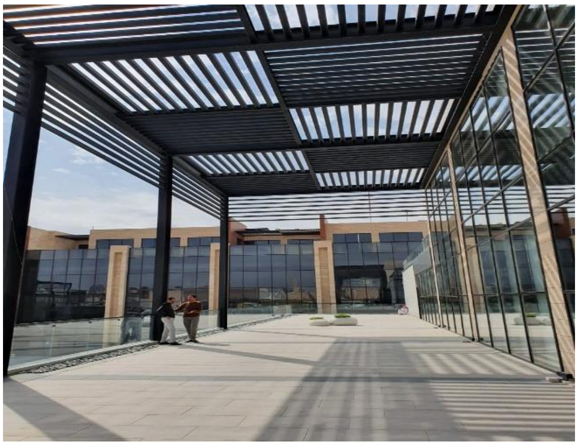
Mr. Ramez Al Medlaj (Taqeem Member No. 1210000320
Valuation Manager, Real Estate

Mr. Yousuf Siddiki (Taqeem Member No. 1210001039)
Director - Real Estate, KSA

شركة خبير التثمين للتقييم العقاري
س.ت: ١٠١٠٢٦٧٩١٧

APPENDIX 1 - PHOTOGRAPHS






# APPENDIX 2 - COPY OF BUILDING PERMIT

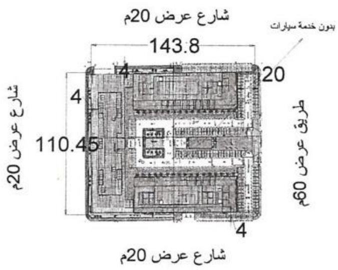
أمانة منطقة الرياض
إدارة رخص البناء
نوع المعاملة صادر
التاريخ : ١٤٣٩/١٢/١٩ هـ
المرفقات : بدون
الرقم الموحد ٣٩٠٠١٥٤٢٩٤
www.alriyadh.gov.sa

رقم الرخصة : ١٤٣٦/١٩٤٥٣
تاريخ الرخصة : ١٤٣٦-١٢-٢٩
تاريخ الإنتهاء : ١٤٣٩-١٢-٢٩
نوع الرخصة : تعديل مخططات البناء

## رخصة
بناء معارض تجارية ومكاتب

| | |
|---|---|
| اسم المالك : عبدالعزيزعبدالله عبدالعزيزالموسى | الرخصة الفورية |
| رقم الإثبات : ١٠١٤٣٣٢٥٧٩ تاريخه : | مصدره : |
| رقم الصك : ٧١٠١٢٠٠٣٣٣٣١ | تاريخه : ١٤٣٦-٠١-٠٣ |
| رقم القطعة : ٢٤و٢٥و٢٦و٢٧ | رقم المخطط التنظيمي : ٢٧٢٦/أ |
| الشارع : | رقم العقار : |
| الحي : حي الغدير | نوع البناء : مسلح |
| مساحة الأرض : ١٧٤٢٦.٢١ م٢ محيط الأسوار: م/ط | النطاق العمراني : مرحلة ١ |

| الجهة | الحدود | الأبعاد | الإرتداد |
|---|---|---|---|
| شمال | ش ٢٠م | ١٤٣.٨ | ٤ |
| شرق | طريق ٦٠م | ١١٠.٤٥ | ٢٠ |
| جنوب | ش ٢٠م | ١٤٣.٨ | ٤ |
| غرب | ش ٢٠م | ١١٠.٤٥ | ٤ |




| مكونات البناء | عدد الوحدات | المساحة | الإستخدام |
|---|---|---|---|
| قبو | ٠ | ٥١٦٧.٧٩ | مواقف |
| دور أول | ٦ | ٢٦٥١.٤٠ | مطعم |
| ميزانين | ٠ | ١٥٥٣.٣٧ | معارض |
| دور أرضي | ٣٥ | ٧٨٣٢.٢٢ | معارض |
| قبو ثاني | ٠ | ١٤٤٩٢.٩٨ | مواقف |
| دور أول | ١٢ | ٣٠٥٠.٠٠ | مكاتب |
| غرفة كهرباء | ٠ | ١٥٩.٢٥ | غرفة كهرباء |
| ملاحق علوية | ٦ | ١٦٠٩.٠٠ | مكاتب |
| ملاحق علوية | ٤ | ١٢٣١.٥٧ | مطعم |
| أسوار | ١ | ٢٥٥.٠٠ | خدمات |
| [redacted] | | | |

* بموجب قرار لجنة الرخص رقم 87 بتاريخ 6/3/1438هـ بخصوص مواقف السيارات في المنتصف وربط المباني واستخدام دورا لميزانين والدور الاول في مستوى واحد مع اختلاف الاستخدام (مطعم-تجاري بما نصه - طلب المالك للمفاهمة (الخلفية ارضي +ميزانين + اول)

* الرخصة لاقامة عمارة تجارية مكتبية+مطعم وفي حالة الرغبة في اضافة نشاط مطعم اخر يتم تطبيق شروط المطاعم وتطبيق المعايير المواقف على كامل مساحة المشروع او أي ترخيص مهني اخر

* المستند الذي يجب الالتزام به عند تنفيذ المنشأة هو رخصة البناء وان اختلفت المخططات المعتمدة
* يجب الالتزام بتنفيذ العزل الحراري المنصوص عليه وفق كود البناء السعودي وذلك حسب تعميم وزير الشؤون البلدية والقروية رقم8585 تاريخ 17-2-1434 هـ
* يلزم توفير غرفة كهرباء بأبعاد4*5م اذا تجاوزت مسطحات البناء عن 1000م2

تم اخذ تعهد خطي من المالك بانه لن توصل له الخدمه الكهربائيه في حال عدم تنفيذ العزل الحراري طبقا لكود البناء السعودي

المكتب المصمم : عبدالمحسن ذياب الذياب لاستشارات الهندسة المعمارية

رقم الترخيص : ٣٠٣٦ رقم المشروع : ٤٠ رمز النظام : مناسيب الشوارع المحيطة :

سدد الرسوم مبلغ وقدره : ١٤٩١٣ ريال بموجب الإيصال رقم : ٣٦٠٣٢٢٣٨٧٠٤ وتاريخ : ١٤٣٦-١٢-٢٥ هـ

ملاحظات : المكتب الهندسي: بدون ١- الرخصة عبارة عن تعديل مكونات البناء . ٢- نوع البناء:مسلح ٣- بموجب نظام رخصة البناء الفورية للعمائر ٤- بموجب التقرير المساحي رقم ١٤٣٦/٤٧١٨ بتاريخ ٢٥-١-١٤٣٦هـ الصادر من بلدية شمال الرياض الفرعية ٥- منطقة التقسيم ارتداد بمقدار ٢٠م جهة طريق الملك عبد العزيز عرض (٦٠م) يستخدم كمواقف سيارات ٦- ارتداد الملاحق العلوية عن حد الدور الأول لا يقل عن ٢م من جهة الشوارع ٧- يجب مراجعة الدفاع المدني ويمثله مكتب دار الرياض بأمانه منطقة الرياض قبل البدء بالتنفيذ ٨- تم عمل عقد إشراف مع مكتب الغانم للاستشارات الهندسية ترخيص رقم (١٢٥) وعليه يكون مسؤولا عن التنفيذ حسب الرخصة والمخططات وعليه ابلاغ الامانة خطيا حال حدوث أي مخالفات تحدث أثناء التنفيذ لإخلاء مسؤوليته ٩- بموجب شهادة التنسيق من شركة الكهرباء رقم ١٥١١٣٧٧٧٣٦ بتاريخ ٢٠١٥/١٠/١٣م ١٠-احداثيات الموقع شمال :٢٤٤٨٢٥٨ شرق:٤٦٣٩٣٢٠٧ ١١-القبو مواقف سيارات ويبدأ المنحدر بعد ٣م من حد الملكية ويكون بعرض ٧,٥م لكل من المدخل والمخرج بفاصل ٠,٥م ١٢- نسبة الميزانين لا تزيد عن ٥٠% من مساحة الدور الأرضي التجاري، أن يكون الميزانين مرتبط بالدور الأرضي التجاري مباشرة ولا يكون له مدخل مستقل، مراعاة خصوصية المجاورين في وضع فتحات الدور الأول ١٥- الدخول و الخروج جهة الشارع الرئيسي ١٦- القرار يشمل المالك الثاني حمد ابراهيم المشعل سحل ١٠١٠٦٢٥٩٧٦ ١٧- الدور الأرضي عبارة عن أرضي معارض بمساحة ٦٩٠٥,٦٣م٢ وارضي خدمات بمساحة ٧٤٥,١٩م٢ ١٨- بموجب خطاب بلدية الشمال رقم ٣٨٠٠٠٠١٥٧٩ بتاريخ ١٤٣٨/١/٢هـ والمرفق به التقرير الفني الذي يفيد بان الارض فضاء ومرفق بالخطاب تطبيق شروط المطاعم ١٩- عدد المواقف المتوفرة ٦٧٧ موقف . ٢٠- بموجب خطاب بلدية شمال الرياض الفرعية رقم ٣٩٠٠١٥٤٢٩٤ وتاريخ ١٤٣٩/٠٥/١١هـ و التقرير الفنى المرفق بتاريخ ١٤٣٩/٠٥/٠٤هـ . ٢١- حسب توجيه سعادة وكيل الأمين بما نصه "إذا لم يكن سيار (خدمة سيارات) فلا مانع من إعتماد الكفي" . ٢٢- تم تعديل مساحة الدور الأرضي بموجب المخططات المعتمدة من مكتب عبد المحسن الذياب للاستشارات الهندسية . ٢٣- يجب أن تميز المواقف الخاصة بالمعاقين وذلك باستخدام الشعار الخاص بهم وألا تقل نسبة مواقف سيارات المعاقين عن (٥%) من المواقف العامة وبحد أدني موقفين. - ********

| رئيس قسم الرخص | مدير ادارة الرخص | مدير عام رخص البناء | الختم الرسمي |
|---|---|---|---|
| م/ مسفر سعيد ال خرصان | م/ سعد عبدالله الدوسري | م/ مشهور محمد الطبيشي | |

أمانة منطقة الرياض
بلدية شمال الرياض

ت/ ٣٠٥ / ٤٢٩

أي كشط أو شطب يلغي هذه الرخصة. يجب الإلتزام بالشروط الموضحة خلف الرخصة

١٤٣٩-١٢-١٨ ٠٨:٥٩:١٠ ٩٠٠٤١٨٠

## APPENDIX 2 – DISCOUNTED CASH FLOW (DCF) EXTRACT

| DISCOUNTED CASH FLOW (DCF) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| QBIC Plaza | | | | | | | | | | | | |
| Riyadh, KSA | | | | | | | | | | | | |
| Tenure: | Freehold | | | | | | | | | | | |
| Growth Rate | 0% | | | | | | | | | | | |
| Void Costs | 10% | | | | | | | | | | | |
| **Year** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **Exit Value** |
| Gross Revenue (Rental) | | | | | | | | | | | | |
| QBIC Plaza | | 21,613,000 | 21,613,000 | 21,613,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | |
| Total Rent (Full Rental Value) | | 21,613,000 | 21,613,000 | 21,613,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | 25,800,000 | |
| Average Occupancy Rate | | 100% | 100% | 100% | 90% | 90% | 90% | 85% | 85% | 85% | 70% | |
| Gross Current Rent | | 21,613,000 | 21,613,000 | 21,613,000 | 23,220,000 | 23,220,000 | 23,220,000 | 21,930,000 | 21,930,000 | 21,930,000 | 18,060,000 | |
| | | | | | | | | | | | | |
| Operational Expenses | | | | | | | | | | | | |
| General Maintenance | 3.0% | - | - | - | 696,600 | 696,600 | 696,600 | 657,900 | 677,637 | 697,966 | 718,905 | |
| Ins Exp Buildings | 2.0% | - | - | - | 464,400 | 464,400 | 464,400 | 438,600 | 447,372 | 456,319 | 465,446 | |
| Electricity Expense | 2.0% | - | - | - | 464,400 | 464,400 | 464,400 | 438,600 | 447,372 | 456,319 | 465,446 | |
| Marketing | 3.0% | - | - | - | 696,600 | 696,600 | 696,600 | 657,900 | 677,637 | 697,966 | 718,905 | |
| Total Operational Expenses | | - | - | - | 2,322,000 | 2,322,000 | 2,322,000 | 2,193,000 | 2,250,018 | 2,308,571 | 2,368,702 | |
| Void Costs | | - | - | - | 258,000.00 | 258,000.00 | 258,000.00 | 387,000.00 | 387,000.00 | 387,000.00 | 774,000.00 | |
| **Net Current Rent** | | **21,613,000** | **21,613,000** | **21,613,000** | **20,640,000** | **20,640,000** | **20,640,000** | **19,350,000** | **19,292,982** | **19,234,429** | **14,917,298** | **242,823,529** |
| **Present Value of Net Rent** | | **19,471,171** | **17,541,596** | **15,803,239** | **13,596,207** | **12,248,835** | **11,034,987** | **9,320,090** | **8,371,736** | **7,519,215** | **5,253,641** | **144,103,946** |

**Dubai, United Arab Emirates**
Office 702, Palace Towers,
DSO, Dubai, UAE

Phone +971 4 326 2233
Email Dubai@valustrat.com

**Riyadh, Saudi Arabia**
6th Floor, South Tower,
King Faisal Foundation Building,
Al Fasiliah Complex, Riyadh, KSA

Phone +966 11 293 5127
Email Riyadh@valustrat.com

**Jeddah, Saudi Arabia**
111 Jameel Square,
Tahlia Road, Jeddah, KSA

Phone +966 12 283 1455
Email Jeddah@valustrat.com

**London, United Kingdom**
Roxburghe House, 273-287 Regent St.
London W1B 2HA, United Kingdom

Phone +44 796 338 2486
Email London@valustrat.com

**Doha, Qatar**
Office 503, QFC Tower 2,
West Bay, Doha, Qatar

Phone +974 4 496 8119
Email Doha@valustrat.com

**Karachi, Pakistan**
H. No. 50/II, Khayaban-e-Shamsheer,
Phase V, DHA, Karachi, Pakistan

Phone +92 213 520 2904
Email Karachi@valustrat.com


ValuStrat
Private & Confidential

# Valuation Report

SALAMA TOWER, JEDDAH, KSA

AL AHLI REIT (1) / SNB CAPITAL / SNB GROUP

<u>REPORT ISSUED 28 JULY 2022</u>

| *ValuStrat Consulting* | خبير التثمين العقاري | |
|---|---|---|
| 703 Palace Towers | 6th floor, South tower | 111, Jameel square |
| Dubai Silicon Oasis | Al Faisaliah Complex | Tahlia Road |
| Dubai | Riyadh | Jeddah |
| United Arab Emirates | Saudi Arabia | Saudi Arabia |
| Tel.: +971 4 326 2233 | Tel.: +966 11 2935127 | Tel.: +966 12 2831455 |
| Fax: +971 4 326 2223 | Fax: +966 11 2933683 | Fax: +966 12 2831530 |
| www.valustrat.com | | |

# TABLE OF CONTENTS

# 1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

## 1.1 THE CLIENT

**AlAhli REIT Fund (1)**
**SNB Capital / SNB Group**
Kingdom of Saudi Arabia

## 1.2 THE PURPOSE OF VALUATION

The valuation is required for the semi-annual exercise for the AlAhli REIT Fund (1).

## 1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise.

| *Description* | *Property Details* |
|---|---|
| Property Name | Salama Office Tower with ancillary Retail |
| Land Area (sq. m.) | 7,682 |
| Built-Up Area (sq. m.) | 58,919.3 |
| Net Leasable Area (sq. m.) | 29,721.33 |
| Owner | Sandouq Tamkeen Real Estate Company |
| Location | As Salamah District, Jeddah, KSA |
| GPS Coordinates | 21°36'36.57"N, 39°9'21.28"E |
| Interest Valued | Assumed Freehold reflecting the Head Lease |

*Source: Client 2022*

## 1.4 VALUATION APPROACH

We have undertaken the Discounted Cash Flow (DCF) Approach to Valuation.

## 1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 30 June 2022.

*The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.*

## 1.6 OPINION OF VALUE

| Property Name | Passing Income (SAR) | Exit Yield | Discount Rate | Property Value [Rounded] |
|---|---|---|---|---|
| Salama Tower | 23,100,000 p.a. | 8.5% | 10.5% | SAR 250,000,000 |

*The executive summary and valuation should not be considered other than as part of the entire report. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.*

## 1.7 SALIENT POINTS (GENERAL COMMENTS)

*Whilst most global markets remain disrupted along with the effects of the extraordinary market conditions over the past two plus years through the COVID-19 pandemic, it appears the KSA economy appears stable and strong within a recovery mode on the back of higher oil demand and private consumption along with KSA's Vision 2030 looks to diversify the economy away from oil through focusing on direct foreign investment, tourism and the increase of locals in the workforce.*

*The cost of risk is also likely to stay elevated in 2022 reflecting the volatile global health situation, high inflation and rising interest rates, etc.*

*The real estate traditional determinants of location and value for money continue to be a key success influencing property and accommodation preference though investors in KSA are also no less sensitive to asset classes and the location of property providing investor expectations and stable long-term income for portfolios and funds. Equally, strong investor appetite remains for 'best in class / 'Institutional Asset Class – Grade A' / good quality property providing long term income.*

*With all positive activity and investment by the government creating opportunities through projects across the Kingdom's Vision 2030 and through the creation of the Giga projects has meant a stable KSA economy with positive outlook going forward throughout 2022 and beyond.*

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives. ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property. It is assumed that the subject property is freehold and is not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Note that property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be achievable in the event of an early re-sale. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

*This executive summary and valuation should not be considered other than as part of the entire report.*

# 2 VALUATION REPORT

## 2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for Al Ahli REIT (1) / SNB Capital / SNB Group ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

## 2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

| *Description* | *Property Details* |
|---|---|
| Property Name | Salama Office Tower with ancillary Retail |
| Land Area (sq. m.) | 7,682 |
| Built-Up Area (sq. m.) | 58,919.3 |
| Net Leasable Area (sq. m.) | 29,721.33 |
| Owner | Sandouq Tamkeen Real Estate Company |
| Location | As Salamah District, Jeddah, KSA |
| GPS Coordinates | 21°36'36.57"N, 39°9'21.28"E |
| Interest Valued | Assumed Freehold |

*Source: Client 2022*

## 2.3 PURPOSE OF VALUATION

The valuation is required for the semi-annual exercise of AlAhli REIT Fund (1).

## 2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taqeem Regulations (Saudi Authority for Accredited Valuers) and the International Valuation Standards Council (IVSCs') incorporating International Valuations Standard (IVS) 2022.

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

## 2.5 BASIS OF VALUATION

### 2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the ***Market Value*** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. ***Market Value*** is defined as: -

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

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

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

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

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

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

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

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

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

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

'***and without compulsion***' establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

***Market value*** is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.

***Market value*** is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

### 2.5.2 VALUER(S):

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken back in December 2021.

### 2.5.3 STATUS OF VALUER

| *Status of Valuer* | *Survey Date* | *Valuation Date* |
|---|---|---|
| External Valuer | *24 June 2022 | 30 June 2022 |

**The inspection was external and visual in nature only*

## 2.6 EXTENT OF INVESTIGATION

In accordance with instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our inspection was limited to the visual assessment of the exteriors of the subject property. For the purpose of our report, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

## 2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

### 2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site; we assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order; we have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building.

We would recommend that the client makes their own enquiries in this regard; and the market value conclusion arrived at for the property reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

## 2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

## 2.9 DETAILS AND GENERAL DESCRIPTION

### 2.9.1 LOCATION & DESCRIPTION OF THE PROPERTY

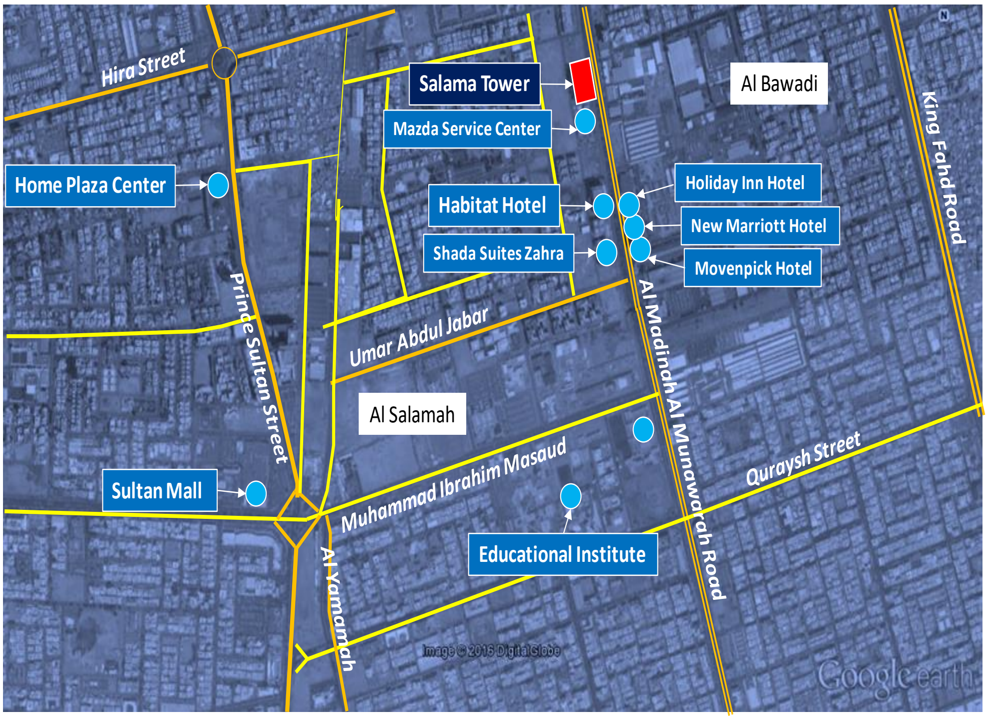
The subject property, known as Salama Tower (good quality office space with ancillary retail, located along the west side of Al Madinah Al Munawarah Road within As Salamah District, Jeddah, Kingdom of Saudi Arabia.

It is situated about 350 meters north of Habitat Hotel, some 400 meters northwest of Holiday Inn Jeddah and approximately 550 meters southeast of Hera International Mall.

Moreover, Salama Tower is further located about 700 meters and 6.5 kilometers southwest of Jeddah International Exhibition Convention Center and King Abdul Aziz International Airport – New Terminal, respectively.

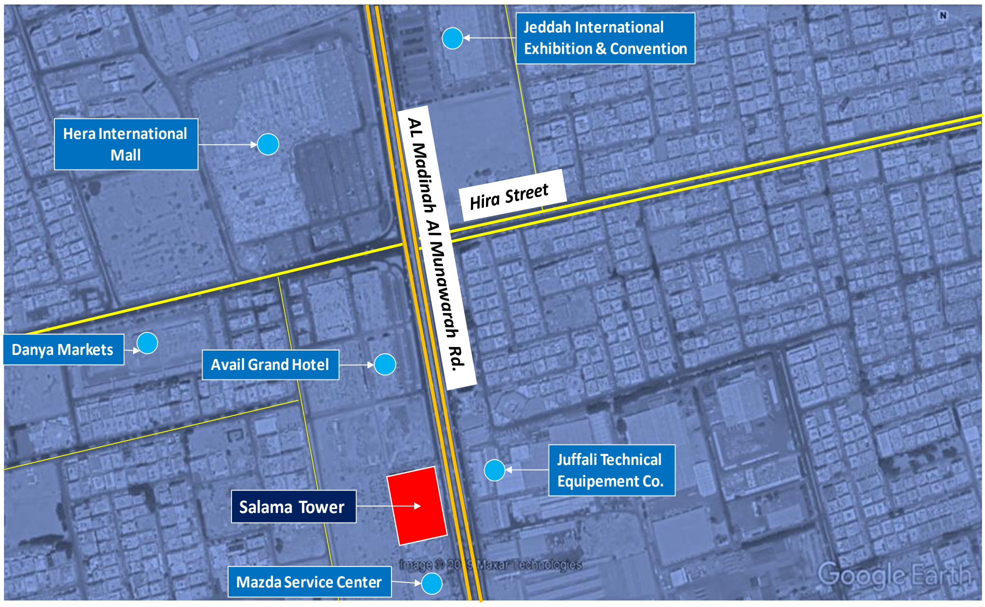
The property's immediate neighborhood is mainly commercial characterized by car showrooms and prominent hotel brands. It is well accessible via the fronting Al Madinah Al Munawarah Road, a main road in Jeddah linking the district to the City Center on the south and the King Abdul Aziz International Airport on the north.

For ease of reference, refer to the illustration on the below.




*Source: Google Extract 2022 - For Illustrative Purposes Only*

The illustration below further shows a closer view of the property including its neighborhood & environs.



*Source: Google Extract 2022 - For Illustrative Purposes Only.*

The Salama Tower is an 18-level, commercial office building built with reinforced concrete structure and glass curtain/aluminium cladding exterior wall finishes. It was reportedly constructed circa 1434H as per building permit provided to us (refer to copy in the appendices section). It has a total built-up area of 58,919.30 square meters and net leasable area of 29,721.33 square meters, as detailed below.

| *Details of Built-up Area (BUA)* | |
|---|---|
| *Floor level* | *BUA (sq. m.)* |
| Basement | 7,685.30 |
| Ground Floor | 4,777 |
| Mezzanine | 2,763 |
| 1st Floor | 4,136 |
| Services (Parking) | 4,851 |
| Services (Parking) | 4,851 |
| 2nd Floor – 10th Floor | 25,659 |
| 11th Floor | 2,170 |
| 12th Floor | 1,437 |
| 13th Floor | 590 |
| Total BUA (sq. m.) | 58,919.30 |

*Source: Client 2022*

| *Details of Net Leasable Area (NLA)* | |
|---|---|
| *Unit Type* | *NLA (sq. m.)* |
| Cafeteria | 9.00 |
| Mosque | *200.00 |
| Office | 22,045.89 |
| Showroom (retail) | 5,710.44 |
| Vacant | 1,956.00 |
| Total NLA (sq. m.) | *29,721.33 |

*Source: Client 2022; Mosque is not part of the income generating assets which has been excluded from the NLA.*

### 2.9.2 PROXIMITY TO MAJOR DEVELOPMENTS

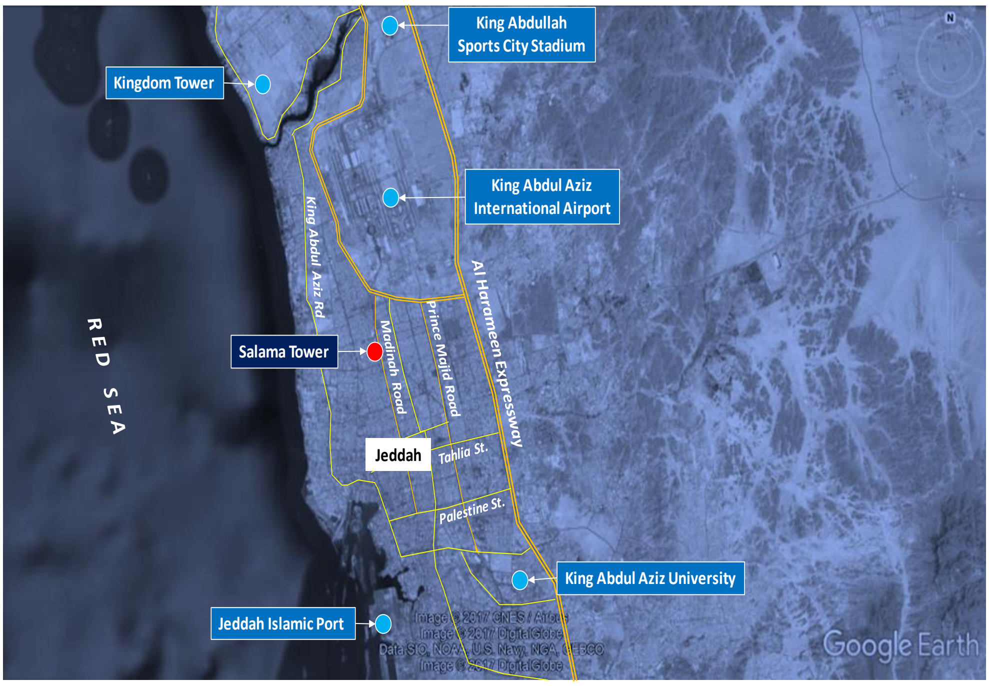
The subject property is situated in a mainly commercial area due to its frontage along a main road and its proximity to the King Abdul Aziz International Airport, the main gateway via air transportation to the western region of the Kingdom which provides access to the Islam's two holiest cities of Makkah and Madinah.

The fronting Al Madinah Al Munawarah Road provides excellent accessibility for the subject property which traverses the main districts of Jeddah and links the property to important destinations in the City. The nearby Hera Street also provides access to the Corniche Area/Red Sea shores.

The table below shows the distance of the subject property to major development:

| *Landmark* | *Approx. Distance from the Property (km)* |
|---|---|
| Red Sea shoreline | 5 |
| King Abdul Aziz International Airport | 6.5 |
| Al Haramain Expressway | 6.5 |
| Kingdom Tower | 15.5 |
| Jeddah Islamic seaport | 15.5 |
| King Abdul Aziz University | 16 |
| King Abdullah Sports Stadium | 17 |

For ease of reference, refer to the illustration below.




*Source: Google Extract 2022 - For Illustrative Purposes Only.*


Jeddah City is the second largest city of Saudi Arabia, after the capital city of Riyadh. It has the largest seaport along Red Sea and is considered an important commercial hub. Some major developments in the city and the Makkah region as follows:

Haramain High Speed Railway

The Haramain High Speed Railway has improved the infrastructure and accessibility within the three main cities of Makkah Region (Jeddah, Madinah & Makkah).

The Haramain High Speed Rail project also known as the "Western Railway" or "Makkah-Madinah high speed railway", is 453 kilometers (281.5 miles) high-speed inter-city rail transport system opened to the public back in October 2018. It links the holy cities of Madinah and Makkah via King Abdullah Economic City, Rabigh, Jeddah, and King Abdulaziz International Airport. It connects with the national network at Jeddah.

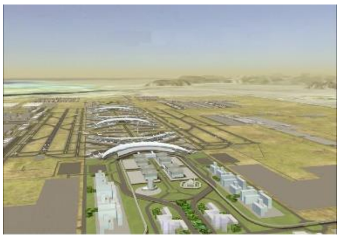
The rail line provides a safe and comfortable transport journey in 300 kilometers per hour (190 mph) on electric trains. The railway carries three million passengers a year, including many Hajj and Umrah pilgrims, helping to relieve traffic congestion on the roads. It allows 9,000 passengers per hour and shortening the travel time from Madinah to Makkah to two hours. The main station is in Al Rusaifah District with arrival and departure halls, commercial stalls, prayer room, parking space, car rental offices, public sector services and offices, and restaurants.

Jeddah Economic City

Previously known as Kingdom City, this project covers 5.3 million square meters of land along the red sea. It will host both commercial and residential developments including villas, apartments, hotels and offices.

The centerpiece of this development is the Jeddah Kingdom Tower which is planned to be the tallest building in the world upon completion. The project is estimated to cost SAR 75 billion and scheduled completion date is around 2024.

King Abdul Aziz International Airport expansion



The airport expansion seeks to meet demand from religious tourism to the holy city of Makkah. Approximately 2.5 million people visit Makkah during the Hajj period alone, and this is projected to rise to 4 million in the next few years. It is designed to increase the airport's yearly capacity from 13 million to 80 million passengers.

Expansion includes a 670,000 square meters passenger terminal complex with a twin crescent footprint. It will include 46 contact gates, 94 boarding bridges, lounges, an airside hotel, food and retail facilities.

The terminal will be able to handle double-deck A380 and include a baggage handling system with nearly 60 kilometers of belts. Automated People Movers will link the new terminal with other facilities of the airport.

## 2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

| Details | |
|---|---|
| **Area** | Based on the document supplied by the client, the land area of the subject property is 7,682 sq. m. with a total built-up area of 58,919.30 sq. m. |
| **Topography** | Generally, the property is rectangular shaped and on level terrain |
| **Drainage** | Assumed available and connected. |
| **Flooding** | ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work. Note: It is understood that there is no known flooding in the area. |
| **Landslip** | ValuStrat's' verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work. |

### 2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are, we aware of any planning proposals which are likely to directly adversely affect this property. In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particular onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject property referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

### 2.10.2 SERVICES

The property referred within this report is assumed connected to mains electricity, water, drainage, and other municipality services.

It should be borne in mind that electrical requirements and testing standards have become more stringent in recent years and that the system requires annual inspection, testing and upgrading according to Saudi Electrical Standards. We have not been provided a test certificate and a valid certificate from the owners and should be requested by the client or owners need to satisfy themselves they are complying with Saudi Electrical Standards.

According to Civil Defence regulations in Saudi Arabia known as the Civil Defence system released by Royal Decree No. M/10 on 05-10-1406, corresponding to 20-01-1986]; firefighting system(s) must be in place providing protection to both people, public and private properties.

For the purpose of this valuation exercise, we assume all necessary consents are in place for Civil Defence regulations.

## 2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that the solicitors investigate the title in order to ensure this is correct.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The subject property was registered under the below-mentioned title deed (refer to copy in the appendices section) which we assumed is on a freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

| Description | Property Details |
|---|---|
| Property Name | Salama Office Tower with ancillary Retail |
| Title Deed No. | 320212024018 |
| Title Deed Date | 3/12/1440 Hijri |
| Land Area (sq. m.) | 7,682 |
| Owner | Sandouq Tamkeen Real Estate Company |
| Location | As Salamah District, Jeddah, KSA |
| Interest Valued | Assumed Freehold |

*Source: Client 2022*

The subject property has a 5-year head lease (started from 04 August 2019) is in place with a fixed rental income of SAR 23,100,000 per annum. Upon expiry it is assumed there is no renewal and property will revert to market rental as a multi-tenant with operational market tenancy terms.

We have not been provided a copy of the Head lease and the tenant is confidential. We have assumed there are no onerous terms and conditions impacting this valuation.

*NB: All aspects of tenure/title should be checked by the client's legal representatives prior to transaction completion and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.*

## 2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow (DCF) based on 10-Year horizon with sale and leaseback agreement as mentioned by the Client.

### 2.12.1 DISCOUNTED CASH FLOW (DCF) APPROACH

The subject property falls into a broad category of investment property with the prime value determinant being the property's ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

In determining our opinion of Market Value of the subject property referred in this report, we have utilized the Investment Approach in specific, adopting a Discounted Cash Flow (DCF) technique. The DCF approach involves the discounting of the net cash flow (future income receivable under lease agreements and forecast take-up of vacant units) on a yearly basis over, in this instance, an assumed 10-year cash flow horizon. This cash flow is discounted at an appropriate rate to reflect the associated risk premium, in order to determine a Net Present Value of the subject property at that particular Internal Rate of Return (IRR) and exit equivalent yield. The projected income stream reflects the anticipated rental growth inherent in a property investment based upon the physical, tenancy or market characteristics related to that property. In addition to projected operating costs and allowances, future capital expenditure can also be reflected in the cash flow. The cash inflows comprise income from the property adjusted to reflect actual and assumed lease conditions and rental growth, whilst cash outflows comprise operating costs adjusted to reflect anticipated inflation. The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream after deductions for the associated operating expenses of the property as provided by the Client.

### 2.12.2 MARKET RENTS, VALUATION ASSUMPTIONS & COMMENTARY

Sales or rental evidence for similar properties within Jeddah are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia. Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of some similar commercial buildings within Jeddah.

| | | | |
|---|---|---|---|
| |  |  |  |
| **Details** | **Khalidiyah Business Center** | **Rawdah Business Center** | **Omnia Center** |
| Type | Office/Commercial | Office/Commercial | Office/Commercial |
| Location | Khalidiyah District | Rawdah District | Rawdah District |
| Retail Space Area (m²) | 530 - 600 | 770 - 1,046 | 217 - 504 |
| Retail Rental Rate per m² | SAR 1,100 - SAR 1,420 | SAR 1,350 - SAR 1,500 | SAR 1,200 - SAR 1,400 |
| Office Space Area (m²) | 142 - 198 | 270 - 1,100 | 133 - 320 |
| Office Rental Rate per m² | SAR 700 - SAR 1,020 | SAR 600 - SAR 950 | SAR 900 - SAR 1,100 |

| | | | |
|---|---|---|---|
| |  |  | |
| **Details** | **Nojoud Center** | **Marwah Plaza** | **Unnamed Building** |
| Type | Office/Commercial | Strip Mall | Office |
| Location | Tahlia Street | Al Marwah District | Al Madinah Rd., As Slalamah |
| Retail Space Area (m²) | 136 - 1,623 | 29 - 265 | - |
| Retail Rental Rate per m² | SAR 2,250 - SAR 5,100 | SAR 700 - SAR 2,000 | - |
| Office Space Area (m²) | 105 - 4,225 | 57 - 304 | 227 |
| Office Rental Rate per m² | SAR 400 - SAR 1,100 | SAR 650 - SAR 900 | SAR 650 |

We have assumed that all lessees are in a position to renew on their forthcoming renewals process. For the purpose of this valuation, we have explicitly assumed that the tenancy schedule provided is accurate and actual.

Should this not be the case, we reserve the right to amend our valuation and this report. We have also further assumed that the rental rates are within the prevailing market rate of commercial and office spaces within Jeddah.

It appears the current head lease rental income of SAR 23,100,000 per annum equates to SAR 777 per sq. m which is within prevailing market benchmarks.

In addition, the estimated office market rental ranges from SAR 780 to SAR 850 per sq. m. The estimated retail market ranges from SAR 1,325 to 1,400 per sq. m.

### 2.12.3 DISCOUNTED CASH FLOW APPROACH

In determining our opinion of Market Value of the subject property, we have utilized the Investment Approach utilizing a Discounted Cash Flow technique.

The subject property falls into a broad category of investment property with the prime value determinant being the property's ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property.

This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc.

To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property.

The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject property, the cash flow has been projected over a 10-year period based on the sale and lease back agreement mentioned by the client. The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of the property. The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate of a fixed rental income per annum has been agreed for the lease and has reflected with a growth rate within the DCF calculations.

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

### 2.12.4 ASSUMPTIONS & COMMENTARY

We have reflected, the subject property taking into consideration the 5-year sale and leaseback agreement with a net annual rent of SAR 23,100,000 per annum on the head lease with approx. 3 years remainder on the head lease (5 years from 04 august 2019). Thereafter the subject property is assumed on a full rental value basis. We have likewise made the following additional assumptions:

1. the aforementioned sale and leaseback agreement contain no onerous terms and conditions.
2. We understand the head lease is for 5 years with a fixed income with no escalations and may not be renewed. We have also assumed the head lease is signed. Should this not be the case, we reserve the right to amend our valuation and report.
3. We assume should the head lease not be renewed the subject will occupied on a multi-let operational contract basis consisting of market rentals. We have assumed a full market rental on the basis information provided on the units, sizes and current tenant occupation along allowing for 2-5% vacancy factor. The passing rent in the fourth year has been forecasted at SAR 25,300,000 per annum with a 2% growth year on year.
4. As mentioned, we have considered the DCF approach taking into consideration the 5-year lease contract with 3 years remaining, although we have assumed at the end of the term, the lease will not be renewed and have considered a market-based rent on a multi-let basis reflecting an operational cost, service charges and voids.

   The operational cost for the remainder of 3 years on the head lease is the obligation of the lessee. Thereafter we understand from the client the multi-let operational tenancies have a built in 10% service charge clause obligations for the maintenance and upkeep of the building.

   Although, we have reflected a OpEx from year 4 of 10% for initial marketing and advertising and void cost of 5%. The void cost period allows for the time, required to find new occupiers and for a rent-free period. For office tenants this will provide period to fit out or in some cases with modest upgrade in a short period allow them commence operation.
5. The office market through the disrupted period (COVID-19) was affected by many working from home or hybrid working meant downsizing of office space. Many businesses were affected due to the closure; we assume all rentals, lease(s) and landlord & tenant information provided by the client is correct and accurate. Should this not be the case, we reserve the right to amend our valuation and report.

   The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

6. We have been made aware there is no rent arrears (debt) and all tenants are up to date with rental obligations. Should this not be the case, we reserve the right to amend our valuation and report.

7. The occupancy rates and rents at newly completed property or new acquisitions may fluctuate depending on a number of factors, including market and economic conditions resulting in the investment not being profitable.

8. The KSA's oil production and business are a major contributor to Saudi income and strong economic conditions. Therefore, any major fluctuations in oil prices can have a similar effect on the local economy impacting commercial investments and the overall long-term development of the economy in volatile and uncertain times.

9. The growth of the economy is also subject to numerous other external factors, including continuing population growth, increased direct and foreign investment in the local economy and Government and private sector investment in infrastructure, all of which could have a significant impact on the economy and business profitability.

10. It should be noted that the valuation provided is of the property (excluding any element of value attributable to furnishings, removable fittings and sales incentives) as new. It is possible that the valuation figure may not be subsequently attainable on a resale as a' second-hand villa especially if comparable new property is on offer at the same time.

11. As regards property, which are retained, or to retain an ownership interest in, such competition may affect the ability to attract and retain tenants and reduce the rents impacting the property/investment.

12. Any retained or owned property will face competing property/development leading to high vacancy rates resulting in lower rental rates. It is imperative for leasing obligations to be preserved and to keep-up high standard of landlord & tenant (property management) relationship and so it will necessitate that the property be maintained to a good standard to maintain its value.

13. The subject property referred in this report is considered as full figure(s) and may not be easily achievable in the event of an early re-sale in the short term due to volatile and uncertain times. Refer to our market conditions section below.

14. Property values are subject to fluctuation over time as market conditions may change.

15. We have assumed that the land is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be

shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

In this instance, we have adopted the following rates:

| *Components* | *Details* |
|---|---|
| Net Annual Rent (Head Lease) | SAR 23,100,000 per annum |
| Net Leasable Area (sq. m) | 29,721.33 |
| Operational Expense (OpEx) | The responsibility of the lessee for the remainder of the head lease and thereafter operational cost and service charge obligation. Refer to above commentary at 2.12.4-point 6. |
| Occupancy | The first 3 years the obligation of the lessee. Thereafter we have assumed market rent on the basis of 100% occupancy for 3 years and as the building gets older as well as the market becomes more competitive, we have reflected 98% occupancy years 7 and 8 with 95% in years 9 and 10. |
| Growth Rate (%) | No escalations, although after the expiry of head lease, we have reflected a 2% growth on the market rental. |

*Operational Expense (OpEx)*

*Based on the sale & leaseback agreement, we understand the OpEx is the responsibility of the Lessee; however, insurance is taken by the lessor which is currently at 156,132 per annum.*

*We have assumed that in the 4th year of cash flow an OpEx will apply at 8% and a 5% void in year 7 considering the head lease may not be renewed and the subject will be leased on the basis market rentals reflecting multi-tenant basis. Refer to commentary above at 2.12.4 point 6.*

*Discount Rate and Exit Yield*

*The discount rate reflects the return required to mitigate the risk associated with the particular investment type in question; therefore, echoes the opportunity cost of capital. To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply.*

*Market risk will also reflect where we are in the property cycle and more importantly the location. The subject property is fairly new commercial building and situated along Madinah Road, one of the main thoroughfares in Jeddah. Hence, we have adopted a discount rate of 10.5%.*

*The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments. These typically vary between 8% to 9%, depending on the quality of the property, length and condition of the lease, the lessee's reputation and the location of the property.*

*Based on the above criteria we are of the opinion that a fair exit yield for the subject property is 8.5%.*

### 2.12.5 SUMMARY OF MARKET VALUE - DCF

The resultant value based upon the above variables/assumptions for the subject property is follows:

| Property Name | Passing Income | Exit Yield | Discount Rate | Property Value [Rounded] |
|---|---|---|---|---|
| Salama Tower | 23,100,000 p.a. | 8.5% | 10.5% | SAR 250,000,000 |

### 2.12.6 INVESTMENT YIELD AND DISCOUNT RATE(S)

Despite the continuance of uncertain conditions, the KSA real estate investment market remains resilient in times of global uncertainty, protectionism, technology innovation disruption and regional volatility. The divergence between prime yields and secondary continues to widen, reflecting the fact that investors are willing to pay a premium for assets seen as lower risk, in core locations along with strong covenants/tenants/branding. Whilst there remains a lack of transactional evidence in the KSA market and the lack of good quality income generating assets across the KSA market; however, strong investor appetite remains for 'Best in Class' / 'Institutional Asset Class – Grade A' / good quality property providing long term income. The historic strength of asset classes and significant growth in the past few years has meant fairly attractive yields and with the continuance of current stable demand but slower growth. Investors are also no less sensitive to asset classes i.e. office, retail, residential, industrial and the location of property providing investor expectations and stable long-term income for portfolios and funds.

The foreseeable future the subject property(s) referred in this report appear to provide stable investment subject to ongoing maintenance, upkeep of the property and provided that yield stability remains with the real estate sector generally following the fortunes of the greater economy and while the oil reserves are currently fairly strong, then the economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era. General consensus anticipates a strident improvement in the Saudi economy in the period ahead (vision 2030), supported by both the oil and non-oil sectors.

Accordingly, we can provide investment yield performance indicator in current market conditions as follows:

| Transaction Type | Investment Yields (%) |
|---|---|
| Major Cities & Core Location(s) | 7% - 8.5% |
| Best in Class / Institutional Asset Class – Grade A | 7% - 8.5% |
| Good Quality Income Generating Asset | 7% - 8.5% |
| Strong Covenants / Leases / Tenants / Strong Brands | 7% - 8.5% |
| Secondary / Tertiary Location & Grade | 8.5% - 11% |

## 2.13 VALUATION

### 2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow (DCF) Approach and assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

**SAR 250,000,000 (Two Hundred Fifty Million Saudi Arabian Riyals)**

*The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.*

*We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'*

*The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.*

*The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.*

## 2.14 MARKET CONDITIONS SNAPSHOT

### 2.14.1 MARKET ASSESSMENT, TIMES OF UNCERTAINTY (COVID-19 PANDEMIC) & VALUATION COMMENTARY OVERVIEW

The past two plus years of extraordinary market conditions have made it difficult for investors to confidently assess changes in property prices. The COVID-19 recovery has meant higher energy prices, supply chain disruptions mean 2022 will be the year to repair global economy if possible.

The world is rapidly changing with ongoing structural shifts, population growth, urbanization, climate change and the digital revolution continue to profoundly impact our world and societies.

Though KSA has shown resilience with high oil price revenues and current budget of Q1 – 2022 showing surplus of SAR 57 billion and Public Investment Fund (PIF) – sovereign wealth fund going from strength to strength.

Since the lifting of travel bans, the KSA real estate market is in a healthy position with many analysts predicting a strong 2022 for real estate (vision 2023) with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

Also, the government has now allowed the full foreign ownership of retail and wholesale operations along with previously opening up of the Tadawul Stock Market to foreign investment supported by current energy reforms, cutting subsidies, creating jobs, privatizing state-controlled assets and increasing private sector contribution to the country's economy, etc. With all the opportunities throughout the Kingdom and the creation of the Giga projects, there was an ambitious resilience which was suddenly shutdown overnight due to the initial lockdown period. With all the current uncertainty, market stagnation and short-term challenges whereby force majeure (as a result of the pandemic's cause beyond anyone's reasonable control) had created inactivity. As mentioned above the KSA market's ambitions and resilience, we understand investor sentiment remains strong as it was prior to the pandemic and the KSA was on an upward course showing growth in the last quarter of 2019 after a period of subdued market conditions.

The current global crushing of liquidity in economies will have impact on markets and real estate market and this maybe the case with many economies across the globe; however, the KSA market has shown resilience in previous years through a period of downward trend (2016-18), a correction allowing for the market to bottom out with 2019 experiencing growth in the first quarter and subdued market conditions throughout 2019. The latter part of Q4 – 2019 saw positive growth with strong investor appetite, though the market lacking good quality stock. Now with the Saudi government confirming a stimulus package of SR 120 billion plus, we understand the market will bounce back with investors underlying strong appetite. This will delay any evidence in the short term of declining prices and with the government stimulus will assist any short-term losses on transactions, private and public funds, although will need to be sustained in the short-term.

The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut, though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

In short, the pandemic was expected to be a short-term shock wave with an eventual surge of business activity leading to a rapid recovery either in the form of a "V-shape" or a more gradual recovery in the form of a "U-shape" bounce back. Accordingly, we expected the KSA market to surge in business through 2021 and now 2022 allowing for markets to start flourishing towards long term sustainability in social trends and patterns along with socio-economic distancing in a growing cycle. On the other hand, should the global economic impact of the Coronavirus pandemic (COVID-19) outbreak persist and will be dependent on how long the virus lasts, how far it spreads and how much lock-down, public organizations quarantines disrupt the market. Indeed, the current response to COVID-19 means that we are faced with unprecedented set of circumstances on which to base judgement(s). There is strong evidence that real estate markets have sprung back to strong activity and growth fairly quickly as we are experiencing in the Kingdom of Saudi Arabia.

Equally, the short-term generally speaking we do not expect the current real estate market to show any small adjustment in prices/rates. The KSA real estate market is a developing market with much invested by the government in infrastructure projects, so we expect the government's latest stimulus to preserve liquidity and for demand to hold having limited / no bearing on prices / rates.

### 2.14.2 MARKET CONDITIONS PRIOR TO THE PANDEMIC & THE KSA LOCKDOWN

The roll out of vaccinations offered hope in controlling this disease and provide a path of recovery in sight along with recovery in oil price provides further impetus.

The Kingdom of Saudi Arabia (KSA) - world's largest exporter of crude oil, embarked four years (2016) ago on an ambitious economic transformation plan, "Saudi Arabia Vision 2030". In a hope to reduce its reliance on revenue from hydrocarbons, given the plummeting oil price revenues from 2014.

Through the current vision 2030 and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy.

Despite economic headwinds, across the region, KSA has shown resilience through a period of subdued real estate market activity. The real estate sector generally follows the fortunes of the greater economy and whilst Saudi Arabia is undergoing structural reforms politically, economically and socially will transform the Kingdom towards a service economy post-oil era.

These changes along with significant amounts of investment - estimated to soon be over 1 trillion US dollars will create vast amounts of opportunities for the public and private sectors across all businesses segments.

The KSA economy in the first quarter of 2019 has relied on the current oil price rise to pull it out of recession; however, the previous 18-24 months, KSA faced a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues.

Oil prices starting to surge again around 65 dollars a barrel currently from under 30 dollars a barrel in early in 2016 which resulted in a crash in prices and the economy dipped into negative territory in 2017 for the first time since 2009, a year after the global financial crisis.

General consensus anticipates a strong Saudi economy in the period ahead (2022-2023), supported by both the oil and non-oil sector. So ultimately it appears the economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall. The economy slipped into recession in 2018 but returned to growth in 2019, albeit at the fairly modest level of 1.7%, according to estimates from the International Monetary Fund (IMF). However, the return to growth is mainly due to a return to increase in oil prices again and output which, in turn, is enabling an increase in government spending.

Accordingly, in the short term needs to rely on the oil revenue and this reliance is being channelled into public spending. The reforms that have been pushed through to date have led to important changes aiding the economy. The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce. Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars. A due enactment of law will encourage public-private partnerships to herald more foreign investment.

The economic transformation that the KSA has embarked upon is complex and multidimensional and will certainly take time to turn around a non-oil serviced economy, although there have been recent positive signs, but it will remain in the short term with the support of oil revenues.

On the other hand, the KSA was resilient in the previous recession in 2007/2008 on strong oil reserves and not only can the Saudi government be relied upon to step in to rescue troubled lenders, reliable institutions for procedural reasons but crucially, it can also afford to do so, although has suffered due to previous oil price declines and it has meant increased spending.

Vision 2030 to diversify the economy from reliance on oil, has only just commenced in previous years and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region. Reform efforts include a reduction of subsidies on fuel and electricity and the implementation of a 5 per cent VAT back on 01 January 2018 which increased to 15 per cent VAT as of 01 July 2020. The government is also striving to get women to play a greater role in the economy including recently allowing them to drive back in 2019. Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAFD) along with 4 VOX screens opening at Riyadh Park Mall. The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF. With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030.

As part of wider reforms to overhaul the economy and to allow for deep rooted diversification, the Public Investment Fund (PIF) have initiated plans to bolster the tourism / entertainment industry by forming ambitious plans such as the following:

Red Sea Tourism Project

To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination. For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

Al Faisaliyah Project

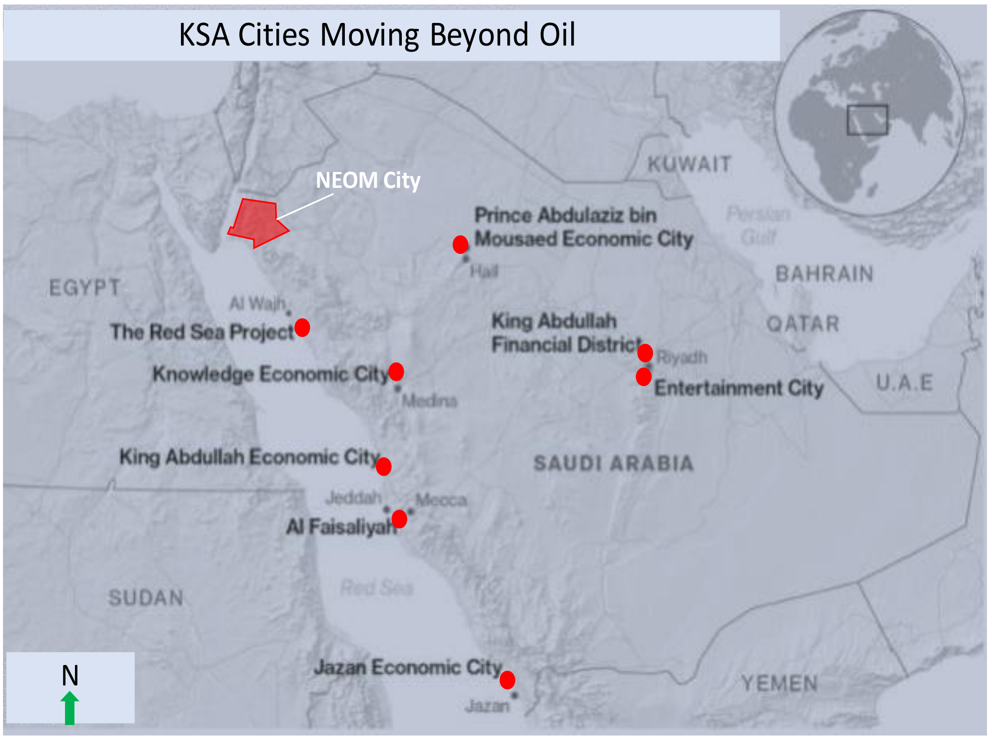
The project will consist of 2,450 square kilometres of residential units, entertainment facilities, an airport and a seaport. Refer to the below illustration for the location.

Qiddiya Entertainment City

Qiddiya Entertainment City will be a key project within the Kingdom's entertainment sector located 40 kilometres away from the center of Riyadh. Currently alleged for "The First Six Flags-branded theme park". The 334 square kilometre entertainment city will include a Safari Park too.

The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels.

The project will also consist around 4,000 vacation houses to be built by 2025 and up to 11,000 units by 2030. Again, for ease of reference refer to the below illustration for the location.



Neom City

The NEOM city project will operate independently from the “existing governmental framework” backed by Saudi government along with local and international investors. The project will be part of a ‘new generation of cities’ powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Economic Cities

The overall progress with the Economic Cities has been slow and projects on hold over the past 7-10 years, although KAFD has recently given the go ahead to complete by 2020. Within the Saudi Vision 2030 the governed referenced that they will work to “salvage” and “revamp”.

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to decline in both sales and rental values. We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.

Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above. As mentioned earlier, KSA experienced positive growth by oil price rise in the first quarter of 2021; hence the main driver of the recovery remains oil.  Over 2021 we envisage the Kingdom’s consumer outlook to be more favourable in economic conditions.

Moreover, tax on development land implemented in 2017/18 has kept the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom’s oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.  In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia’s sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing. This initiative will create stability and growth in the Kingdom’s housing sector by injecting liquidity and capital into the market. Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part.

The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past (2008-2016). The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy. The real estate market performance in 2019/20 and the general trend in KSA for most sectors have remained subdued given lower activity levels, while prices have been under pressure across most asset classes leading to a gradual softening of rental and sale prices.

The real estate sector remains subdued, and prices may have bottomed out across sectors, and we expect in the medium to long term for the market to pick-up further growth given the reforms and transformation in KSA, although we expect the growth to be slow and steady subject to a stable political environment in KSA and across the region.

The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation.

All in all, market volatility remains currently, and prices are likely to witness further deterioration in the short term. Since the issuing of this report the KSA lockdown for the COVID-19 health crisis was lifted back on 21 June 2020 and the economy is now trying to get back to normalcy.  A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2022.

*Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It must be borne in mind that both rental and capital values can fall as well as rise.*

## 2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.  Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.

The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace

*The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.*

## 2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

## 2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding.

The information revealed in these reports is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent.

We trust that this report and valuation fulfils the requirement of your instruction. This report is issued without any prejudice and personal liability.

For and on Behalf of, ***ValuStrat,***

| | |
|---|---|
| Mr. Ramez Al Medlaj (Taqeem Member No. 1210000320)<br>Valuation Manager – Real Estate | Mr. Yousuf Siddiki (Taqeem Member No. 1210001039)<br>Director - Real Estate, KSA |

شركة خبير التثمين للتقييم العقاري
س.ت: ١٠١٠٢٦٧٩١٧

## APPENDIX 1 - PHOTOGRAPHS






## APPENDIX 2 – COPY OF BUILDING PERMIT

أمانة محافظة جدة

**الإدارة المركزية لرخص البناء**

رخصة بناء مفعلة

٢٠٠٠١٨٢٢٤

الرقم التسلسلي ( ٤١٧٩ )

تجديد رخصة

| | | | | | | |
|---|---|---|---|---|---|---|
| رقم رخصة البناء | ٢٧٩٨ | | | تاريخها | ١٤٣١/٠٧/٠٢ | |
| رخصة بناء : | اداري تجاري | | | صالحة إلى | ١٤٣٤/٠٧/٠٢ | |
| اسم المالك : | احمد محمد عمر بامعروف | | | | | |
| نوع هوية : | حفيظة نفوس | رقمها | ١٠٠٠٤٨٨٣١٠ | تاريخها | ١٣٧٨/٠٥/٢٥ | مصدرها جده |
| صك ملكية رقم : | ٢٢٧٦ | | | تاريخ | ١٤١٣/٠٥/١٥ | مصدر جدة |
| رقم المبنى : | | شارع | | حي | السلامة | |
| رقم القطعة : | ٠ | | | رقم المخطط | | |

قد رخص للمالك ببناء عدد ١٥ دور بموجب الحدود والأبعاد والارتدادات والبروزات

| المحتويات | سكن | تجاري | مواقف سيارات | وحدات أخرى | مساحة الدور |
|---|---|---|---|---|---|
| البدروم | ٠ | ٠ | ٧٦٨٢ | ٠ | ٠ |
| طابق خدمة | ٠ | ٠ | ٦٥٥٨,١ | ٠ | ٠ |
| الطابق الأرضي | ٠ | ٤٤٨٦,٥ | ٠ | ٠ | ٤٤٨٦,٥ |
| طابق الميزانيين | | | | | |
| الطابق الأول | ٠ | ٢١٩٢,٥ | ٠ | ٠ | ٢١٩٢,٥ |
| الطابق الثاني | ٠ | ٣٤٨٤ | ٠ | ٠ | ٣٤٨٤ |
| الطابق الثالث | ٠ | ٢٧٠٣ | ٠ | ٠ | ٢٧٠٣ |
| الطابق المتكرر | ٠ | ٢٥٣٨٥,٦٩ | ٠ | ٠ | ٢٥٣٨٥,٦٩ |

| | | |
|---|---|---|
| إجمالي طول الأسوار ( م – ط ) | | |
| رقم رخصة المكتب الهندسي | مكتب المهندس مروان بدر الدين عاشور | |
| الرسوم | رقم الإيصال | تاريخ الإيصال |
| ٤٣،٥٠٣,٦٠ | ٣١٠١١٣٧٩١٧ | ١٤٣١/٠٦/٢٢ |

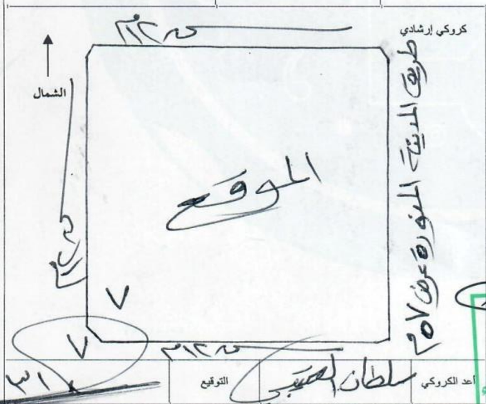
*** تم إحضار العقود المطلوبة حسب النظام**

عدد الوحدات السكنية : ١.١.٦

| | |
|---|---|
| رئيس القسم | التوقيع |
| م/ تيسير محمد السكني | |
| مدير الإدارة المركزية لرخص البناء | التوقيع |
| م/ عبد الرزاق عبد الرحمن شيخ عمر | |
| الختم | |
| رمز التشغيل | |

أمانة محافظة جدة
الإدارة العامة
لرخص واشتراطات البناء
إدارة المشاريع الخدمية والتجارية
١٤٣١/٧/٧

كروكي إرشادي




أعد الكروكي — التوقيع

يجب على صاحب الرخصة إلقاء مخلفات البناء/الهدم/الترميم في المردم المعتمد من الأمانة باستخدام البطاقات الممغنطة الممنوحة له عند إصدار الرخصة .
وأن أمانة محافظة جدة في حال تقاعس صاحب الرخصة في توريد الدمارات المقررة ستطبق الجزاءات والعقوبات اللازمة لضمان إزالة المخلفات .

002-01-F09; V 3.0

جدة أمانة... فلنؤدِ الأمانة

14

## APPENDIX 3 – DISCOUNTED CASH FLOW (DCF) EXTRACT

| DISCOUNTED CASH FLOW (DCF) ANALYSIS | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Salama Tower Jeddah** | | | | | | | Valuation Date: | Thursday, June 30, 2022 | | | | |
| Tenure: | Freehold | | | | | | | | | | | |
| Growth Rate | 2.0% | | | | | | | | | | | |
| Void Cost | 5.0% | | | | | | | | | | | |
| OpEx | 8% | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Year | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Exit Value |
| Full Rental Value | | 23,100,000 | 23,100,000 | 23,100,000 | 25,300,000 | 25,806,000 | 26,322,120 | 26,848,562 | 27,385,534 | 27,933,244 | 28,491,909 | |
| Occupancy | | 100% | 100% | 100% | 100% | 100% | 100% | 98% | 98% | 95% | 95% | |
| Passing Rent / Market Rent | | 23,100,000 | 23,100,000 | 23,100,000 | 25,300,000 | 25,806,000 | 26,322,120 | 26,311,591 | 26,837,823 | 26,536,582 | 27,067,314 | |
| Operational Costs | | - | - | - | 2,024,000 | 2,064,480 | 2,105,770 | 2,104,927 | 2,147,026 | 2,122,927 | 2,165,385 | |
| Void Costs | | - | - | - | - | - | - | 16,109 | 16,431 | 41,900 | 42,738 | |
| Net Current Rent | | 23,100,000 | 23,100,000 | 23,100,000 | 23,276,000 | 23,741,520 | 24,216,350 | 24,190,555 | 24,674,366 | 24,371,756 | 24,859,191 | 292,461,068 |
| Present Value of Net Rent | | 20,904,977 | 18,918,532 | 17,120,843 | 15,612,025 | 14,411,100 | 13,302,554 | 12,025,687 | 11,100,634 | 9,922,619 | 9,159,341 | 107,756,948 |

**Dubai, United Arab Emirates**
Office 702, Palace Towers,
DSO, Dubai, UAE

Phone +971 4 326 2233
Email Dubai@valustrat.com

**Riyadh, Saudi Arabia**
6th Floor, South Tower,
King Faisal Foundation Building,
Al Fasiliah Complex, Riyadh, KSA

Phone +966 11 293 5127
Email Riyadh@valustrat.com

**Jeddah, Saudi Arabia**
111 Jameel Square,
Tahlia Road, Jeddah, KSA

Phone +966 12 283 1455
Email Jeddah@valustrat.com

**London, United Kingdom**
Roxburghe House, 273-287 Regent St.
London W1B 2HA, United Kingdom

Phone +44 796 338 2486
Email London@valustrat.com

**Doha, Qatar**
Office 503, QFC Tower 2,
West Bay, Doha, Qatar

Phone +974 4 496 8119
Email Doha@valustrat.com

**Karachi, Pakistan**
H. No. 50/II, Khayaban-e-Shamsheer,
Phase V, DHA, Karachi, Pakistan

Phone +92 213 520 2904
Email Karachi@valustrat.com