

MEFIC Capital
MEFIC REIT
Diyafa (Benefit Right)

Riyadh City
February 2025



Under the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz al Saud, we embarked on a journey towards a brighter future with the launch of Vision 2030. Conceived by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, this roadmap leverages our God-given strengths, including our strategic location, investment power, and centrality in the Arab and Islamic worlds. Our leadership is fully committed to realizing our ambitions and maximizing our potential.



The World Expo will be the perfect occasion for the Kingdom of Saudi Arabia to share the story of an unprecedented national transformation with other nations and the global public.



Saudi Authority for Accredited Valuers (TAQEEM) is the regulator of the valuation profession in Saudi Arabia. Taqeeem works on implementing laws and legislations which allows valuers to practice the profession according to the International Valuation Standards (IVS). Taqeeem also provides training courses which accredits and qualifies practitioners based on international practices. Valuation contributes to preserving rights and achieving justice through providing professional services and high-quality valuation reports. Because we believe in promoting trust and transparency in the market as well as creating an attractive investment environment in alignment with the Saudi vision 2030, we have chosen **“Trust in Value”** as our slogan.



An important and gracious royal decree number (17103) was issued on 26/03/1442 H, stating that the Ministry of Finance shall oversee the Saudi Commission for Accredited Resident Evaluators (Taqeeem), and His Excellency, Minister Mohammed bin Abdullah Al-Jadaan, shall serve as the Chairman of the Board of Directors of the Commission.

REF: 24-0985
Code: 1314066
Date: 16/02/2025

Subject: Valuation Report for a commercial complex (Benefit Right) in Riyadh City, Saudi Arabia.

Dear MEFIC Capital,

In accordance with your approved request dated 24rd of December 2024, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

Issued: 01/08/1437 Exp: 24/08/1447

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	24-0985
Dep. Code	1314066
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial.
Property Location	A Nakheel district, Riyadh City.
Land Use	Commercial.
Land Area (Sqm)	9,091 Sqm
BUA (Sqm)	17,073.50 Sqm.
GLA (Sqm)	9,227.37 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Highest and best use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	SAR 131,500,000
Report Date	16/02/2025
Valuation Date	31/12/2024
Inspection Date	30/12/2024



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

MEFIC Capital in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the **Income approach, DCF method**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **30/12/2024** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a Diyafa commercial complex located in Al Nakheel district of Riyadh city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 9,091 square meters and a total built-up area (BUA) of 17,073.50 square meters.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on 3 sides, allowing ample natural light and ventilation. Notably, the property offers a direct view on Northern Ring Road from the north side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

The subject property is primarily surrounded by several residential and commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on Northern Ring Road

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.5 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Add Building Components		
Property Type	Commercial Project		
Construction Permit No.	14079/1435		
Construction Permit Date	05/08/1435		

Description	No. of Units	Area (sqm)	Use
Basement	----	9,100	Parking
Mezzanine	----	1,297.50	Commercial
Commercial Ground Floor	9	2,595	Commercial
Commercial First Floor	2	2,454	Commercial
Upper appendices	2	1,227	Commercial
Fences	1	400 m	Services
Total BUA (sqm)		17,073.50	

2.6 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

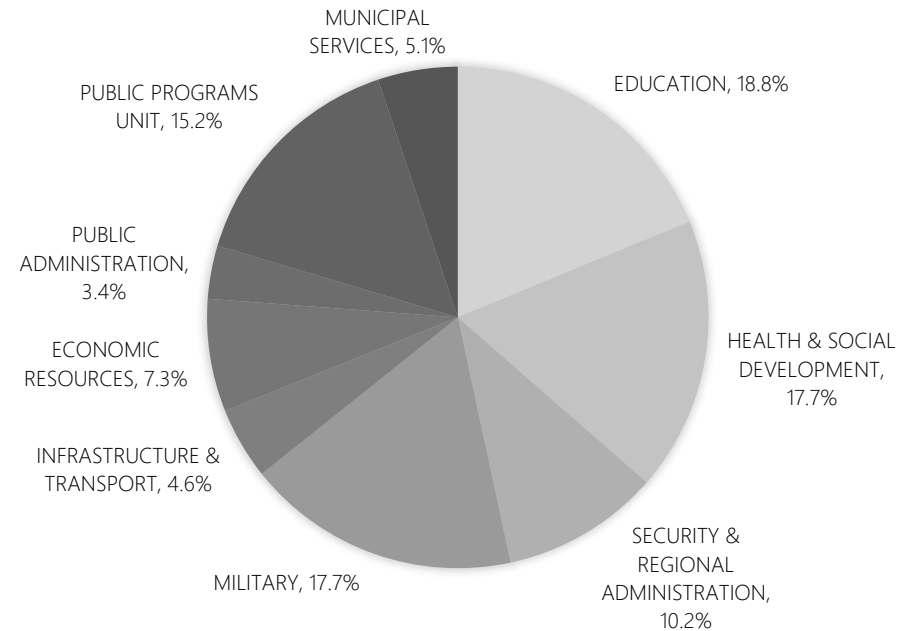
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Budget	Budget	Projections	
	2022	2023	2024	2025	2026
Total Revenue	1,268	1,130	1,172	1,227	1,259
Total Expenses	1,164	1,114	1,251	1,300	1,368
Budget Surplus	104	16	-79	-73	-109
Debt	990	951	1103	1176	1285
GDP growth	8.70%	0.03%	4.40%	5.70%	5.10%
Nominal GDP	4,157	4,136	4,261	4,494	4,774
Inflation	2.50%	2.60%	2.20%	2.10%	1.90%

3.2 Budget Allocation for 2023

Public Administration Sector	SAR 43.00	bn
Military Sector	SAR 269.00	bn
Security and Regional Administration Sector	SAR 112.00	bn
Municipal Services Sector	SAR 81.00	bn
Education Sector	SAR 195.00	bn
Health and Social Development Sector	SAR 214.00	bn
Economic Resources Sector	SAR 84.00	bn
Infrastructure and Transportation Sector	SAR 38.00	bn
General Items	SAR 216.00	bn

Source: Ministry of Finance



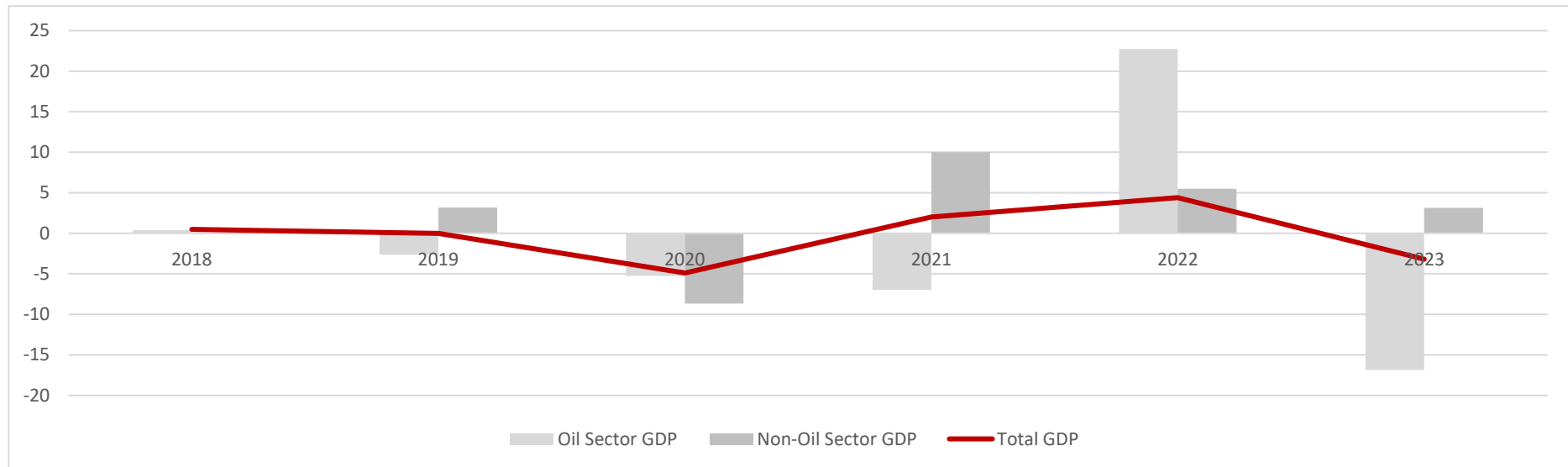
3.3 Real Estate Market Overview 2023

Macroeconomic Overview

- Saudi Arabia's GDP growth for 2023 has been downgraded to 0.4%, down from the previous forecast of 1.1%.
- Initial data for GDP growth in the year to Q3 2023 indicates that headline GDP has decreased by 4.5%, underpinned by a 17.3% decrease in oil-GDP, whereas non-oil grew by 3.6%.
- Saudi Arabia's unemployment rate dropped to 4.9% as at Q2 2023.




Saudi Arabia's GDP is projected to grow by 0.4% in 2023, where oil GDP expected to drop by 5.6%. Whilst the downgrades in growth forecasts have been underpinned by a weaker oil sector, Saudi Arabia's non-oil and government sector are expected to support headline growth with forecasts indicating growth rates of 5.1% and 2.6% in 2023 respectively.

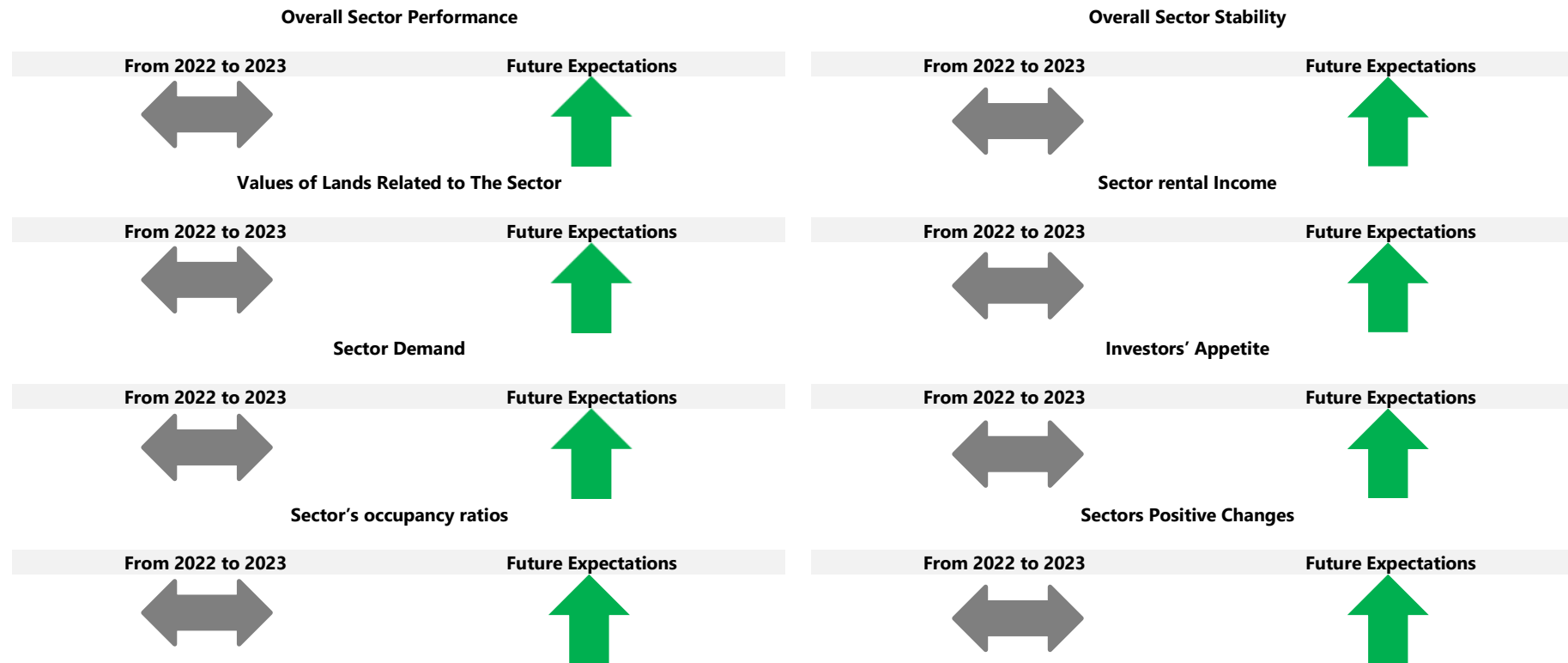
In September 2023, Saudi Arabia's Purchasing Manager Index (PMI) rebounded from two consecutive months of softer growth to record a reading of 57.2. This has been achieved through increased business activity, new orders and output, higher purchasing levels and improvements in delivery times by suppliers. On the downside, higher wages and material prices are leading to increased input costs.



3.4 Sector Brief

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

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



White Cubes Team's Analysis



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PROPERTY VALUATION

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VALUATION

Property Valuation

4.1 Valuation Methods

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

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	----	----	----	----	----	----
Buildings	----	----	----	----	----	----
Property	----	----	✓	----	----	----

DISCOUNTED CASH FLOW (DCF)

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

4.2 Discounted Cash Flow Method (DCF) – Market Rates

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

Regrettably, the client did not furnish us with specific details regarding the maintenance and operational costs of the project. Consequently, we will rely on market averages for similar projects as a reasonable approximation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%. This rate will be calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	SAR 99,960,000.00	SAR 50,055,000.00	SAR 83,640,000.00
NOI	SAR 7,996,800.00	SAR 4,004,400.00	SAR 6,691,200.00
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		
Rounded	8.00%		

Estimated the Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00		SAMA
Inflation Rate%	%3.00		GASTAT
Market Risk Premium%	%1.00		Trading Economics
Company-specific Risk Premium %	%0.50	Source	Team's experience.
Discount Rate%	9.50%		

Cash Flow		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		0	1	2	3	4	5	6	7	8	9	10	11
Inflation		0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%
Expected Revenues													
Shops	Sqm	9,284	9,284	9,284	9,284	9,284	9,284	9,284	9,284	9,284	9,284	9,284	9,284
Rate (SAR)	SAR	1,515	1,560	1,560	1,607	1,607	1,655	1,655	1,705	1,705	1,756	1,756	1,809
Total	SAR	14,065,260	14,487,218	14,487,218	14,921,834	14,921,834	15,369,489	15,369,489	15,830,574	15,830,574	16,305,491	16,305,491	16,794,656
Offices	Sqm	7,789	7,789	7,789	7,789	7,789	7,789	7,789	7,789	7,789	7,789	7,789	7,789
Rate (SAR)	SAR	1,000	1,030	1,030	1,061	1,061	1,093	1,093	1,126	1,126	1,159	1,159	1,194
Total	SAR	7,788,620	8,022,279	8,022,279	8,262,947	8,262,947	8,510,835	8,510,835	8,766,160	8,766,160	9,029,145	9,029,145	9,300,020
Overall Revenues		21,853,880	22,509,496	22,509,496	23,184,781	23,184,781	23,880,325	23,880,325	24,596,734	24,596,734	25,334,637	25,334,637	26,094,676

Vacancy and Credit Loss													
Shops	5%	703,263	724,361	724,361	746,092	746,092	768,474	768,474	791,529	791,529	815,275	815,275	839,733
Offices	5%	402,613	414,691	414,691	427,132	427,132	439,946	439,946	453,144	453,144	466,738	466,738	480,741
Total		1,105,876	1,139,052	1,139,052	1,173,223	1,173,223	1,208,420	1,208,420	1,244,673	1,244,673	1,282,013	1,282,013	1,320,473
Effective Rental Income		20,748,004	21,370,444	21,370,444	22,011,558	22,011,558	22,671,905	22,671,905	23,352,062	23,352,062	24,052,624	24,052,624	24,774,202

Expenses													
CapEx	8%	1,659,840	1,709,636	1,709,636	1,760,925	1,760,925	1,813,752	1,813,752	1,868,165	1,868,165	1,924,210	1,924,210	1,981,936
OpEx	15%	3,112,201	3,205,567	3,205,567	3,301,734	3,301,734	3,400,786	3,400,786	3,502,809	3,502,809	3,607,894	3,607,894	3,716,130
Overall Expenses		4,772,041	4,915,202	4,915,202	5,062,658	5,062,658	5,214,538	5,214,538	5,370,974	5,370,974	5,532,103	5,532,103	5,698,067

NOI		15,975,963	16,455,242	16,455,242	16,948,899	16,948,899	17,457,366	17,457,366	17,981,087	17,981,087	18,520,520	18,520,520	19,076,136
Terminal Value													
Discount Rate	9.5%	1.00	0.91	0.83	0.76	0.70	0.64	0.58	0.53	0.48	0.44	0.40	0.37
Present Value		15,975,963	15,027,618	13,723,852	12,909,195	11,789,219	11,089,402	10,127,308	9,526,144	8,699,674	8,183,255	7,473,293	7,029,672
Net Present Value													131,554,596

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method - Market Rates and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 131,500,000.00
One Hundred Thirty-One Million Five Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



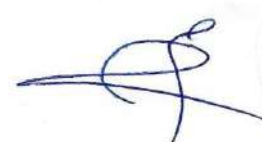
Member of (RE Valuation)
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 Membership No. 1210001964

Mohammed I. Al Assem
 Valuer



Member of (RE Valuation)
 Membership No. 1210003754

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4.5 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



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DOCUMENTS

DOCUMENT

Documents Received

5.1 Construction Permit

[illegible]

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة







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WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital
MEFIC REIT
Drnef Ajyad Hotel

Makkah City
February 2025



Under the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz al Saud, we embarked on a journey towards a brighter future with the launch of Vision 2030. Conceived by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, this roadmap leverages our God-given strengths, including our strategic location, investment power, and centrality in the Arab and Islamic worlds. Our leadership is fully committed to realizing our ambitions and maximizing our potential.



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REF: 24-0985
Code: 1314024
Date: 16/02/2025

Subject: Valuation Report for Drnef Ajyad Hotel in Makkah City, Saudi Arabia.

Dear MEFIC Capital,

In accordance with your approved request dated 24rd of December 2024, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers
License No. 1210000474
Issued: 01/08/1437 Exp: 24/08/1447
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	24-0985
Dep. Code	1314024
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial.
Property Location	Reea Bakhsh district, Makkah City.
Title Deed No.	281809000853 - 781809000851
Title Deed Date	22/03/1446
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Amar Real Estate Development and Investment (One Person Company).
Land Use	Hospitality.
Land Area (Sqm)	1,780.96 Sqm.
BUA (Sqm)	19,045.34 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Highest and best use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	SAR 123,000,000.00
Report Date	16/02/2025
Valuation Date	31/12/2024
Inspection Date	30/12/2024



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

MEFIC Capital in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the **Income approach, DCF method**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **30/12/2024** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a Drnef Ajyad Hotel located in Reea Bakhsh district of Makkah city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 1,780.96 square meters and a total built-up area (BUA) of 19,045.34 square meters.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on one sides, allowing ample natural light and ventilation. Notably, the property offers a direct view on 15 meters street from the north side.

2.2 Surrounding Area

The subject property is surrounded mostly by several vacant lands and commercial buildings.

2.3 Ease of Access

The access level of the subject property is classified as moderate due to its location near Ajyad Road

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.1 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject property:

City	Makkah	Land Area	885.82 Sqm
District	Reea Bakhsh	Plot No.	32
T.D Type	Electronic	Block No.	N/A
T.D Number	281809000853	Layout No.	18/8/1
T.D Date	22/03/1446	Ownership Type	Mortgage
Owner	شركة امار للتطوير والاستثمار العقاري	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Makkah First Notary		
North Side	15 meter street	East Side	Plot No. 31
South Side	Mountain	West Side	Plot No. 33

City	Makkah	Land Area	895.14 Sqm
District	Reea Bakhsh	Plot No.	31
T.D Type	Electronic	Block No.	N/A
T.D Number	781809000851	Layout No.	18/8/1
T.D Date	22/03/1446	Ownership Type	Mortgage
Owner	شركة امار للتطوير والاستثمار العقاري	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Makkah First Notary		
North Side	15 meter street	East Side	Mountain
South Side	Mountain	West Side	Plot No. 32

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

2.2 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	New Permit
Property Type	Hospitality Project
Construction Permit No.	3401103951
Construction Permit Date	23/09/1434

Description	No. of Units	Area (sqm)	Use
Basement	1	94.3	Basement
Levelling Floor	1	406.77	Reception + Residential
Ground Floor	1	581.26	Residential
Typical Floors	4	2,655.16	Residential
Appendices	1	261.13	Residential
Stairwell + Elevators	1	68.71	Stairwell + Elevators
Tanks	1	304.3	Tanks
Total BUA (sqm)		4,371.63	

Construction Permit Type	New Permit
Property Type	Hospitality Project
Construction Permit No.	3401103736
Construction Permit Date	09/09/1434

Description	No. of Units	Area (sqm)	Use
Basement	1	71.26	Basement
Levelling Floor	1	393.96	Reception + Residential
Ground Floor	1	563.96	Residential
Typical Floors	4	2,612.88	Residential
Appendices	1	238.14	Residential
Stairwell + Elevators	1	85.02	Stairwell + Elevators
Tanks	1	306.86	Tanks
Total BUA (sqm)		4,272.08	

Construction Permit Type	Status settlement permit
Property Type	Hospitality Project
Construction Permit No.	3401103951
Construction Permit Date	23/09/1434

Description	No. of Units	Area (sqm)	Use
Basement	1	583.43	Basement
Levelling Floor	1	549.16	Reception + Residential
Ground Floor	1	576.93	Residential
Typical Floors	4	2,633.8	Residential
Appendices	1	261.13	Residential
Stairwell + Elevators	1	41.48	Stairwell + Elevators
Tanks	1	598.4	Tanks
Total BUA (sqm)		5,244.33	

Construction Permit Type	New Permit
Property Type	Hospitality Project
Construction Permit No.	3401103736
Construction Permit Date	09/09/1434

Description	No. of Units	Area (sqm)	Use
Basement	1	582.18	Basement
Levelling Floor	1	547.88	Reception + Residential
Ground Floor	1	559.09	Residential
Typical Floors	4	2,591.96	Residential
Appendices	1	238.14	Residential
Stairwell + Elevators	1	44.82	Stairwell + Elevators
Tanks	1	593.23	Tanks
Total BUA (sqm)		5,157.30	

2.3 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

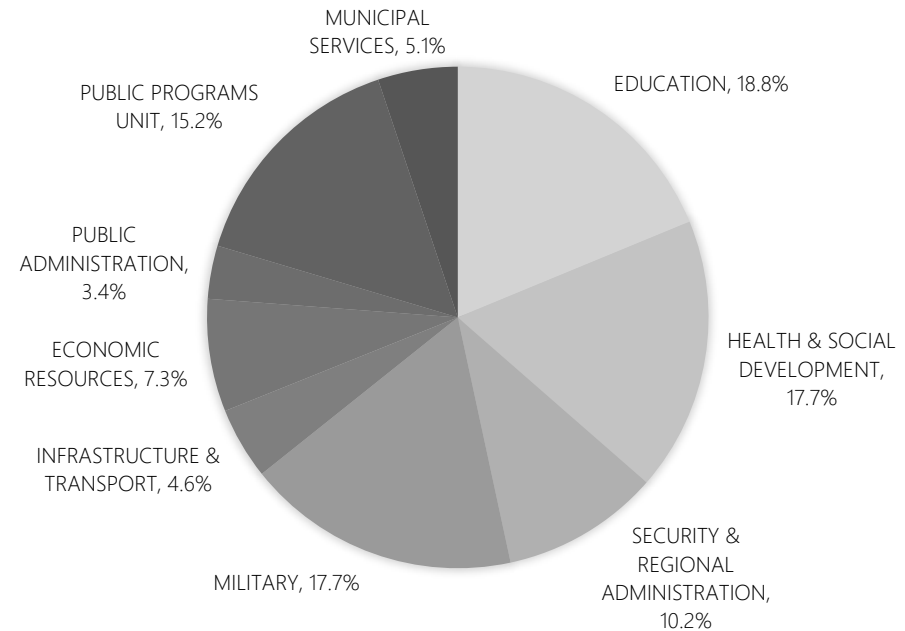
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Budget	Budget	Projections	
	2022	2023	2024	2025	2026
Total Revenue	1,268	1,130	1,172	1,227	1,259
Total Expenses	1,164	1,114	1,251	1,300	1,368
Budget Surplus	104	16	-79	-73	-109
Debt	990	951	1103	1176	1285
GDP growth	8.70%	0.03%	4.40%	5.70%	5.10%
Nominal GDP	4,157	4,136	4,261	4,494	4,774
Inflation	2.50%	2.60%	2.20%	2.10%	1.90%

3.2 Budget Allocation for 2023

Public Administration Sector	SAR 43.00	bn
Military Sector	SAR 269.00	bn
Security and Regional Administration Sector	SAR 112.00	bn
Municipal Services Sector	SAR 81.00	bn
Education Sector	SAR 195.00	bn
Health and Social Development Sector	SAR 214.00	bn
Economic Resources Sector	SAR 84.00	bn
Infrastructure and Transportation Sector	SAR 38.00	bn
General Items	SAR 216.00	bn

Source: Ministry of Finance



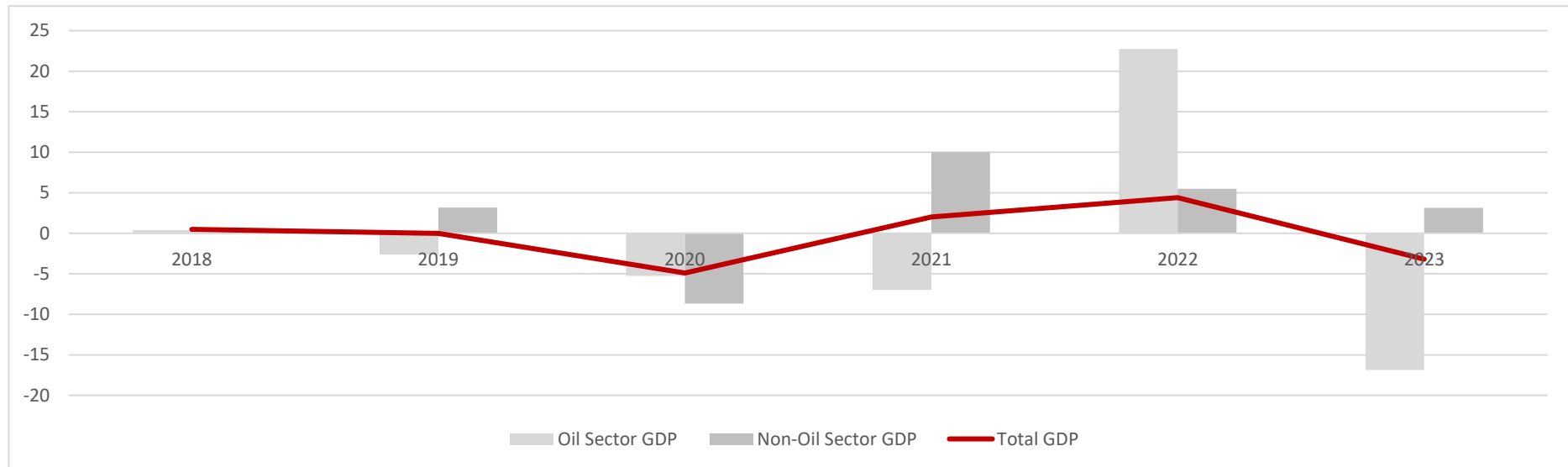
3.3 Real Estate Market Overview 2023

Macroeconomic Overview

- Saudi Arabia's GDP growth for 2023 has been downgraded to 0.4%, down from the previous forecast of 1.1%.
- Initial data for GDP growth in the year to Q3 2023 indicates that headline GDP has decreased by 4.5%, underpinned by a 17.3% decrease in oil-GDP, whereas non-oil grew by 3.6%.
- Saudi Arabia's unemployment rate dropped to 4.9% as at Q2 2023.




Saudi Arabia's GDP is projected to grow by 0.4% in 2023, where oil GDP expected to drop by 5.6%. Whilst the downgrades in growth forecasts have been underpinned by a weaker oil sector, Saudi Arabia's non-oil and government sector are expected to support headline growth with forecasts indicating growth rates of 5.1% and 2.6% in 2023 respectively.

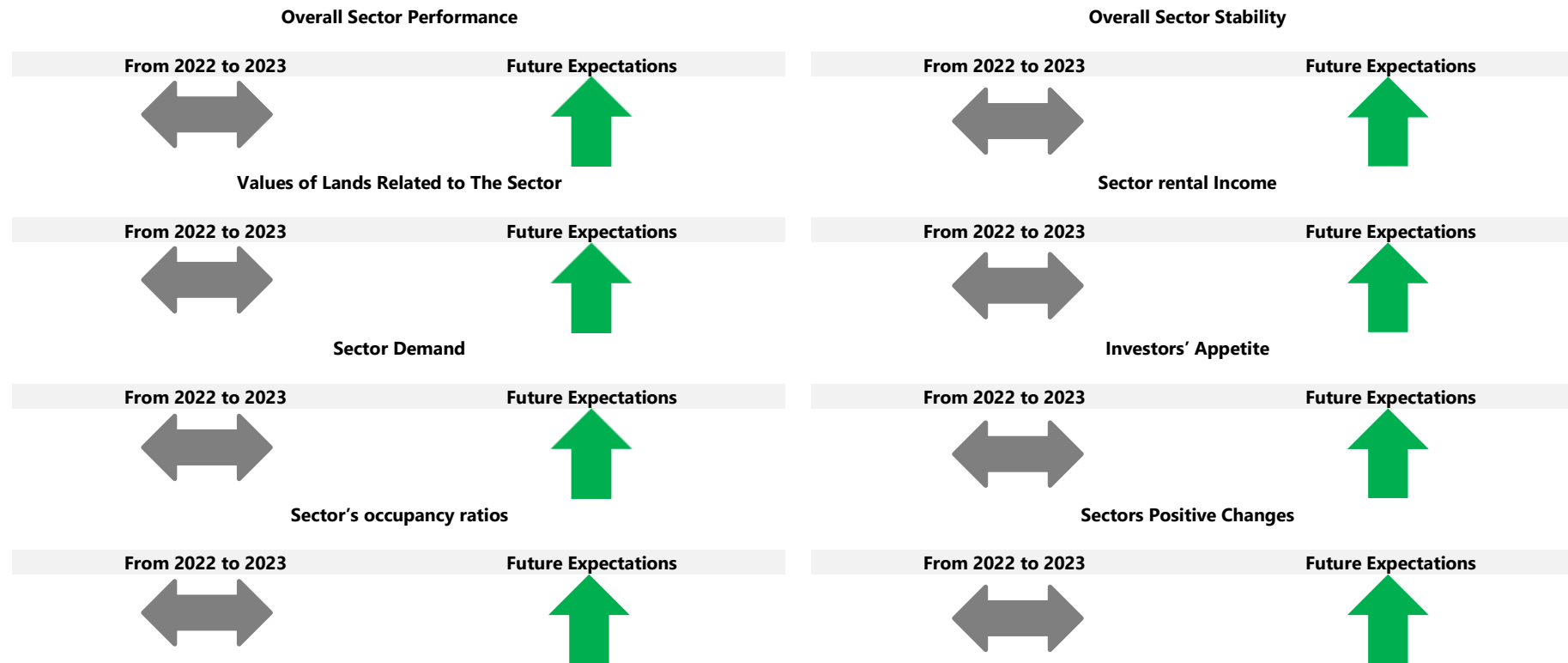
In September 2023, Saudi Arabia's Purchasing Manager Index (PMI) rebounded from two consecutive months of softer growth to record a reading of 57.2. This has been achieved through increased business activity, new orders and output, higher purchasing levels and improvements in delivery times by suppliers. On the downside, higher wages and material prices are leading to increased input costs.



3.4 Sector Brief

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

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



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

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

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	----	----	----	----	----	----
Buildings	----	----	----	----	----	----
Property	----	----	✓	----	----	----

DISCOUNTED CASH FLOW (DCF)

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

4.2 Discounted Cash Flow Method (DCF) – Market Rates

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

Regrettably, the client did not furnish us with specific details regarding the maintenance and operational costs of the project. Consequently, we will rely on market averages for similar projects as a reasonable approximation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%. This rate will be calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	SAR 181,929,600.00	SAR 182,855,000.00	SAR 179,656,133.00
NOI	SAR 13,644,720.00	SAR 13,714,125.00	SAR 13,474,209.98
Cap Rate	7.50%	7.50%	7.50%
Average Cap Rate	7.50%		
Rounded	7.50%		

Estimated the Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00		SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%0.50		Trading Economics
Company-specific Risk Premium %	%0.50	Source	Team's experience.
Discount Rate%	8.00%		

	Makarem Um Al Qura Hotel	Lamar Ajjad Hotel	Malak Al Safwa Hotel
Stars	5	3	2
Rate	SAR 220.00	SAR 180.00	SAR 155.00
Room Type	Twin Room	Twin Room	Twin Room
Average Rate	SAR 185.00		
Rounded	SAR 185.00		

Cash Flow		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9	10
Inflation		0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Expected Revenues												
Hajj Season	Pilgrim	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
Rate (SAR)	SAR	3,914	4,031	4,152	4,277	4,405	4,537	4,674	4,814	4,958	5,107	5,260
Hajj Season	SAR	4,187,980	4,313,619	4,443,028	4,576,319	4,713,608	4,855,017	5,000,667	5,150,687	5,305,208	5,464,364	5,628,295
Ramadhan Season	Sqm	214	214	214	214	214	214	214	214	214	214	214
Rate (SAR)	SAR	309	318	328	338	348	358	369	380	391	403	415
Ramadhan Season	SAR	1,983,780	2,043,293	2,104,592	2,167,730	2,232,762	2,299,745	2,368,737	2,439,799	2,512,993	2,588,383	2,666,034
Other Seasons	Keys	214	214	214	214	214	214	214	214	214	214	214
Rate (SAR)	SAR	163	168	173	178	183	189	195	200	206	213	219
Total	SAR	10,639,010	10,958,180	11,286,926	11,625,533	11,974,299	12,333,528	12,703,534	13,084,640	13,477,180	13,881,495	14,297,940
FAB	SAR	1,234,352	1,271,383	1,309,524	1,348,810	1,389,274	1,430,952	1,473,881	1,518,097	1,563,640	1,610,549	1,658,866
Other Revenues	SAR	185,153	190,707	196,429	202,321	208,391	214,643	221,082	227,715	234,546	241,582	248,830
Overall Revenues		18,230,275	18,777,183	19,340,499	19,920,713	20,518,335	21,133,885	21,767,901	22,420,939	23,093,567	23,786,374	24,499,965

Vacancy and Credit Loss												
Rooms	%	45%	45%	45%	42%	42%	40%	40%	42%	40%	40%	42%
	SAR	8,203,624	8,449,732	8,703,224	8,366,700	8,617,701	8,453,554	8,707,161	9,416,794	9,237,427	9,514,549	10,289,985
Total		8,203,624	8,449,732	8,703,224	8,366,700	8,617,701	8,453,554	8,707,161	9,416,794	9,237,427	9,514,549	10,289,985
Effective Rental Income		10,026,651	10,327,451	10,637,274	11,554,014	11,900,634	12,680,331	13,060,741	13,004,144	13,856,140	14,271,824	14,209,980

Expenses												
CapEx	5%	501,333	516,373	531,864	577,701	595,032	634,017	653,037	650,207	692,807	713,591	710,499
OpEx	27%	2,675,957	2,756,236	2,838,923	3,083,587	3,176,094	3,384,183	3,485,709	3,470,604	3,697,988	3,808,928	3,792,423
Overall Expenses		3,177,290	3,272,609	3,370,787	3,661,287	3,771,126	4,018,200	4,138,746	4,120,811	4,390,795	4,522,519	4,502,922

NOI		6,849,361	7,054,842	7,266,487	7,892,726	8,129,508	8,662,131	8,921,995	8,883,333	9,465,345	9,749,305	9,707,058
Terminal Value	7.5%											129,427,438
Discount Rate	8.0%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50	0.46
Present Value		6,849,361	6,532,261	6,229,842	6,265,501	5,975,431	5,895,301	5,622,370	5,183,340	5,113,831	4,877,080	64,446,193
Net Present Value												122,990,510
Rounded Value												123,000,000

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method – Market Rates and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 123,000,000.00
One Hundred Twenty-Three Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



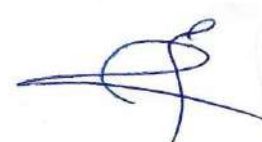
Member of (RE Valuation)
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 Membership No. 1210001964

Mohammed I. Al Assem
 Valuer



Member of (RE Valuation)
 Membership No. 1210003754

WHITECUBES Stamp



4.5 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title Deed and Construction Permit

الرقم: 201409000853
2024/09/25 التاريخ:
1446/3/23

وثيقة تملك عقار

الجمهورية العراقية
Federal Islamic Republic

البيانات الأساسية

رقم الوثيقة	281809000853	تاريخ الوثيقة	1446/3/22
القيود	مرفوع	الحالة	فعال
تاريخ الوثيقة السابقة	1446/2/24	المساحة	885.82
نوع المسلة	مسجلة بتسجيل	رقم الوثيقة السابقة	860001438953

التقديرات

التقدير	القيمة المرحلية	رقم التفتيش	قيمة الزمن
مرفوع	البك السعدي الأول	7000018668	د.م 400,000,000

الملاك

رقم الهوية	الاسم	نسبة التملك
7004304379	شركة أمار للتطوير والاستثمار العقاري شركة شخص واحد	% 100

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	885.82	لا يوجد
البك	الساكنة / الجزء	لا يوجد	الساكنة / الجزء
لا يوجد	الزراعة	لا يوجد	الزراعة
لا يوجد	الزراعة	لا يوجد	الزراعة
لا يوجد	الزراعة	لا يوجد	الزراعة
رقم القسمة	رقم المسقط	الحي	المنطقة
32	18 / 8 / 1	ريج يميني	مساحة المسكونة

الطرق

الحد	الترص	وصف الحد	الطول م
شمالاً	شارع	عرض 15م	26
جنوباً	حبل		25.5
شرقاً	قطعة	رقم 31	33.47
غرباً	قطعة	رقم 33	35.96

	وثيقة تملك عقار		البيانات الأساسية	
	781809000851 (رقم: 2024/09/25 التاريخ: 1446/3/22)	رقم الوثيقة	781809000851	رقم الوثيقة
	فصل	العقار	مرحون	التوريد
	895.14	المساحة	1446/2/24	تاريخ الوثيقة السابقة
960001438944		رقم الوثيقة السابقة	صفحة تسجل	نوع المسيلة
التوريد				
تاريخ الاستحقاق	قسط الزين	رقم المنشأة	الجهة المرمقة	العقد
	رسم 400,000,000	7000018668	البنك السعودي الأول	مرحون
العقار				
نسبة التملك	الاسم	شركة أمار للتطوير والاستثمار العقاري شركة شمس واحد		
% 100		7004304379		
العقار				
نوع الاستثمار	مساحة العقار (م ²)	نوع العقار	رقم الهيئة العقارية	
لا يوجد	895.14	قطعة الأرض	لا يوجد	
المساحة / الزين	لا يوجد	البنك	لا يوجد	
لا يوجد	لا يوجد	المرجع	لا يوجد	
نموذج العقار	لا يوجد	رقم الترخيص	31	
الطبعة	يحق بخصر بأهله	18 / 8 / 1		
مكة المكرمة				
الطرق				
الطريق	وصف الحد	العرض	العمق	المساحة
الطريق 1	عرض 15 م	23.61	3.00	70.83
الطريق 2	عرض 15 م	27.5	3.00	82.50
الطريق 3	عرض 15 م	37	3.00	111.00
الطريق 4	عرض 15 م	33.47	3.00	100.41

[illegible]

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية





WHITE CUBES





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital
MEFIC REIT
Drnef Kudy Hotel

Makkah City
February 2025



Under the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz al Saud, we embarked on a journey towards a brighter future with the launch of Vision 2030. Conceived by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, this roadmap leverages our God-given strengths, including our strategic location, investment power, and centrality in the Arab and Islamic worlds. Our leadership is fully committed to realizing our ambitions and maximizing our potential.



The World Expo will be the perfect occasion for the Kingdom of Saudi Arabia to share the story of an unprecedented national transformation with other nations and the global public.



Saudi Authority for Accredited Valuers (TAQEEM) is the regulator of the valuation profession in Saudi Arabia. Taqeeem works on implementing laws and legislations which allows valuers to practice the profession according to the International Valuation Standards (IVS). Taqeeem also provides training courses which accredits and qualifies practitioners based on international practices. Valuation contributes to preserving rights and achieving justice through providing professional services and high-quality valuation reports. Because we believe in promoting trust and transparency in the market as well as creating an attractive investment environment in alignment with the Saudi vision 2030, we have chosen **“Trust in Value”** as our slogan.



An important and gracious royal decree number (17103) was issued on 26/03/1442 H, stating that the Ministry of Finance shall oversee the Saudi Commission for Accredited Resident Evaluators (Taqeeem), and His Excellency, Minister Mohammed bin Abdullah Al-Jadaan, shall serve as the Chairman of the Board of Directors of the Commission.

REF: 24-0985
Code: 1313967
Date: 16/02/2025

Subject: Valuation Report for Drnef Kudy Hotel in Makkah City, Saudi Arabia.

Dear MEFIC Capital,

In accordance with your approved request dated 24th of December 2024, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers
License No. 1210000474
Issued: 01/08/1437 Exp: 24/08/1447
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	24-0985
Dep. Code	1313967
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial.
Property Location	Mukhatat Bader Kuday district, Makkah City.
Title Deed No.	481809000852
Title Deed Date	22/03/1446
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Amar Real Estate Development and Investment (One Person Company).
Land Use	Commercial.
Land Area (Sqm)	750 Sqm.
BUA (Sqm)	6,262.78 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Highest and best use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	SAR 66,000,000.00
Report Date	16/02/2025
Valuation Date	31/12/2024
Inspection Date	30/12/2024



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

MEFIC Capital in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the **Income approach, DCF method**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **30/12/2024** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a Drnef Kudy Hotel located in Mukhatat Bader Kuday district of Makkah city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 750 square meters and a total built-up area (BUA) of 6,262.78 square meters.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on one side, allowing ample natural light and ventilation. Notably, the property offers a direct view on 15 meters street from the north side.

2.2 Surrounding Area

The subject property is surrounded mostly by several vacant lands and commercial buildings.

2.3 Ease of Access

The access level of the subject property is classified as moderate due to its location near Third Ring Road.

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.1 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject property:

City	Makkah	Land Area	750 Sqm
District	Mukhatat Bader Kuday district	Plot No.	16
T.D Type	Electronic	Block No.	N/A
T.D Number	481809000852	Layout No.	52/7/1
T.D Date	22/03/1446	Ownership Type	Mortgage
Owner	شركة امار للتطوير والاستثمار العقاري	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Makkah First Notary		
North Side	15 meter street	East Side	Plot No. 14
South Side	Car parking	West Side	Plot No. 18

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

2.2 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Add Building Components
Property Type	Hospitality Project
Construction Permit No.	332010300025
Construction Permit Date	01/01/1433

Description	No. of Units	Area (sqm)	Use
Basement	4	1,406.44	Basement
Levelling Floor	1	311.64	Reception
Ground Floor	3	393.9	Residential
Mezzanine Floor	1	359.24	Reception
Service Floor	1	516.83	Services
Upper Appendices	1	54.63	Residential
Parking Floor	1	480	Parking
Tanks	1	294.07	Tanks
Typical Floors	16	2363.4	Residential
Stairwell + Elevators	1	82.63	Stairwell + Elevators
Total BUA (sqm)		6,262.78	

2.3 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

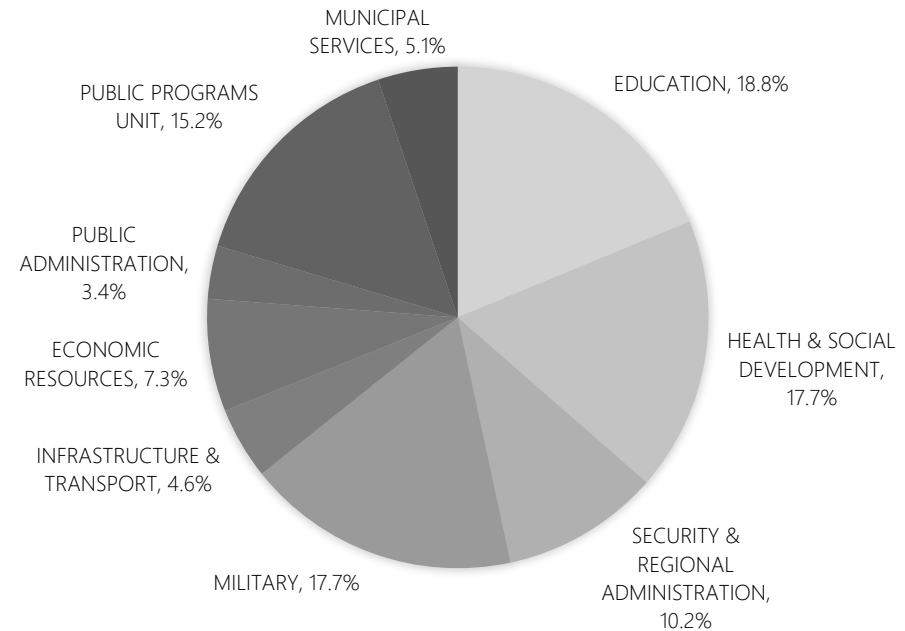
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Budget	Budget	Projections	
	2022	2023	2024	2025	2026
Total Revenue	1,268	1,130	1,172	1,227	1,259
Total Expenses	1,164	1,114	1,251	1,300	1,368
Budget Surplus	104	16	-79	-73	-109
Debt	990	951	1103	1176	1285
GDP growth	8.70%	0.03%	4.40%	5.70%	5.10%
Nominal GDP	4,157	4,136	4,261	4,494	4,774
Inflation	2.50%	2.60%	2.20%	2.10%	1.90%

3.2 Budget Allocation for 2023

Public Administration Sector	SAR 43.00	bn
Military Sector	SAR 269.00	bn
Security and Regional Administration Sector	SAR 112.00	bn
Municipal Services Sector	SAR 81.00	bn
Education Sector	SAR 195.00	bn
Health and Social Development Sector	SAR 214.00	bn
Economic Resources Sector	SAR 84.00	bn
Infrastructure and Transportation Sector	SAR 38.00	bn
General Items	SAR 216.00	bn

Source: Ministry of Finance



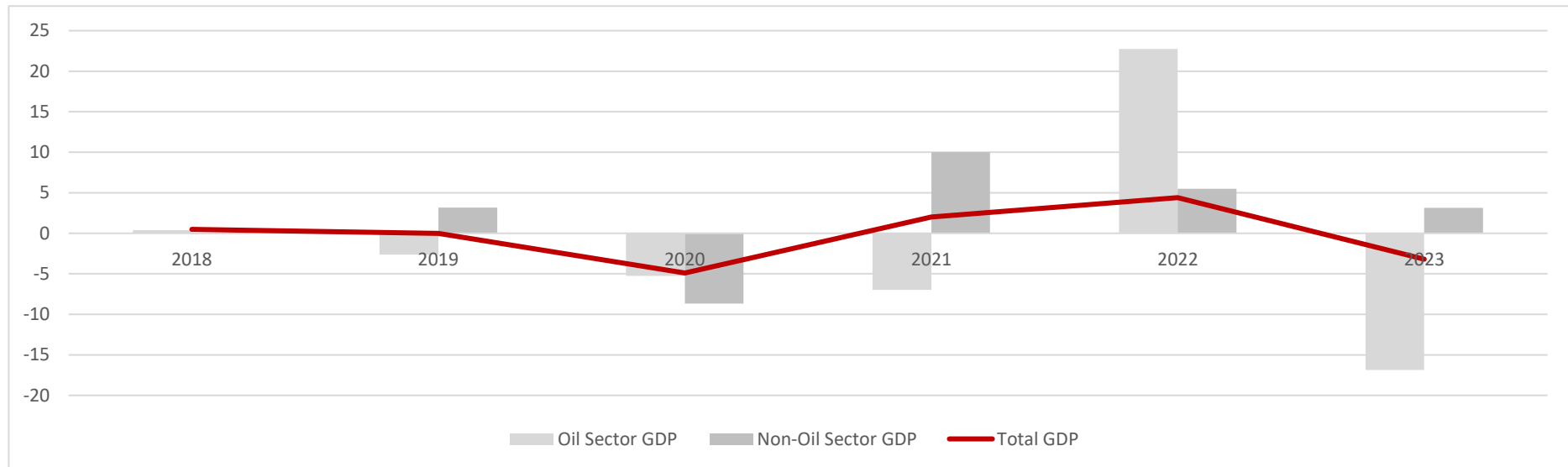
3.3 Real Estate Market Overview 2023

Macroeconomic Overview

- Saudi Arabia's GDP growth for 2023 has been downgraded to 0.4%, down from the previous forecast of 1.1%.
- Initial data for GDP growth in the year to Q3 2023 indicates that headline GDP has decreased by 4.5%, underpinned by a 17.3% decrease in oil-GDP, whereas non-oil grew by 3.6%.
- Saudi Arabia's unemployment rate dropped to 4.9% as at Q2 2023.




Saudi Arabia's GDP is projected to grow by 0.4% in 2023, where oil GDP expected to drop by 5.6%. Whilst the downgrades in growth forecasts have been underpinned by a weaker oil sector, Saudi Arabia's non-oil and government sector are expected to support headline growth with forecasts indicating growth rates of 5.1% and 2.6% in 2023 respectively.

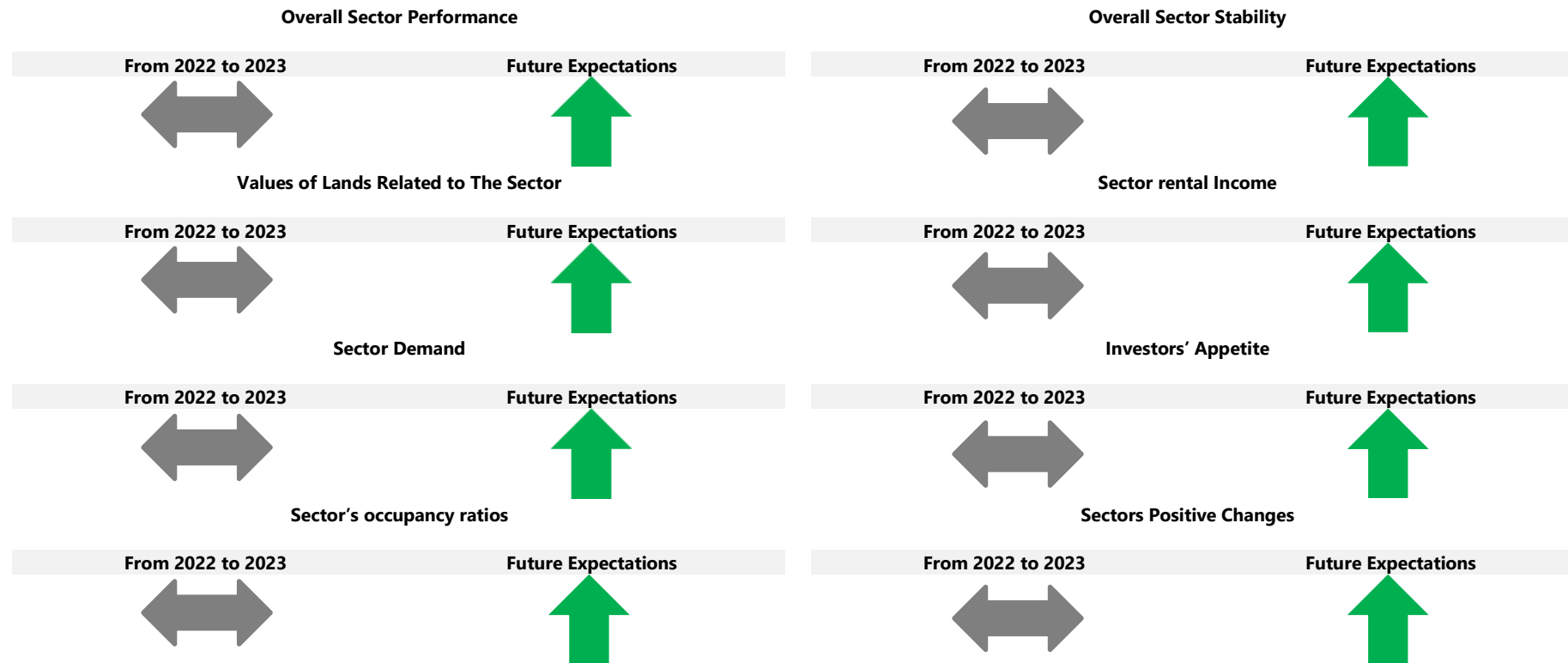
In September 2023, Saudi Arabia's Purchasing Manager Index (PMI) rebounded from two consecutive months of softer growth to record a reading of 57.2. This has been achieved through increased business activity, new orders and output, higher purchasing levels and improvements in delivery times by suppliers. On the downside, higher wages and material prices are leading to increased input costs.



3.4 Sector Brief

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

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



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

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

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	----	----	----	----	----	----
Buildings	----	----	----	----	----	----
Property	----	----	✓	----	----	----

DISCOUNTED CASH FLOW (DCF)

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

4.2 Discounted Cash Flow Method (DCF) – Market Rates

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

Regrettably, the client did not furnish us with specific details regarding the maintenance and operational costs of the project. Consequently, we will rely on market averages for similar projects as a reasonable approximation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%. This rate will be calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	SAR 181,929,600.00	SAR 182,855,000.00	SAR 179,656,133.00
NOI	SAR 13,644,720.00	SAR 13,714,125.00	SAR 13,474,209.98
Cap Rate	7.50%	7.50%	7.50%
Average Cap Rate	7.50%		
Rounded	7.50%		

Estimated the Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%0.50		Trading Economics
Company-specific Risk Premium %	%0.50		Team's experience.
Discount Rate%	8.00%		

	Millennium	Le Meridien	Emaar Elite
Stars	5	5	3
Rate	SAR 220.00	SAR 235.00	SAR 270.00
Room Type	Twin Room	Twin Room	Twin Room
Average Rate	SAR 241.67		
Rounded	SAR 240.00		

Cash Flow		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9	10
Inflation		0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Expected Revenues												
Hajj Season	Pilgrim	430	430	430	430	430	430	430	430	430	430	430
Rate (SAR)	SAR	3,914	4,031	4,152	4,277	4,405	4,537	4,674	4,814	4,958	5,107	5,260
Hajj Season	SAR	1,683,020	1,733,511	1,785,516	1,839,081	1,894,254	1,951,081	2,009,614	2,069,902	2,131,999	2,195,959	2,261,838
Ramadhan Season	Keys	86	86	86	86	86	86	86	86	86	86	86
Rate (SAR)	SAR	361	372	383	394	406	418	431	444	457	471	485
Ramadhan Season	SAR	931,380	959,321	988,101	1,017,744	1,048,276	1,079,725	1,112,116	1,145,480	1,179,844	1,215,240	1,251,697
Other Seasons	Keys	86	86	86	86	86	86	86	86	86	86	86
Rate (SAR)	SAR	206	212	219	225	232	239	246	253	261	269	277
Total	SAR	5,403,380	5,565,481	5,732,446	5,904,419	6,081,552	6,263,998	6,451,918	6,645,476	6,844,840	7,050,185	7,261,691
FAB	SAR	653,600	673,208	693,404	714,206	735,633	757,702	780,433	803,846	827,961	852,800	878,384
Other Revenues	SAR	78,432	80,785	83,209	85,705	88,276	90,924	93,652	96,461	99,355	102,336	105,406
Overall Revenues		8,749,812	9,012,306	9,282,676	9,561,156	9,847,990	10,143,430	10,447,733	10,761,165	11,084,000	11,416,520	11,759,016

Vacancy and Credit Loss												
Rooms	%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
	SAR	3,456,176	3,559,861	3,666,657	3,776,657	3,889,956	4,006,655	4,126,855	4,250,660	4,378,180	4,509,525	4,644,811
Total		3,456,176	3,559,861	3,666,657	3,776,657	3,889,956	4,006,655	4,126,855	4,250,660	4,378,180	4,509,525	4,644,811
Effective Rental Income		5,293,636	5,452,445	5,616,019	5,784,499	5,958,034	6,136,775	6,320,879	6,510,505	6,705,820	6,906,995	7,114,204

Expenses												
CapEx	3.0%	158,809	163,573	168,481	173,535	178,741	184,103	189,626	195,315	201,175	207,210	213,426
OpEx	24.0%	1,270,473	1,308,587	1,347,844	1,388,280	1,429,928	1,472,826	1,517,011	1,562,521	1,609,397	1,657,679	1,707,409
Overall Expenses		1,429,282	1,472,160	1,516,325	1,561,815	1,608,669	1,656,929	1,706,637	1,757,836	1,810,571	1,864,889	1,920,835

NOI		3,864,354	3,980,285	4,099,694	4,222,684	4,349,365	4,479,846	4,614,241	4,752,669	4,895,249	5,042,106	5,193,369
Terminal Value	7.5%											69,244,924
Discount Rate	8.0%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50	0.46
Present Value		3,864,354	3,685,449	3,514,827	3,352,103	3,196,913	3,048,908	2,907,755	2,773,136	2,644,751	2,522,308	34,479,333
Net Present Value												65,989,837
Rounded Value												66,000,000

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method – Market Rates and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 66,000,000.00
Sixty-Six Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



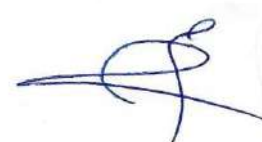
Member of (RE Valuation)
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 Membership No. 1210001964

Mohammed I. Al Assem
 Valuer



Member of (RE Valuation)
 Membership No. 1210003754

WHITECUBES Stamp



4.5 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title Deed and Construction Permit



الرقم: 481809000852
التاريخ: 2024/09/25
1446/3/22

وثيقة تملك عقار

السوق العقارية
Real Estate Market



رقم الوثيقة	رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
481809000852	1446/3/22	تاريخ الوثيقة	رقم الوثيقة
مرهون	الحالة	تاريخ الوثيقة	رقم الوثيقة
1446/2/24	المساحة	تاريخ الوثيقة	رقم الوثيقة
صفحة بتحويل	رقم الوثيقة السابقة	تاريخ الوثيقة	رقم الوثيقة
360001438976			

القيود

القيود	الجهة المرتبطة	رقم المنشأة	قيمة الرهن	تاريخ الاستملاك
مرهون	البنك السعودي الأول	7000018668	رهن 400,000,000	

الملاك

رقم الهوية	الاسم	نسبة التملك
7004304379	شركة امار للتطوير والاستثمار العقاري شركة شخص واحد	100 %

العقار


رقم الهوية المقارنة	نوع المقار	مساحة المقار (م²)	نوع الاستخدام
لا يوجد	قطعة الأرض	750	لا يوجد
لا يوجد	البك	المجاورة / الجزء	لا يوجد
لا يوجد	الموقع	نموذج المقار	لا يوجد
لا يوجد	رقم القطعة	رقم المخطط	الحي
لا يوجد	رقم القطعة	رقم المخطط	الحي
لا يوجد	رقم القطعة	رقم المخطط	الحي

البيانات الأساسية

الحد	الترص	وصف الحد	الطول م
شمالاً	شارع	عرض 15م	25
جنوباً	مواقف	سيارات برص 13م	25
شرقاً	قطعة	رقم 14	30
غرباً	قطعة	رقم 18	30

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


الصفحة 1 من 1



أصل
رقم الطلب الإلكتروني: 3319500822
رقم الرخصة: 332010300025
تاريخ الرخصة: 0/01/11/33
حلالحيستها: ثلاث سنوات

وثيقة تملك عقار

السوق العقارية
Real Estate Market



رقم الوثيقة	رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
1021139876	1421/02/11	تاريخها: 1421/02/11	رقم الوثيقة
742/180/5	رقم المسك	تاريخها: 1412/09/12	رقم الوثيقة
1433/01/03	رقم المخطط التنظيمي	تاريخها: 1423/03/01	رقم الوثيقة

القيود

القيود	الجهة المرتبطة	رقم المنشأة	قيمة الرهن	تاريخ الاستملاك
مرهون	البنك السعودي الأول	7000018668	رهن 400,000,000	

الملاك

رقم الهوية	الاسم	نسبة التملك
7004304379	شركة امار للتطوير والاستثمار العقاري شركة شخص واحد	100 %

العقار

رقم الهوية المقارنة	نوع المقار	مساحة المقار (م²)	نوع الاستخدام
لا يوجد	قطعة الأرض	750	لا يوجد
لا يوجد	البك	المجاورة / الجزء	لا يوجد
لا يوجد	الموقع	نموذج المقار	لا يوجد
لا يوجد	رقم القطعة	رقم المخطط	الحي
لا يوجد	رقم القطعة	رقم المخطط	الحي
لا يوجد	رقم القطعة	رقم المخطط	الحي

البيانات الأساسية

الحد	الترص	وصف الحد	الطول م
شمالاً	شارع	عرض 15م	25
جنوباً	مواقف	سيارات برص 13م	25
شرقاً	قطعة	رقم 14	30
غرباً	قطعة	رقم 18	30

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

الصفحة 1 من 1

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية





WHITE CUBES





REAL ESTATE VALUATION REPORT

MEFIC Capital

MEFIC REIT

Plaza One (Benefit Right)

Riyadh City
February 2025



Under the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz al Saud, we embarked on a journey towards a brighter future with the launch of Vision 2030. Conceived by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, this roadmap leverages our God-given strengths, including our strategic location, investment power, and centrality in the Arab and Islamic worlds. Our leadership is fully committed to realizing our ambitions and maximizing our potential.



The World Expo will be the perfect occasion for the Kingdom of Saudi Arabia to share the story of an unprecedented national transformation with other nations and the global public.



Saudi Authority for Accredited Valuers (TAQEEM) is the regulator of the valuation profession in Saudi Arabia. Taqeeem works on implementing laws and legislations which allows valuers to practice the profession according to the International Valuation Standards (IVS). Taqeeem also provides training courses which accredits and qualifies practitioners based on international practices. Valuation contributes to preserving rights and achieving justice through providing professional services and high-quality valuation reports. Because we believe in promoting trust and transparency in the market as well as creating an attractive investment environment in alignment with the Saudi vision 2030, we have chosen **“Trust in Value”** as our slogan.



An important and gracious royal decree number (17103) was issued on 26/03/1442 H, stating that the Ministry of Finance shall oversee the Saudi Commission for Accredited Resident Evaluators (Taqeeem), and His Excellency, Minister Mohammed bin Abdullah Al-Jadaan, shall serve as the Chairman of the Board of Directors of the Commission.

REF: 24-0985
Code: 1313927
Date: 16/02/2025

Subject: Valuation Report for a Residential Commercial building (Benefit Right) in Riyadh City, Saudi Arabia.

Dear MEFIC Capital,

In accordance with your approved request dated 24th of December 2024, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers
License No. 1210000474
Issued: 01/08/1437 Exp: 24/08/1447
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	24-0985
Dep. Code	1313927
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Residential commercial.
Property Location	Ar Rabi district, Riyadh City.
Land Use	Residential Commercial.
Land Area (Sqm)	9,579 Sqm
BUA (Sqm)	16,432.56 Sqm.
GLA (Sqm)	6,155.56 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Highest and best use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	SAR 31,000,000
Report Date	16/02/2025
Valuation Date	31/12/2024
Inspection Date	30/12/2024



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

MEFIC Capital in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the **Income approach, DCF method**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **30/12/2024** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a Residential Commercial Project Plaza One located in Ar Rabi district of Riyadh city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 9,579 square meters and a total built-up area (BUA) of 16,432.56 square meters.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on 3 sides, allowing ample natural light and ventilation. Notably, the property offers a direct view on King Abdulaziz Road from the east side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

The subject property is primarily surrounded by several residential and commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on King Abdulaziz Road

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.5 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Modifying building plans		
Property Type	Residential Commercial		
Construction Permit No.	13495/1434		
Construction Permit Date	27/06/1434		

Description	No. of Units	Area (sqm)	Use
Basement	----	2,120.90	Parking
Mezzanine	----	2,029.08	Commercial
Ground Floor	11	1,584.50	Apartments
Commercial Ground	11	4,237	Commercial
First Floor	30	4,244.10	Apartments
Electricity Room	10	1,980.13	Apartments
Fences	1	239.85 m	Services
Total BUA (sqm)		16,435.56	

2.6 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

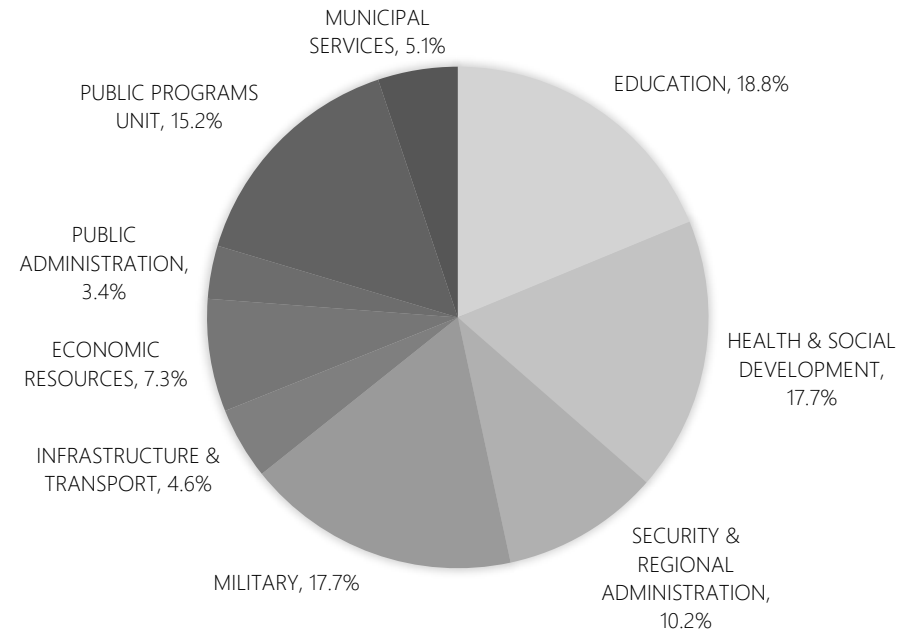
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Budget	Budget	Projections	
	2022	2023	2024	2025	2026
Total Revenue	1,268	1,130	1,172	1,227	1,259
Total Expenses	1,164	1,114	1,251	1,300	1,368
Budget Surplus	104	16	-79	-73	-109
Debt	990	951	1103	1176	1285
GDP growth	8.70%	0.03%	4.40%	5.70%	5.10%
Nominal GDP	4,157	4,136	4,261	4,494	4,774
Inflation	2.50%	2.60%	2.20%	2.10%	1.90%

3.2 Budget Allocation for 2023

Public Administration Sector	SAR 43.00	bn
Military Sector	SAR 269.00	bn
Security and Regional Administration Sector	SAR 112.00	bn
Municipal Services Sector	SAR 81.00	bn
Education Sector	SAR 195.00	bn
Health and Social Development Sector	SAR 214.00	bn
Economic Resources Sector	SAR 84.00	bn
Infrastructure and Transportation Sector	SAR 38.00	bn
General Items	SAR 216.00	bn

Source: Ministry of Finance



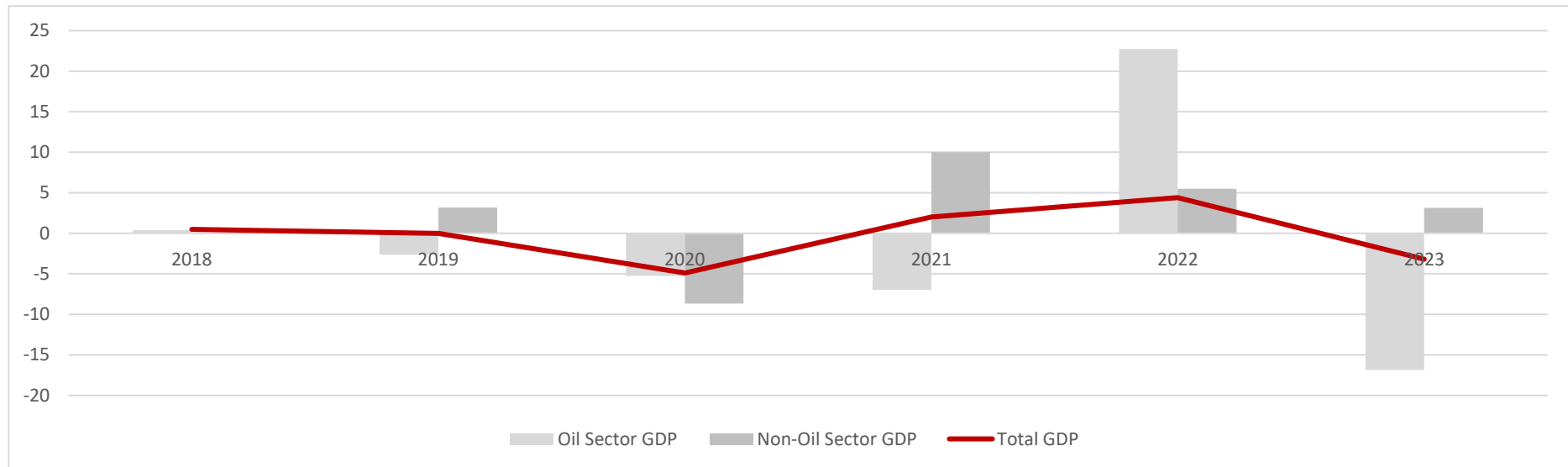
3.3 Real Estate Market Overview 2023

Macroeconomic Overview

- Saudi Arabia's GDP growth for 2023 has been downgraded to 0.4%, down from the previous forecast of 1.1%.
- Initial data for GDP growth in the year to Q3 2023 indicates that headline GDP has decreased by 4.5%, underpinned by a 17.3% decrease in oil-GDP, whereas non-oil grew by 3.6%.
- Saudi Arabia's unemployment rate dropped to 4.9% as at Q2 2023.




Saudi Arabia's GDP is projected to grow by 0.4% in 2023, where oil GDP expected to drop by 5.6%. Whilst the downgrades in growth forecasts have been underpinned by a weaker oil sector, Saudi Arabia's non-oil and government sector are expected to support headline growth with forecasts indicating growth rates of 5.1% and 2.6% in 2023 respectively.

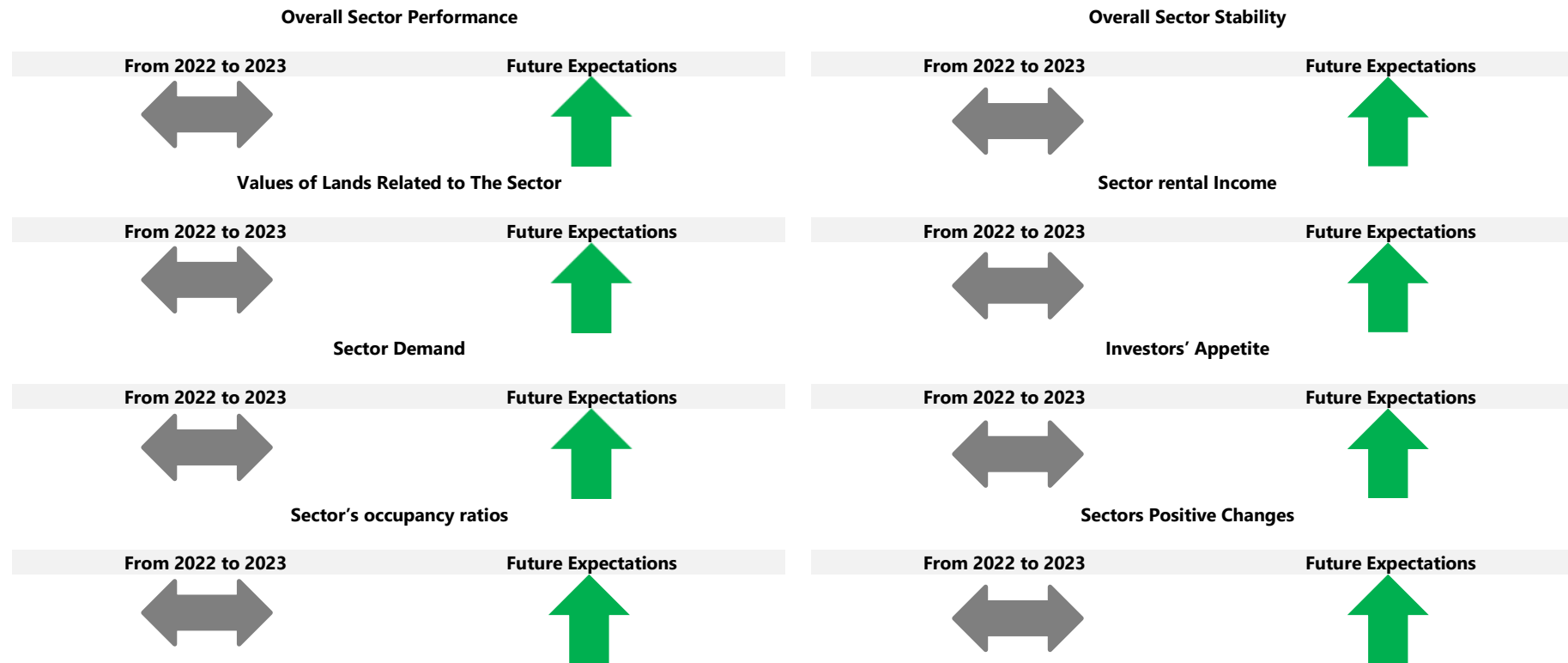
In September 2023, Saudi Arabia's Purchasing Manager Index (PMI) rebounded from two consecutive months of softer growth to record a reading of 57.2. This has been achieved through increased business activity, new orders and output, higher purchasing levels and improvements in delivery times by suppliers. On the downside, higher wages and material prices are leading to increased input costs.



3.4 Sector Brief

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

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



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

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

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	----	----	----	----	----	----
Buildings	----	----	----	----	----	----
Property	----	----	✓	----	----	----

DISCOUNTED CASH FLOW (DCF)

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

4.2 Discounted Cash Flow Method (DCF) – Market Rates

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

Regrettably, the client did not furnish us with specific details regarding the maintenance and operational costs of the project. Consequently, we will rely on market averages for similar projects as a reasonable approximation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%. This rate will be calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	SAR 33,560,000.00	SAR 65,240,000.00	SAR 21,140,500.00
NOI	SAR 2,684,800.00	SAR 5,219,200.00	SAR 1,691,240.00
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		
Rounded	8.00%		

Estimated the Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00		SAMA
Inflation Rate%	%3.00		GASTAT
Market Risk Premium%	%1.00		Trading Economics
Company-specific Risk Premium %	%0.50	Source	Team's experience.
Discount Rate%	9.50%		

Cash Flow		2023	2024	2025	2026
		0	1	2	3
Inflation		0.0%	2.5%	0.0%	2.5%
Expected Revenues					
Serviced Apartment	Sqm	7,809	7,809	7,809	7,809
Rate (SAR)	SAR	1,115	1,143	1,143	1,171
Total	SAR	8,706,734	8,706,734	8,706,734	8,706,734
Shops	Sqm	4,237	4,237	4,237	4,237
Rate (SAR)	SAR	2,355	2,355	2,355	2,414
Total	SAR	9,978,135	9,978,135	9,978,135	9,978,135
Overall Revenues		18,684,869	18,684,869	18,684,869	18,684,869
Vacancy and Credit Loss					
Serviced Apartment	2.0%	174,135	174,135	174,135	174,135
Shops	2.0%	199,563	199,563	199,563	199,563
Total		373,697	373,697	373,697	373,697
Effective Rental Income		18,311,172	18,311,172	18,311,172	18,311,172
Expenses					
CapEx	-	9,428,571	9,428,571	9,428,571	5,500,000
OpEx	5%	878,219	878,219	878,219	878,219
Overall Expenses		10,306,791	10,306,791	10,306,791	6,378,219
NOI		8,004,381	8,004,381	8,004,381	11,932,952
Terminal Value					
Discount Rate	9.5%	1.00	0.91	0.83	0.76
Present Value		8,004,381	7,309,937	6,675,741	9,088,779
Net Present Value					31,078,838

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method – Market Rates and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 31,000,000.00
Thirty-One Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



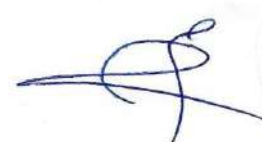
Member of (RE Valuation)
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 Membership No. 1210001964

Mohammed I. Al Assem
 Valuer



Member of (RE Valuation)
 Membership No. 1210003754

WHITECUBES Stamp



4.5 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



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DOCUMENTS

DOCUMENT

Documents Received

5.1 Construction Permit

[illegible]

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة







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WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital
MEFIC REIT
Souq Sharq

Riyadh City
February 2025



Under the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz al Saud, we embarked on a journey towards a brighter future with the launch of Vision 2030. Conceived by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, this roadmap leverages our God-given strengths, including our strategic location, investment power, and centrality in the Arab and Islamic worlds. Our leadership is fully committed to realizing our ambitions and maximizing our potential.



The World Expo will be the perfect occasion for the Kingdom of Saudi Arabia to share the story of an unprecedented national transformation with other nations and the global public.



Saudi Authority for Accredited Valuers (TAQEEM) is the regulator of the valuation profession in Saudi Arabia. Taqeeem works on implementing laws and legislations which allows valuers to practice the profession according to the International Valuation Standards (IVS). Taqeeem also provides training courses which accredits and qualifies practitioners based on international practices. Valuation contributes to preserving rights and achieving justice through providing professional services and high-quality valuation reports. Because we believe in promoting trust and transparency in the market as well as creating an attractive investment environment in alignment with the Saudi vision 2030, we have chosen **“Trust in Value”** as our slogan.



An important and gracious royal decree number (17103) was issued on 26/03/1442 H, stating that the Ministry of Finance shall oversee the Saudi Commission for Accredited Resident Evaluators (Taqeeem), and His Excellency, Minister Mohammed bin Abdullah Al-Jadaan, shall serve as the Chairman of the Board of Directors of the Commission.

REF: 24-0985
Code: 1313881
Date: 16/02/2025

Subject: Valuation Report for a Commercial Exhibitions in Riyadh City, Saudi Arabia.

Dear MEFIC Capital,

In accordance with your approved request dated 24th of December 2024, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers
License No. 1210000474
Issued: 01/08/1437 Exp: 24/08/1447
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	24-0985
Dep. Code	1313881
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial.
Property Location	Al jazeera district, Riyadh City.
Title Deed No.	693563000194
Title Deed Date	13/03/1446
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Amar Real Estate Development and Investment (One Person Company).
Land Use	Commercial.
Land Area (Sqm)	120,205.97 Sqm
BUA (Sqm)	77,299 Sqm.
GLA (Sqm)	62,849 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Highest and best use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	SAR 570,000,000.00
Report Date	16/02/2025
Valuation Date	31/12/2024
Inspection Date	30/12/2024



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

MEFIC Capital in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the **Income approach, DCF method**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **30/12/2024** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a Commercial Exhibitions located in Al jazeera district of Riyadh city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 120,205.97 square meters and a total built-up area (BUA) of 77,299 square meters.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on 4 sides, allowing ample natural light and ventilation. Notably, the property offers a direct view on Eastern Ring Road from the east side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

The subject property is primarily surrounded by several residential and commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on Eastern Ring Road

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.1 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject property:

City	Riyadh	Land Area	120,205.97 Sqm
District	Al jazeera	Plot No.	2
T.D Type	Electronic	Block No.	3203
T.D Number	693563000194	Layout No.	N/A
T.D Date	13/03/1446	Ownership Type	Mortgage
Owner	Amar Real Estate Development and Investment (One Person Company).	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Ministry of Justice		
North Side	Walkway 10 meter	East Side	Eastern Ring Road
South Side	Medina Street.	West Side	30 meters street.

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

2.2 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Issuing a building permit		
Property Type	Commercial Project		
Construction Permit No.	1429/10684		
Construction Permit Date	02/09/1429		

Description	No. of Units	Area (sqm)	Use
Mezzanine	----	14,450	Commercial
Commercial Ground Floor	603	62,849	Commercial
Total BUA (sqm)		77,299	

2.3 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

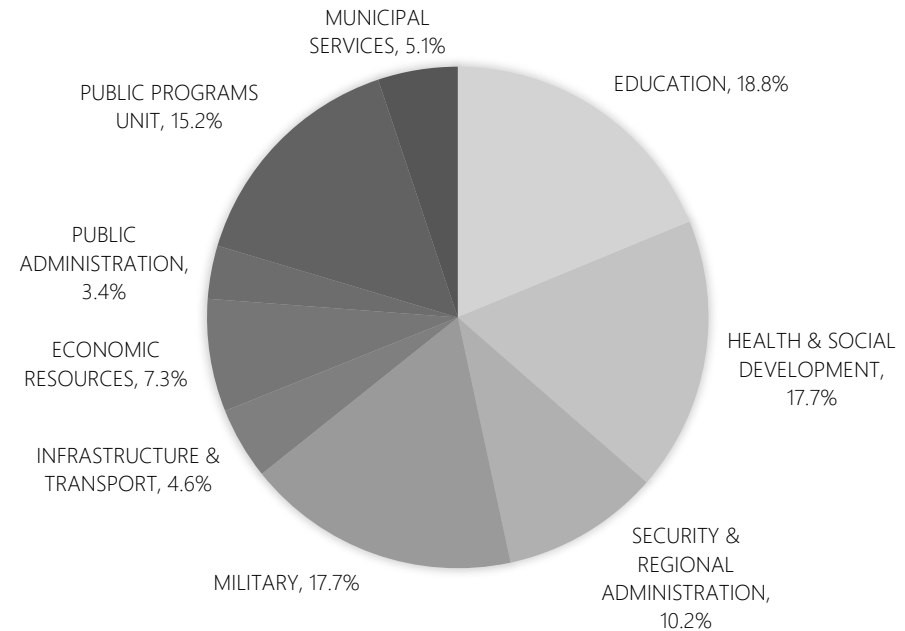
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Budget	Budget	Projections	
	2022	2023	2024	2025	2026
Total Revenue	1,268	1,130	1,172	1,227	1,259
Total Expenses	1,164	1,114	1,251	1,300	1,368
Budget Surplus	104	16	-79	-73	-109
Debt	990	951	1103	1176	1285
GDP growth	8.70%	0.03%	4.40%	5.70%	5.10%
Nominal GDP	4,157	4,136	4,261	4,494	4,774
Inflation	2.50%	2.60%	2.20%	2.10%	1.90%

3.2 Budget Allocation for 2023

Public Administration Sector	SAR 43.00	bn
Military Sector	SAR 269.00	bn
Security and Regional Administration Sector	SAR 112.00	bn
Municipal Services Sector	SAR 81.00	bn
Education Sector	SAR 195.00	bn
Health and Social Development Sector	SAR 214.00	bn
Economic Resources Sector	SAR 84.00	bn
Infrastructure and Transportation Sector	SAR 38.00	bn
General Items	SAR 216.00	bn

Source: Ministry of Finance



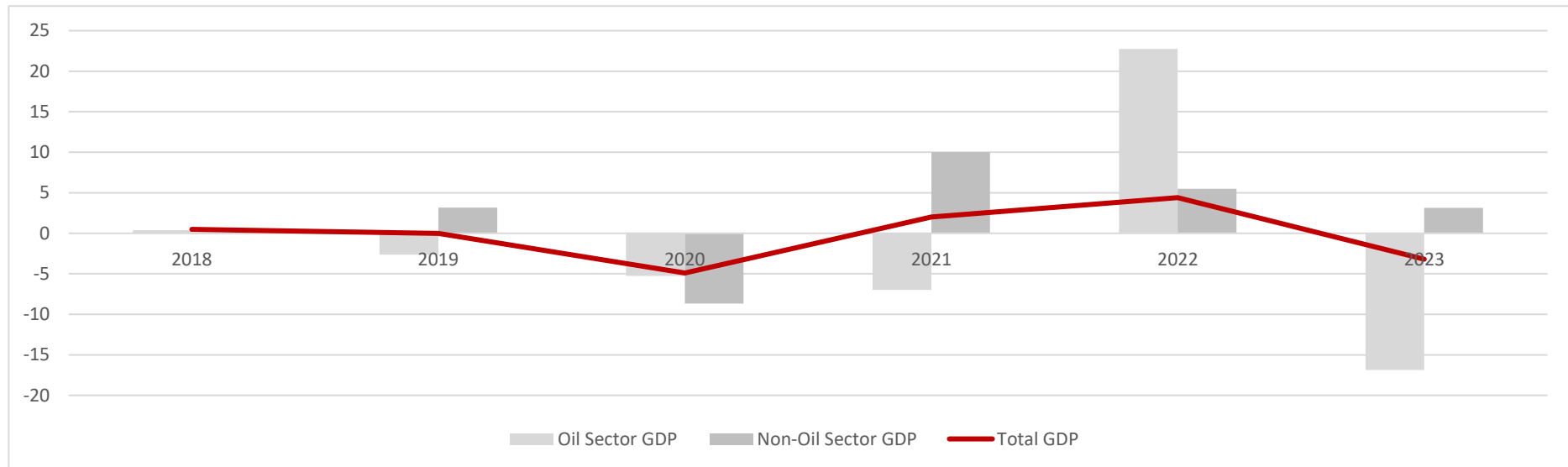
3.3 Real Estate Market Overview 2023

Macroeconomic Overview

- Saudi Arabia's GDP growth for 2023 has been downgraded to 0.4%, down from the previous forecast of 1.1%.
- Initial data for GDP growth in the year to Q3 2023 indicates that headline GDP has decreased by 4.5%, underpinned by a 17.3% decrease in oil-GDP, whereas non-oil grew by 3.6%.
- Saudi Arabia's unemployment rate dropped to 4.9% as at Q2 2023.




Saudi Arabia's GDP is projected to grow by 0.4% in 2023, where oil GDP expected to drop by 5.6%. Whilst the downgrades in growth forecasts have been underpinned by a weaker oil sector, Saudi Arabia's non-oil and government sector are expected to support headline growth with forecasts indicating growth rates of 5.1% and 2.6% in 2023 respectively.

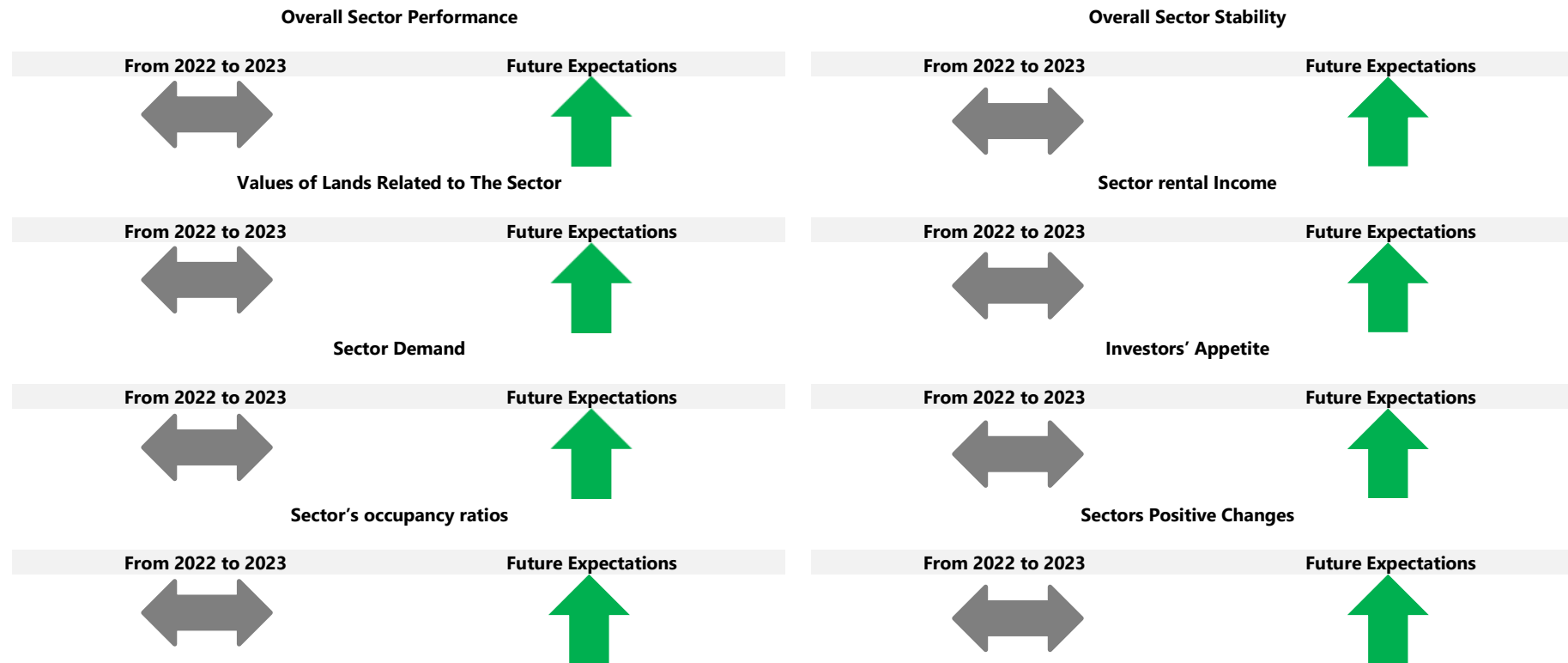
In September 2023, Saudi Arabia's Purchasing Manager Index (PMI) rebounded from two consecutive months of softer growth to record a reading of 57.2. This has been achieved through increased business activity, new orders and output, higher purchasing levels and improvements in delivery times by suppliers. On the downside, higher wages and material prices are leading to increased input costs.



3.4 Sector Brief

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

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



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

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

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	----	----	----	----	----	----
Buildings	----	----	----	----	----	----
Property	----	----	✓	----	----	----

DISCOUNTED CASH FLOW (DCF)

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

4.2 Discounted Cash Flow Method (DCF) – Market Rates

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

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Property Operation and Maintenance Expenses

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Market Capitalization Rate Analysis

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The Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	SAR 399,596,000.00	SAR 845,440,000.00	SAR 700,000,000.00
NOI	SAR 31,967,680.00	SAR 67,635,200.00	SAR 56,000,000.00
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		
Rounded	8.00%		

Estimated the Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%3.00		GASTAT
Market Risk Premium%	%1.00		Trading Economics
Company-specific Risk Premium %	%0.50		Team's experience.
Discount Rate%	9.50%		

Cash Flow		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9	10
Inflation		0.0%	3.0%	0.0%	0.0%	3.0%	0.0%	0.0%	3.0%	0.0%	0.0%	3.0%
Expected Revenues												
Shops	Sqm	62,849	62,849	62,849	62,849	62,849	62,849	62,849	62,849	62,849	62,849	62,849
Rate (SAR)	SAR	792	816	816	816	840	840	840	865	865	865	891
Total	SAR	49,776,408	51,269,700	51,269,700	51,269,700	52,807,791	52,807,791	52,807,791	54,392,025	54,392,025	54,392,025	56,023,786
Overall Revenues		49,776,408	51,269,700	51,269,700	51,269,700	52,807,791	52,807,791	52,807,791	54,392,025	54,392,025	54,392,025	56,023,786

Vacancy and Credit Loss												
Shops	2.0%	995,528	1,025,394	1,025,394	1,025,394	1,056,156	1,056,156	1,056,156	1,087,840	1,087,840	1,087,840	1,120,476
Total		995,528	1,025,394	1,025,394	1,025,394	1,056,156	1,056,156	1,056,156	1,087,840	1,087,840	1,087,840	1,120,476
Effective Rental Income		48,780,880	50,244,306	50,244,306	50,244,306	51,751,635	51,751,635	51,751,635	53,304,184	53,304,184	53,304,184	54,903,310

Expenses												
CapEx	10%	4,839,065	4,984,237	4,984,237	4,984,237	5,133,764	5,133,764	5,133,764	5,287,777	5,287,777	5,287,777	5,446,411
OpEx	2.5%	1,219,522	1,256,108	1,256,108	1,256,108	1,293,791	1,293,791	1,293,791	1,332,605	1,332,605	1,332,605	1,372,583
Overall Expenses		6,058,587	6,240,345	6,240,345	6,240,345	6,427,555	6,427,555	6,427,555	6,620,382	6,620,382	6,620,382	6,818,993

NOI		42,722,293	44,003,961	44,003,961	44,003,961	45,324,080	45,324,080	45,324,080	46,683,803	46,683,803	46,683,803	48,084,317
Terminal Value	8.0%											601,053,958
Discount Rate	9.5%	1.00	0.91	0.83	0.76	0.70	0.64	0.58	0.53	0.48	0.44	0.40
Present Value		42,722,293	40,186,266	36,699,786	33,515,787	31,526,265	28,791,110	26,293,251	24,732,464	22,586,725	20,627,146	261,936,503
Net Present Value												569,617,595

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method – Market Rates and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 570,000,000.00
Five Hundred Seventy Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



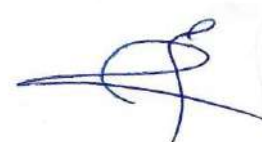
Member of (RE Valuation)
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 Membership No. 1210001964

Mohammed I. Al Assem
 Valuer



Member of (RE Valuation)
 Membership No. 1210003754

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4.5 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



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DOCUMENTS

DOCUMENT

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة







WHITE CUBES



MEFIC Capital
MEFIC REIT
Tohama

Jeddah City
February 2025



Under the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz al Saud, we embarked on a journey towards a brighter future with the launch of Vision 2030. Conceived by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, this roadmap leverages our God-given strengths, including our strategic location, investment power, and centrality in the Arab and Islamic worlds. Our leadership is fully committed to realizing our ambitions and maximizing our potential.



The World Expo will be the perfect occasion for the Kingdom of Saudi Arabia to share the story of an unprecedented national transformation with other nations and the global public.



Saudi Authority for Accredited Valuers (TAQEEM) is the regulator of the valuation profession in Saudi Arabia. Taqeeem works on implementing laws and legislations which allows valuers to practice the profession according to the International Valuation Standards (IVS). Taqeeem also provides training courses which accredits and qualifies practitioners based on international practices. Valuation contributes to preserving rights and achieving justice through providing professional services and high-quality valuation reports. Because we believe in promoting trust and transparency in the market as well as creating an attractive investment environment in alignment with the Saudi vision 2030, we have chosen **"Trust in Value"** as our slogan.



An important and gracious royal decree number (17103) was issued on 26/03/1442 H, stating that the Ministry of Finance shall oversee the Saudi Commission for Accredited Resident Evaluators (Taqeeem), and His Excellency, Minister Mohammed bin Abdullah Al-Jadaan, shall serve as the Chairman of the Board of Directors of the Commission.

REF: 24-0985
Code: 1313712
Date: 16/02/2025

Subject: Valuation Report for a Administration-Commercial Building in Jeddah City, Saudi Arabia.

Dear MEFIC Capital,

In accordance with your approved request dated 24th of December 2024, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

Issued: 01/08/1437 Exp: 24/08/1447

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	24-0985
Dep. Code	1313712
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Administration-commercial building.
Property Location	Al Hamraa district, Jedddah City.
Title Deed No.	393563000196
Title Deed Date	13/03/1446
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Amar Real Estate Development and Investment (One Person Company).
Land Use	Administration-commercial
Land Area (Sqm)	2,500.00 Sqm.
BUA (Sqm)	8,643.75 Sqm.
GLA (Sqm)	8,643.75 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Highest and best use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	SAR 39,000,000.00
Report Date	16/02/2025
Valuation Date	31/12/2024
Inspection Date	30/12/2024



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

MEFIC Capital in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the **Income approach, DCF method**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **30/12/2024** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a administration-commercial building located in Al Hamraa district of Jeddah city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 2,500 square meters and a total built-up area (BUA) of 8,643.75 square meters.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on 4 sides, allowing ample natural light and ventilation. Notably, the property offers a direct view on Al Andalus Road from the east side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

The subject property is surrounded mostly by commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on Al Andalus Road

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.1 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject property:

City	Jeddah	Land Area	2,500.00 Sqm
District	Al Hamraa	Plot No.	4
T.D Type	Electronic	Block No.	N/A
T.D Number	393563000196	Layout No.	N/A
T.D Date	13/03/1446	Ownership Type	Mortgage
Owner	Amar Real Estate Development and Investment (One Person Company).	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Ministry of Justice		
North Side	20 meters street.	East Side	Private property.
South Side	Private property.	West Side	10 meters street.

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

2.2 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	-----
Property Type	-----
Construction Permit No.	-----
Construction Permit Date	-----

Description	No. of Units	Area (sqm)	Use
BUA	----	8,643.75	Commercial
Total BUA (sqm)		8,643.75	

2.3 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

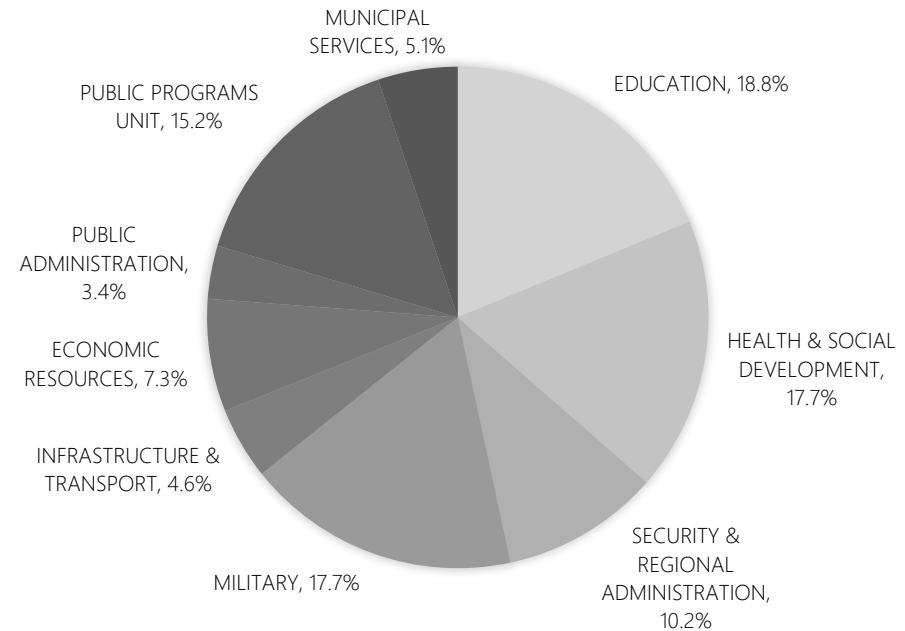
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Budget	Budget	Projections	
	2022	2023	2024	2025	2026
Total Revenue	1,268	1,130	1,172	1,227	1,259
Total Expenses	1,164	1,114	1,251	1,300	1,368
Budget Surplus	104	16	-79	-73	-109
Debt	990	951	1103	1176	1285
GDP growth	8.70%	0.03%	4.40%	5.70%	5.10%
Nominal GDP	4,157	4,136	4,261	4,494	4,774
Inflation	2.50%	2.60%	2.20%	2.10%	1.90%

3.2 Budget Allocation for 2023

Public Administration Sector	SAR 43.00	bn
Military Sector	SAR 269.00	bn
Security and Regional Administration Sector	SAR 112.00	bn
Municipal Services Sector	SAR 81.00	bn
Education Sector	SAR 195.00	bn
Health and Social Development Sector	SAR 214.00	bn
Economic Resources Sector	SAR 84.00	bn
Infrastructure and Transportation Sector	SAR 38.00	bn
General Items	SAR 216.00	bn

Source: Ministry of Finance



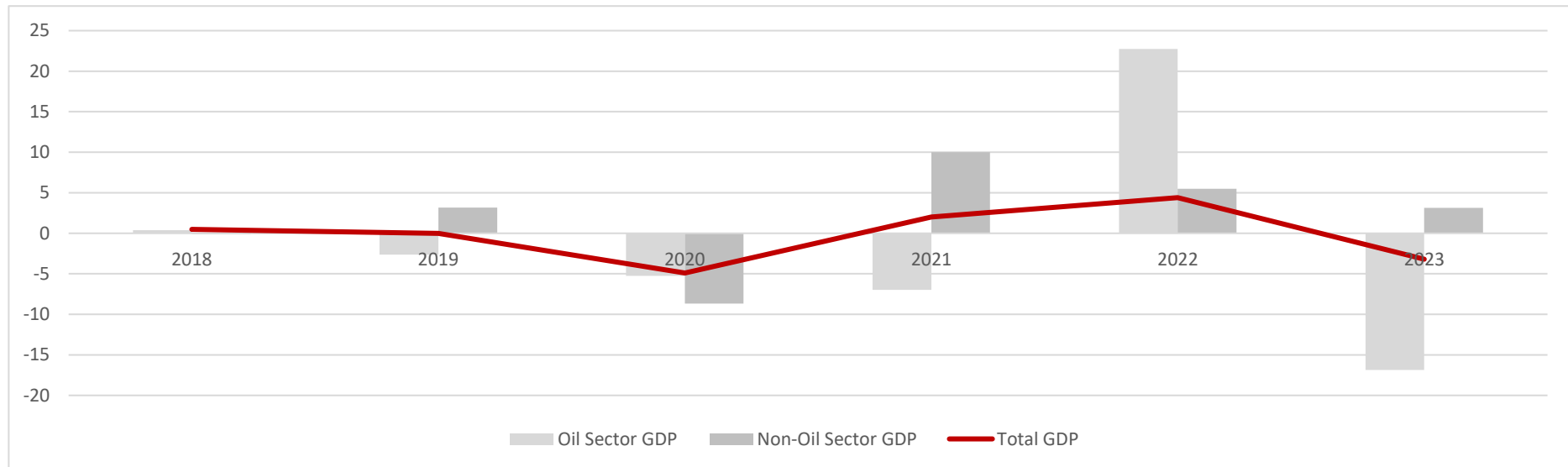
3.3 Real Estate Market Overview 2023

Macroeconomic Overview

- Saudi Arabia's GDP growth for 2023 has been downgraded to 0.4%, down from the previous forecast of 1.1%.
- Initial data for GDP growth in the year to Q3 2023 indicates that headline GDP has decreased by 4.5%, underpinned by a 17.3% decrease in oil-GDP, whereas non-oil grew by 3.6%.
- Saudi Arabia's unemployment rate dropped to 4.9% as at Q2 2023.




Saudi Arabia's GDP is projected to grow by 0.4% in 2023, where oil GDP expected to drop by 5.6%. Whilst the downgrades in growth forecasts have been underpinned by a weaker oil sector, Saudi Arabia's non-oil and government sector are expected to support headline growth with forecasts indicating growth rates of 5.1% and 2.6% in 2023 respectively.

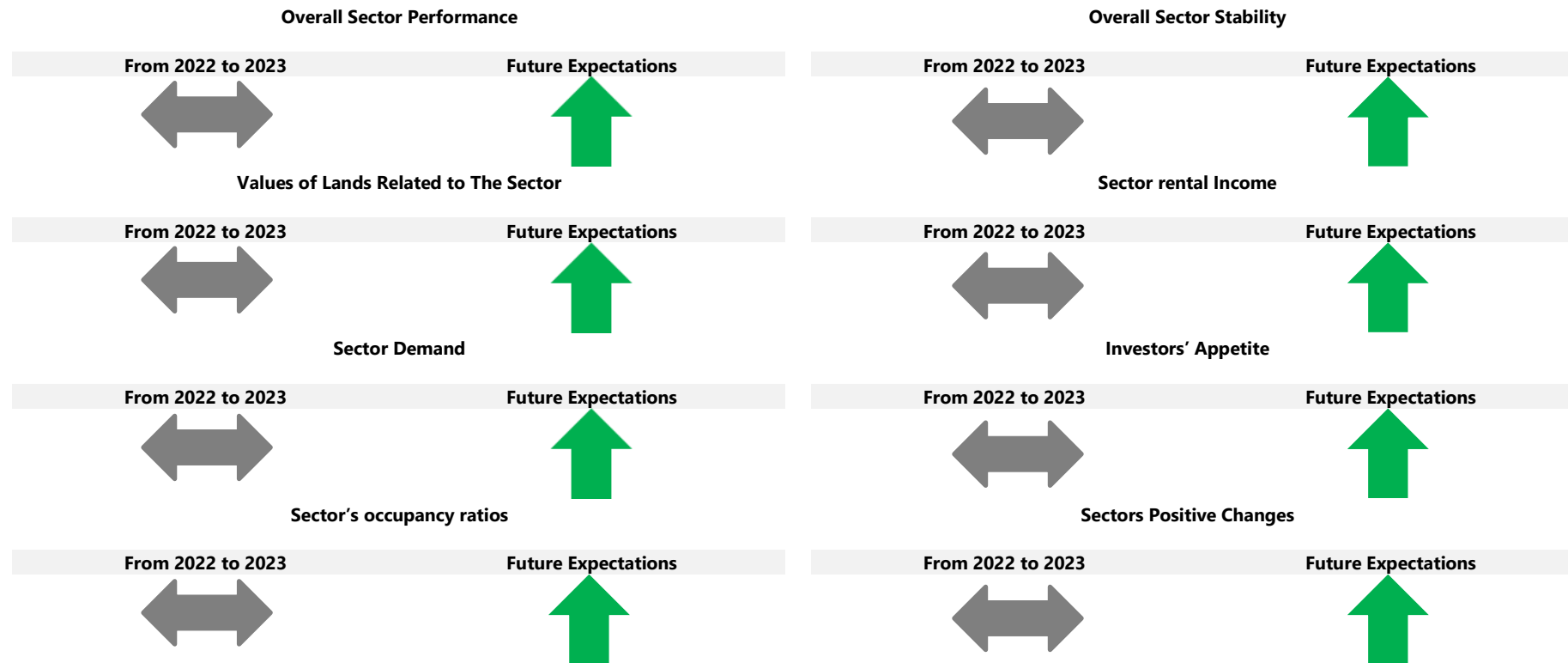
In September 2023, Saudi Arabia's Purchasing Manager Index (PMI) rebounded from two consecutive months of softer growth to record a reading of 57.2. This has been achieved through increased business activity, new orders and output, higher purchasing levels and improvements in delivery times by suppliers. On the downside, higher wages and material prices are leading to increased input costs.



3.4 Sector Brief

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

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



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

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

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	----	----	----	----	----	----
Buildings	----	----	----	----	----	----
Property	----	----	✓	----	----	----

DISCOUNTED CASH FLOW (DCF)

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

4.2 Discounted Cash Flow Method (DCF) – Market Rates

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

Regrettably, the client did not furnish us with specific details regarding the maintenance and operational costs of the project. Consequently, we will rely on market averages for similar projects as a reasonable approximation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%. This rate will be calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	SAR 59,940,000.00	SAR 65,240,000.00	SAR 101,160,000.00
NOI	SAR 5,060,000.00	SAR 4,893,000.00	SAR 8,092,800.00
Cap Rate	8.44%	7.50%	8.00%
Average Cap Rate	7.98%		
Rounded	8.00%		

Estimated the Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00		SAMA
Inflation Rate%	%3.00		GASTAT
Market Risk Premium%	%1.00		Trading Economics
Company-specific Risk Premium %	%0.50	Source	Team's experience.
Discount Rate%	9.50%		

Cash Flow		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9	10
Inflation		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected Revenues												
Showrooms	SAR	2,028,335	2,068,902	2,068,902	2,068,902	2,068,902	2,068,902	2,068,902	2,068,902	2,068,902	2,068,902	2,068,902
Offices	SAR	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550	1,771,550
Overall Revenues		3,799,885	3,840,452	3,840,452	3,840,452	3,840,452	3,840,452	3,840,452	3,840,452	3,840,452	3,840,452	3,840,452
Vacancy and Credit Loss												
Showrooms	5.0%	101,417	103,445	103,445	103,445	103,445	103,445	103,445	103,445	103,445	103,445	103,445
Offices	18.0%	318,879	318,879	318,879	318,879	318,879	318,879	318,879	318,879	318,879	318,879	318,879
Total		420,296	422,324	422,324	422,324	422,324	422,324	422,324	422,324	422,324	422,324	422,324
Effective Rental Income		3,379,589	3,418,128	3,418,128	3,418,128	3,418,128	3,418,128	3,418,128	3,418,128	3,418,128	3,418,128	3,418,128
Expenses												
CapEx	3.0%	101,388	102,544	102,544	102,544	102,544	102,544	102,544	102,544	102,544	102,544	102,544
OpEx	4.0%	134,363	135,895	135,895	135,895	135,895	135,895	135,895	135,895	135,895	135,895	135,895
Overall Expenses		235,751	238,439	238,439	238,439	238,439	238,439	238,439	238,439	238,439	238,439	238,439
NOI		3,143,838	3,179,689	3,179,689	3,179,689	3,179,689	3,179,689	3,179,689	3,179,689	3,179,689	3,179,689	3,179,689
Terminal Value	8.0%											39,746,109
Discount Rate	9.5%	1.00	0.91	0.83	0.76	0.70	0.64	0.58	0.53	0.48	0.44	0.40
Present Value		3,143,838	2,903,825	2,651,895	2,421,822	2,211,710	2,019,826	1,844,590	1,684,557	1,538,408	1,404,939	17,321,168
Net Present Value												39,146,581
Rounded												39,000,000

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method – Market Rates and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 39,000,000.00
Thirty-Nine Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



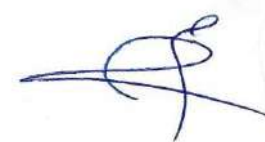
Member of (RE Valuation)
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 Membership No. 1210001964

Mohammed I. Al Assem
 Valuer



Member of (RE Valuation)
 Membership No. 1210003754

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4.5 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



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5.2 Real Estate Valuation License





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Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



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