



WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital

MEFIC REIT

Diyafa (Benefit Right)

June 2025

REF: 25-0471
Code: 1433997
Date: 30/06/2025

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

Dear MEFIC Capital,

Pursuant to your request dated 18th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0471
Dep. Code	1433997
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client.
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	ﷲ 131,500,000
Report Date	30/06/2025
Valuation Date	30/06/2025
Inspection Date	25/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **MEFIC Capital** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (ﷲ) unless otherwise noted.

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 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its 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. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
4. **Vacancy Rate:** For income-generating properties, it is assumed that the property maintains an average vacancy rate of 10% over the valuation period.
5. **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 unless specified otherwise by the client.
6. **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.
7. **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. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 25/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

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 and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Diyafa commercial complex located in Al Nakheel district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 9,091.00 square meters.
- Total Built-Up Area (BUA): 17,073.50 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property features a direct view of Northern Ring Road from the north side.

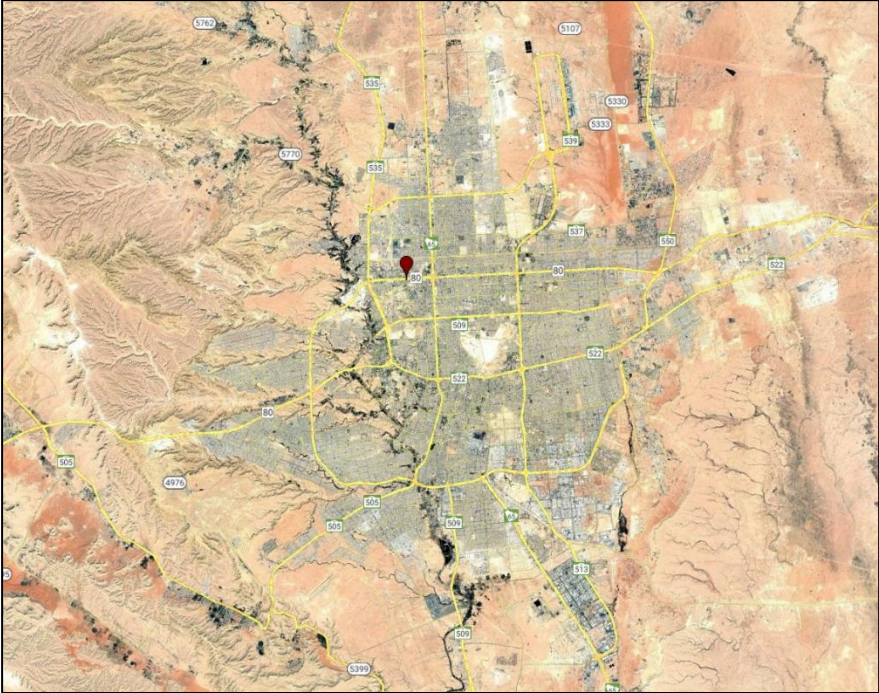
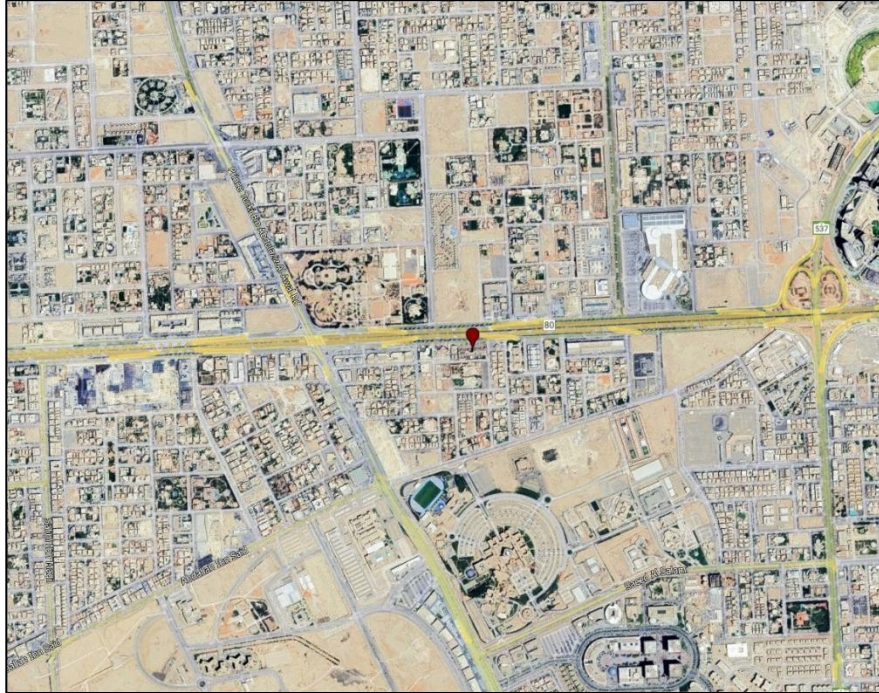
2.2 Ease of Access

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

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
 <p>A satellite map of Riyadh, Saudi Arabia, showing the city's layout and surrounding desert terrain. A red pin marks the location of the project site in the central part of the city, near the intersection of major roads. The map includes various road numbers and labels in Arabic.</p>	 <p>A detailed satellite map of the district surrounding the project site. The map shows a dense urban area with numerous buildings, streets, and green spaces. A red pin marks the project site, which is located near a large circular building and a road intersection.</p>
24°45'00.9"N 46°37'25.5"E	
QJ2F+3FX An Nakheel, Riyadh	
Google Maps	

2.5 Title Deed and Ownership

The client has not provided us with a copy of the title deed related to the property under valuation.

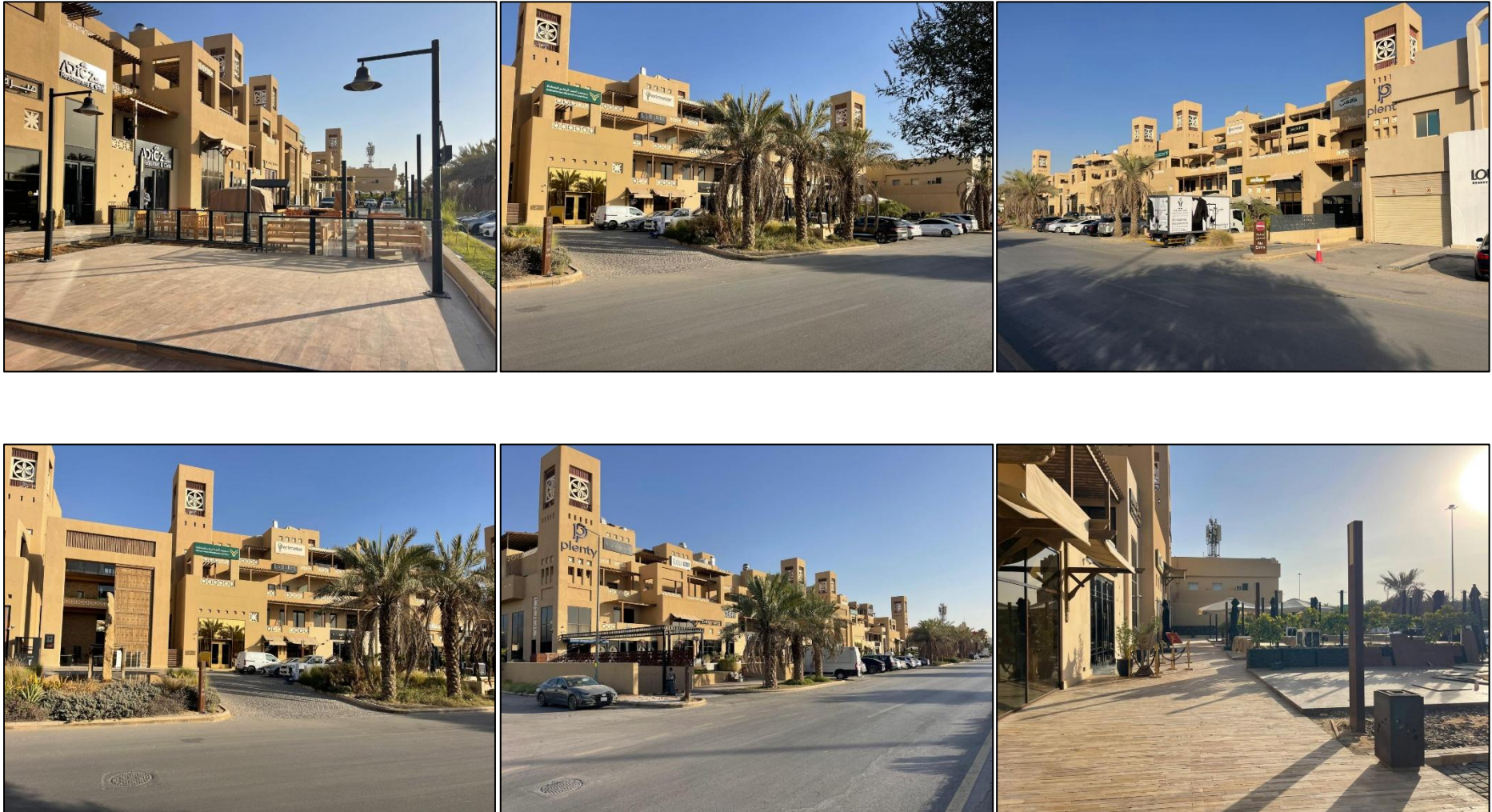
2.6 Construction Permit

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	Built-Up Area (BUA)	17,073.50
Property Type	Commercial	Actual Age	
Construction Permit No.	14079/1435	State of Property	Fully Constructed
Construction Permit Date	05/08/1435	Completion Rate	100%

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.

2.7 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

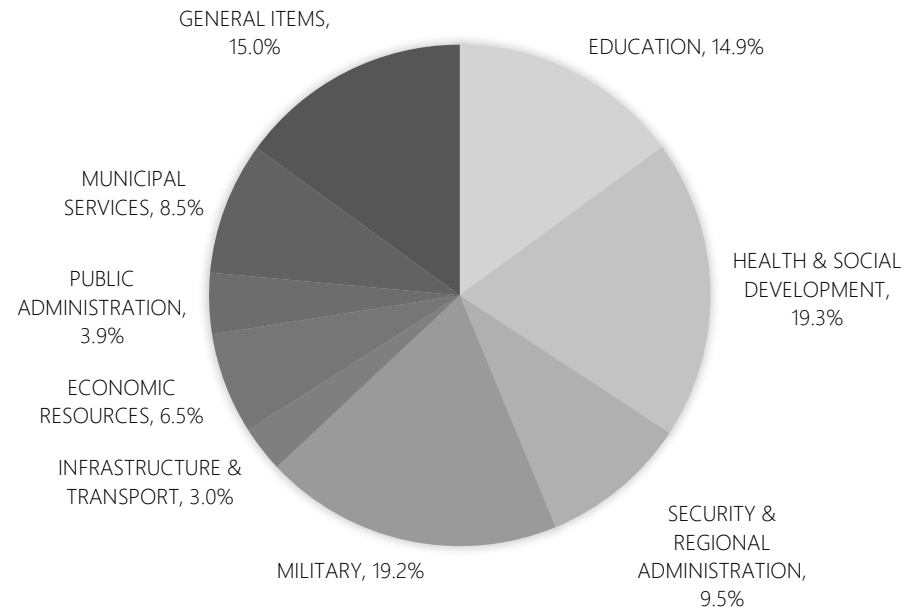
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	ﷲ 53.00	bn
Military Sector	ﷲ 259.00	bn
Security and Regional Administration Sector	ﷲ 128.00	bn
Municipal Services Sector	ﷲ 115.00	bn
Education Sector	ﷲ 201.00	bn
Health and Social Development Sector	ﷲ 260.00	bn
Economic Resources Sector	ﷲ 88.00	bn
Infrastructure and Transportation Sector	ﷲ 40.00	bn
General Items	ﷲ 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				




Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **26 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.









3.5 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 compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance

From 2023 to 2024	Future Expectations
	
Values of Lands Related to The Sector	
From 2023 to 2024	Future Expectations
	
Sector Demand	
From 2023 to 2024	Future Expectations
	
Sector's occupancy ratios	
From 2023 to 2024	Future Expectations
	

Overall Sector Stability

From 2023 to 2024	Future Expectations
	
Sector rental Income	
From 2023 to 2024	Future Expectations
	
Investors' Appetite	
From 2023 to 2024	Future Expectations
	
Sectors Positive Changes	
From 2023 to 2024	Future Expectations
	

White Cubes Team's Analysis



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PROPERTY VALUATION

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Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.

3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the Discounted Cash Flow Method (DCF) has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

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

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, 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.

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%		

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 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: **ﷲ 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



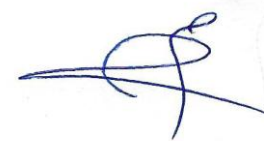
Member of RE Valuation
 Membership No. 1210002782

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

WHITE CUBES Stamp



RE Valuation Membership
 No: 11000171

4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 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

DOCUMENTS

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/ق3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital

MEFIC REIT

Drnef Ajyad Hotel

June 2025

REF: 25-0471
Code: 1434018
Date: 30/06/2025

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

Dear MEFIC Capital,

Pursuant to your request dated 18th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making 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.	25-0471
Dep. Code	1434018
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Hotel.
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
Land Use	Hospitality.
Land Area (Sqm)	1,780.96 Sqm.
BUA (Sqm)	19,045.34 Sqm.
GLA (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	ﷲ 123,000,000
Report Date	30/06/2025
Valuation Date	30/06/2025
Inspection Date	25/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **MEFIC Capital** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (﷼) unless otherwise noted.

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 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its 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. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **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 unless specified otherwise by the client.
6. **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.
7. **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. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 25/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

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 and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Drnef Ajyad Hotel located in Reea Bakhsh district, Makkah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 1,780.96 square meters.
- Total Built-Up Area (BUA): 19,045.34 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 1 side, the property features a near Ajyad Road.

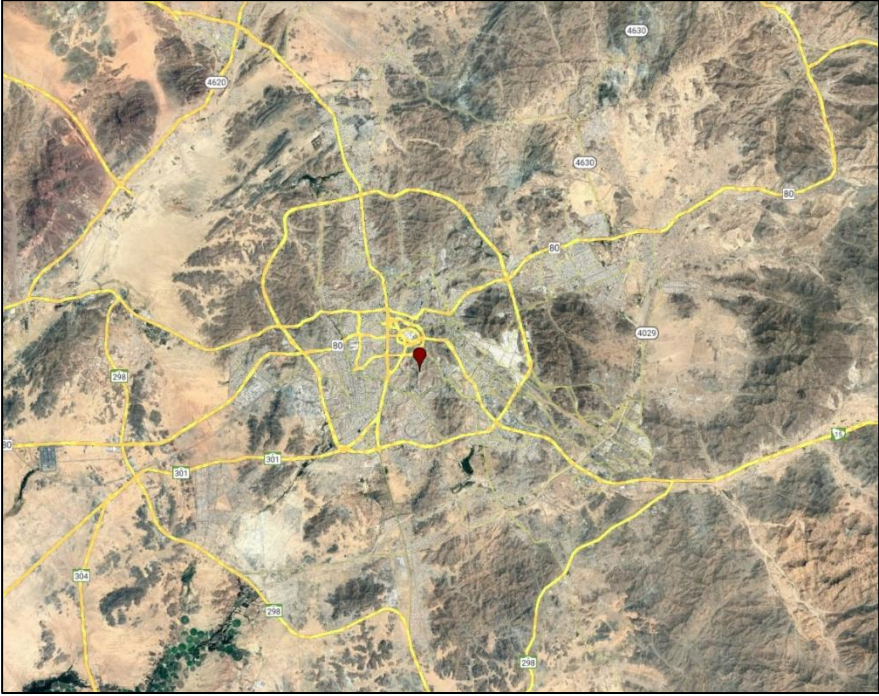
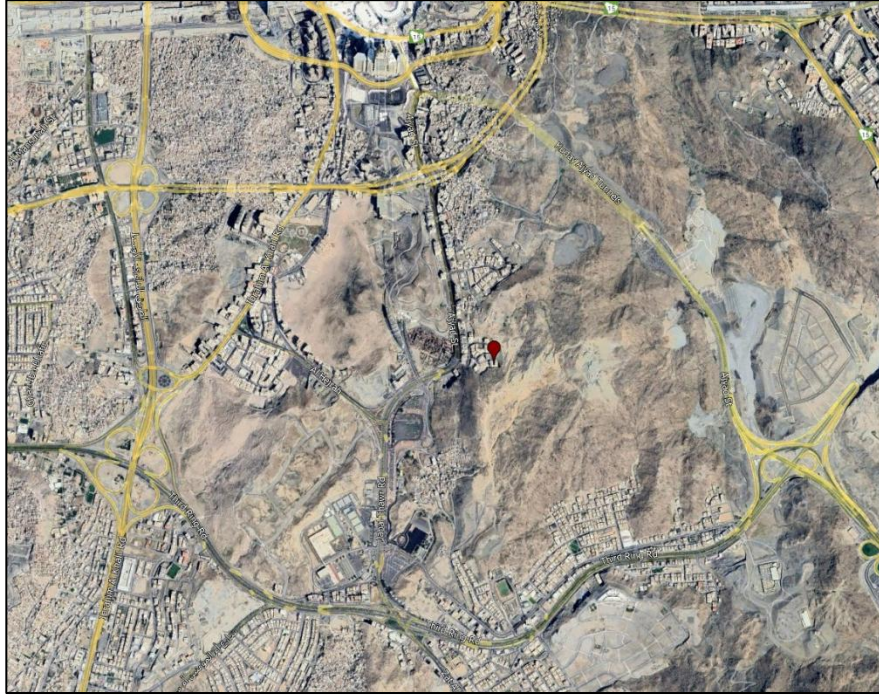
2.2 Ease of Access

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

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
	
21°24'02.8"N 39°49'58.4"E	
CR2M+852 Makkah	
Google Maps	

2.5 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

2.6 Construction Permit

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	Built-Up Area (BUA)	4,371.63
Property Type	Hospitality Project	Actual Age	
Construction Permit No.	3401103951	State of Property	Fully Constructed
Construction Permit Date	23/09/1434	Completion Rate	100%

Construction Permit Type	New Permit	Built-Up Area (BUA)	4,272.08
Property Type	Hospitality Project	Actual Age	
Construction Permit No.	3401103736	State of Property	Fully Constructed
Construction Permit Date	23/09/1434	Completion Rate	100%

Construction Permit Type	New Permit	Built-Up Area (BUA)	5,244.33
Property Type	Hospitality Project	Actual Age	
Construction Permit No.	3401103951	State of Property	Fully Constructed
Construction Permit Date	23/09/1434	Completion Rate	100%

Construction Permit Type	New Permit	Built-Up Area (BUA)	5,157.30
Property Type	Hospitality Project	Actual Age	
Construction Permit No.	3401103736	State of Property	Fully Constructed
Construction Permit Date	09/09/1434	Completion Rate	100%

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.

2.7 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

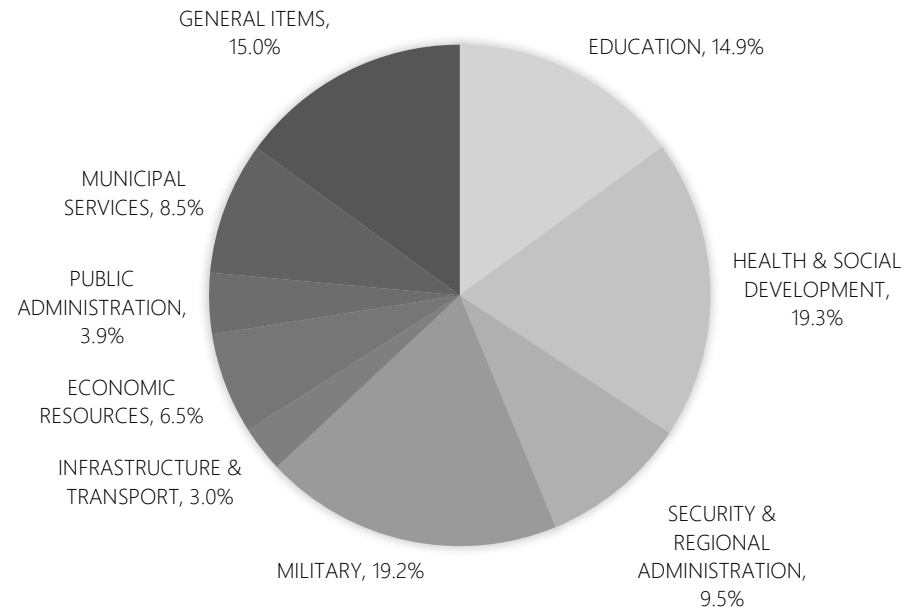
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	ﷲ 53.00	bn
Military Sector	ﷲ 259.00	bn
Security and Regional Administration Sector	ﷲ 128.00	bn
Municipal Services Sector	ﷲ 115.00	bn
Education Sector	ﷲ 201.00	bn
Health and Social Development Sector	ﷲ 260.00	bn
Economic Resources Sector	ﷲ 88.00	bn
Infrastructure and Transportation Sector	ﷲ 40.00	bn
General Items	ﷲ 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	✓	-----	-----	-----
Demand levels	-----	✓	-----	-----	-----
Market competition	-----	✓	-----	-----	-----
Risk Points	6 Points				




Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **23 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.









3.5 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 compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance

From 2023 to 2024	Future Expectations
	
Values of Lands Related to The Sector	
From 2023 to 2024	Future Expectations
	
Sector Demand	
From 2023 to 2024	Future Expectations
	
Sector's occupancy ratios	
From 2023 to 2024	Future Expectations
	

Overall Sector Stability

From 2023 to 2024	Future Expectations
	
Sector rental Income	
From 2023 to 2024	Future Expectations
	
Investors' Appetite	
From 2023 to 2024	Future Expectations
	
Sectors Positive Changes	
From 2023 to 2024	Future Expectations
	

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.

3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the Discounted Cash Flow Method (DCF) has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

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

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, 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.

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%		

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%		

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 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: **ﷲ 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



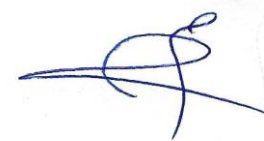
Member of RE Valuation
 Membership No. 1210002782

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

WHITE CUBES Stamp



RE Valuation Membership
 No: 11000171

4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 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

DOCUMENTS

Documents Received

5.1 Title Deed and Construction Permit

[illegible]

 رقم الترخيص: 21810000000001 24/04/2022		وثيقة تملك عقار		 رقم الترخيص: 21810000000001		 رقم الترخيص: 21810000000001	
14/04/2022		الرجوع الى الوثيقة		21810000000001		رقم الوثيقة	
876.4		قيمة المشتاة		1444/274		رقم الوثيقة المشتاة	
940001.033944		رقم الوثيقة المشتاة		مشتاة بصري		رقم المشتاة	
التقديرات							
القيمة التقديرية		قيمة الارض		رقم المشتاة		القيمة التقديرية	
406,000,000 د.س		700001.03668		مورعن		رقم المشتاة السوري الاذن	
التفاصيل							
رقم الوثيقة		الاسم		رقم الوثيقة		رقم الوثيقة	
100		شركة امان للتعويض والاستثمار شركة امان رابطة		700.03043379		رقم الوثيقة	
التقديرات							
رقم الوثيقة		رقم المشتاة		رقم الوثيقة		رقم الوثيقة	
876.4		مساحة (مترًا مربعًا)		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	
100		876.4		18 / 1 / 1		31	

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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/ق3/42) 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



Shaping visions

Building values





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital

MEFIC REIT

Drnef Kudy Hotel

June 2025

REF: 25-0471
Code: 1434052
Date: 30/06/2025

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

Dear MEFIC Capital,

Pursuant to your request dated 18th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making 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.	25-0471
Dep. Code	1434052
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Hotel.
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
Land Use	Hospitality.
Land Area (Sqm)	750 Sqm.
BUA (Sqm)	6,262.78 Sqm.
GLA (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	ﷲ 66,000,000
Report Date	30/06/2025
Valuation Date	30/06/2025
Inspection Date	25/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **MEFIC Capital** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (ﷻ) unless otherwise noted.

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 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its 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. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **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 unless specified otherwise by the client.
6. **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.
7. **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. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 25/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

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 and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Drnef Kudy Hotel located in Mukhatat Bader district, Makkah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 750.00 square meters.
- Total Built-Up Area (BUA): 6,262.78 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 1 side, the property features a near Third Ring Road.

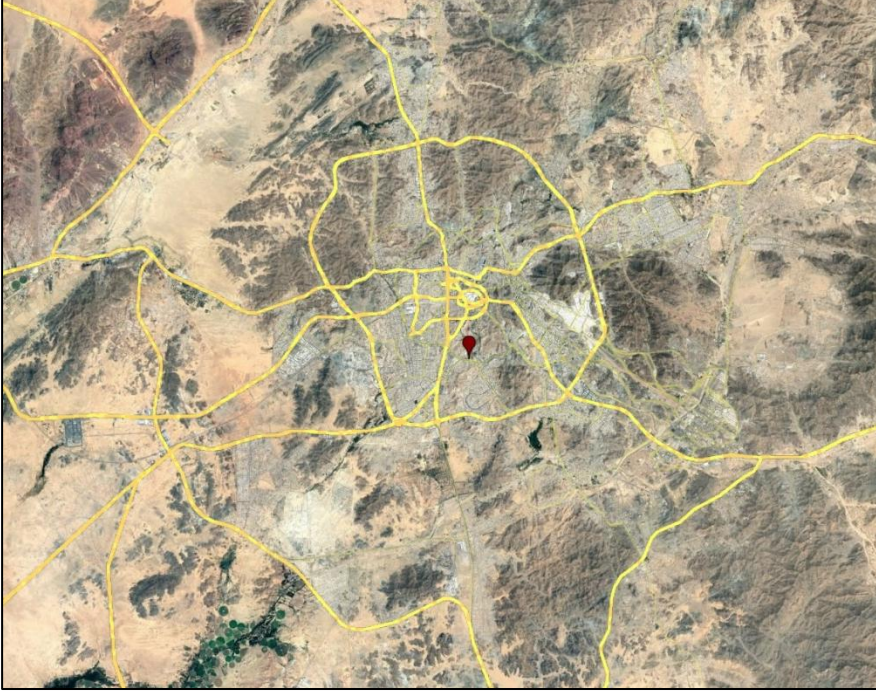

2.2 Ease of Access

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

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
 <p>A satellite map of a city area with a network of yellow lines representing major roads. A red pin is located in the center of the city, marking the project location.</p>	 <p>A detailed satellite map of the district surrounding the project location. A red pin is placed at the intersection of a major road and a residential area, indicating the specific site.</p>
21°23'12.6"N 39°49'27.0"E	
9RPF+PMM Makkah	
Google Maps	

2.5 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

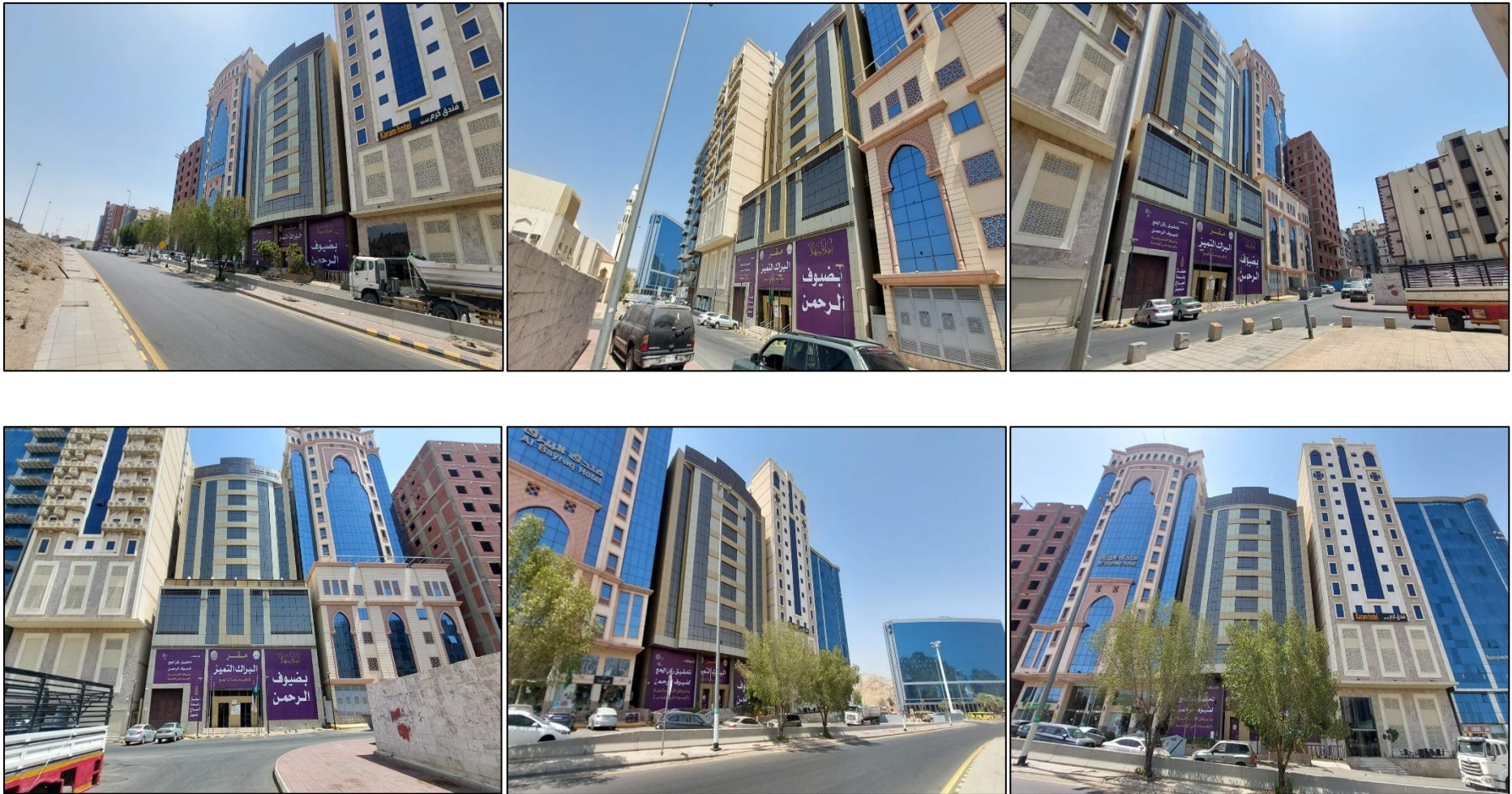
2.6 Construction Permit

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	Built-Up Area (BUA)	6,262.78
Property Type	Hospitality Project	Actual Age	
Construction Permit No.	332010300025	State of Property	Fully Constructed
Construction Permit Date	01/01/1433	Completion Rate	100%

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.

2.7 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

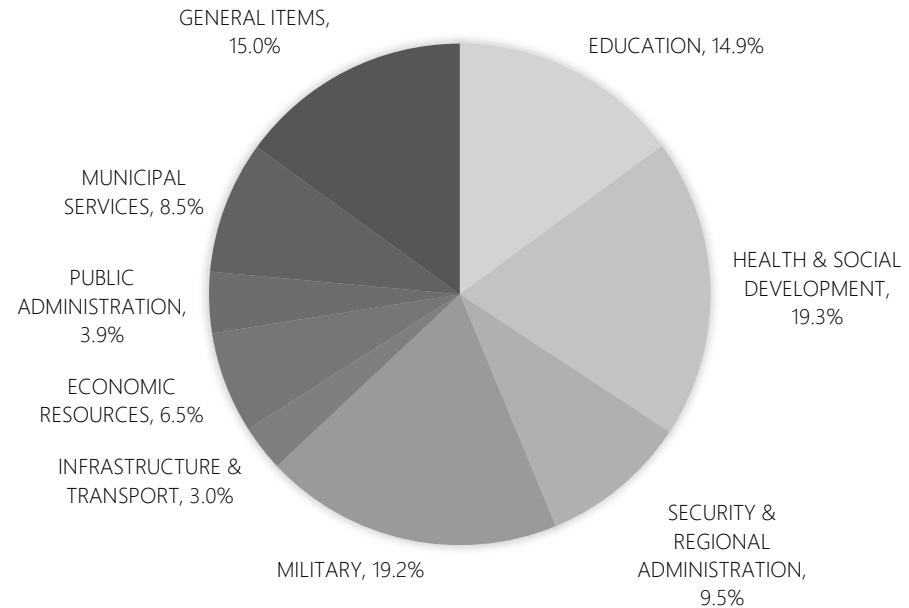
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	ﷲ 53.00	bn
Military Sector	ﷲ 259.00	bn
Security and Regional Administration Sector	ﷲ 128.00	bn
Municipal Services Sector	ﷲ 115.00	bn
Education Sector	ﷲ 201.00	bn
Health and Social Development Sector	ﷲ 260.00	bn
Economic Resources Sector	ﷲ 88.00	bn
Infrastructure and Transportation Sector	ﷲ 40.00	bn
General Items	ﷲ 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	✓	-----	-----	-----
Demand levels	-----	✓	-----	-----	-----
Market competition	-----	✓	-----	-----	-----
Risk Points	6 Points				




Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **23 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

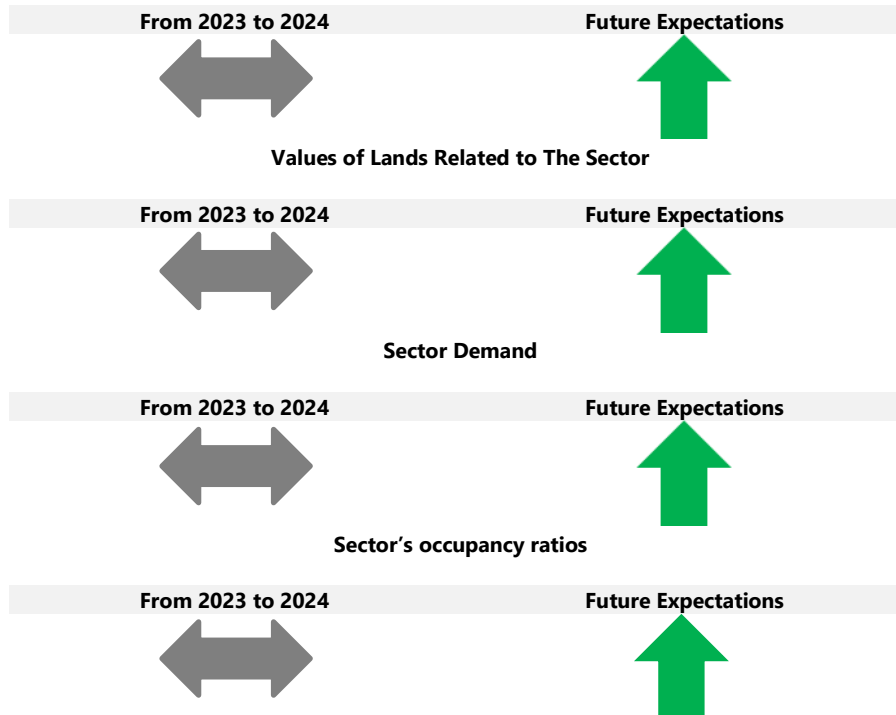
3.5 Sector Brief

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.

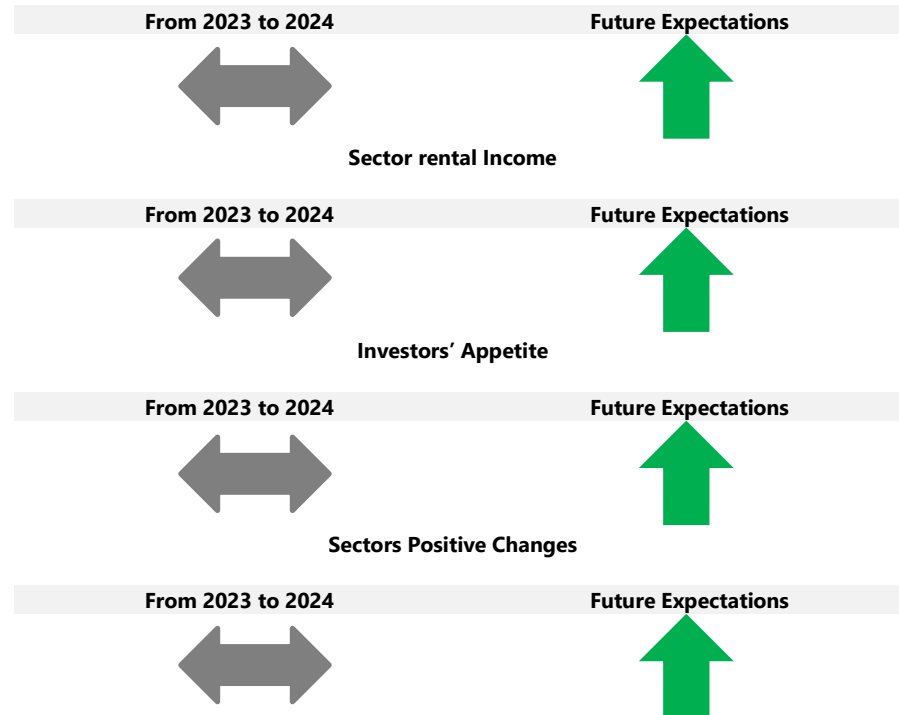


-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance



Overall Sector Stability



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.

3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the Discounted Cash Flow Method (DCF) has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

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

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, 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.

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%		

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%		

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 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: **ﷲ 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



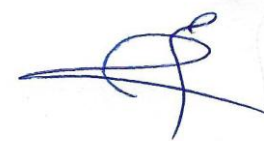
Member of RE Valuation
Membership No. 1210002782

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

WHITE CUBES Stamp



RE Valuation Membership
No: 11000171

4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 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.



DOCUMENTS

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

البيانات الأساسية

رقم الوثيقة	481809000852	تاريخ الوثيقة	1446/3/22
القيود	مرهون	الحالة	فعل
تاريخ الوثيقة السابقة	1446/2/24	المساحة	750
نوع العملية	صفقة بتحويل	رقم الوثيقة السابقة	360001438976

القيود

القيد	الجهة المرهنة	رقم السند	قيمة الرهن	تاريخ الاستحقاق
مرهون	البنك السعودي الأول	7000018668	ر.س 400,000,000	

الملاك

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

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	750	لا يوجد

الملك	المجاورة / الجزء
لا يوجد	لا يوجد

الموقع	نموذج العقار
لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	المدينة
16	52 / 7 / 1	مخطط الدر بكدي	مكة المكرمة

الحدد	النوع	وصف الحد	الطول م
شمالا	شارع	عرض 15م	25
جنوبا	مواقف	سيارات بعرض 13م	25
شرقا	قطعة	رقم 14	30
غربا	قطعة	رقم 18	30

صدرت هذه الوثيقة من نسخة الورقة الإلكترونية ويمكن التحقق من صحة هذه الوثيقة عبر خدمات وزارة العدل.

الصفحة 1 من 1

أصل
رقم الطلب الإلكتروني: 3319500822
رقم الخريطة: 332010300025
تاريخ الرخصة: 01/11/33
صلاحيتها: ثلاث سنوات

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إدارة رخص البناء

إضافة الدوار مساحة

الاسم: فهد بن إبراهيم بن سعد الموسى
رقم البطاقة الشخصية: 1021139876
رقم السكن: 742/180/5
تاريخه: 1433/01/03

رقم السجل العقاري: 1002133
رقم المخطط التنظيمي: 673
تاريخه: 1423/03/01

الأبعاد م/إ	الحدود	إحداثيات (م)	المساحة	نوع الاستخدام	عدد الأدوار
شمال: 25.00 25.00	شارع 15.00 م / شارع عرض 15.00 م	0 - 3	1406.44	مدرسة	4
شرق: 30.00	قطعة 14 / القطعة رقم 14 قضاء	0 - 1	311.64	إستقبال	1
جنوب: 25.00 25.00	موقف سيارات، عرض 13.00 م / موقف سيارات، عرض 13.00 م	0 - 5	380.9	سكني	1
غرب: 30.00 30.00	إليه الطريق الدائري الثالث / قطعة 18 / القطعة رقم 18 قضاء	0 - 1	359.24	إستقبال	1
			516.83	خدمات	1
			84.63	سكني	1
			480	مواقف سيارات	1
			294.07	خدمات	1
			2363.4	سكني	6
			82.63	بيت درج + مصاعد	1
			6262.780		

مكونات البناء

الوحدة	المساحة	نوع الاستخدام	عدد الأدوار
4	1406.44	مدرسة	4
1	311.64	إستقبال	1
3	380.9	سكني	1
1	359.24	إستقبال	1
1	516.83	خدمات	1
1	84.63	سكني	1
1	480	مواقف سيارات	1
1	294.07	خدمات	1
6	2363.4	سكني	6
1	82.63	بيت درج + مصاعد	1

المساحة الإجمالية: 6262.780

المساحة: 1404/06/05
تاريخ الرخصة: 130
رقم المخطط: 130

ملاحظات:
الملك: فهد بن إبراهيم بن سعد الموسى
رقم البطاقة الشخصية: 1021139876
رقم السكن: 742/180/5
تاريخه: 1433/01/03
صلاحيتها: ثلاث سنوات

تعليمات: تتأكد من صحة البيانات الموجودة في هذه الرخصة والاشتراطات الخاصة بها الرجاء الدخول والاستعلام من خلال نظام رخص البناء الإلكتروني موقع www.Holymakkah.gov.sa وذلك برقم رخصة البناء علماً بأن كافة البيانات في الرخصة تم تطويرها لضمان صحتها وعدم التعديل بمحتواها.

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/ق3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital

MEFIC REIT

Plaza One (Benefit Right)

June 2025

REF: 25-0471
Code: 1434064
Date: 30/06/2025

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

Dear MEFIC Capital,

Pursuant to your request dated 18th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making 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.	25-0471
Dep. Code	1434064
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client.
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	ﷲ 31,000,000
Report Date	30/06/2025
Valuation Date	30/06/2025
Inspection Date	25/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **MEFIC Capital** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (﷼) unless otherwise noted.

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 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its 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. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
4. **Vacancy Rate:** For income-generating properties, it is assumed that the property maintains an average vacancy rate of 4% over the valuation period.
5. **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 unless specified otherwise by the client.
6. **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.
7. **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. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 25/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

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 and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Residential Commercial Project Plaza One located in Ar Rabi district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 9,579.00 square meters.
- Total Built-Up Area (BUA): 16,432.56 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property features a direct view of King Abdulaziz Road from the east side.

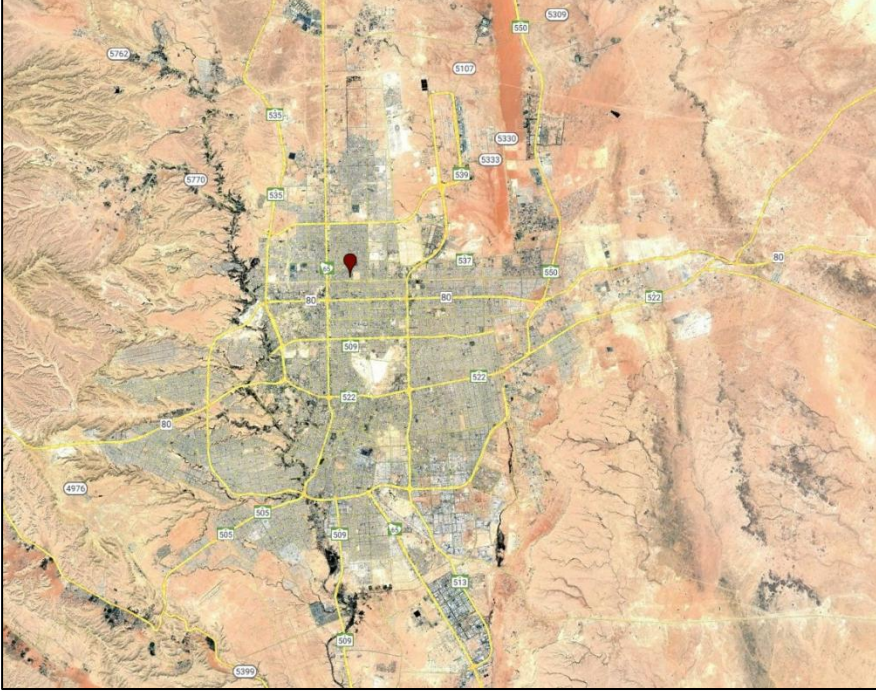

2.2 Ease of Access

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

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
 <p>A satellite map of Riyadh, Saudi Arabia, showing the city's layout and surrounding desert. A red pin marks the location of the project in the central urban area. Major roads and highways are visible, including the Ring Road (S309) and various district roads.</p>	 <p>A detailed satellite map of the district surrounding the project location. The map shows a dense urban area with numerous buildings, streets, and green spaces. A red pin marks the project location, which is situated near a large open area and several residential blocks.</p>
24°47'23.2"N 46°39'32.9"E	
QMQ5+WM2 Ar Rabi, Riyadh	
Google Maps	

2.5 Title Deed and Ownership

The client has not provided us with a copy of the title deed related to the property under valuation.

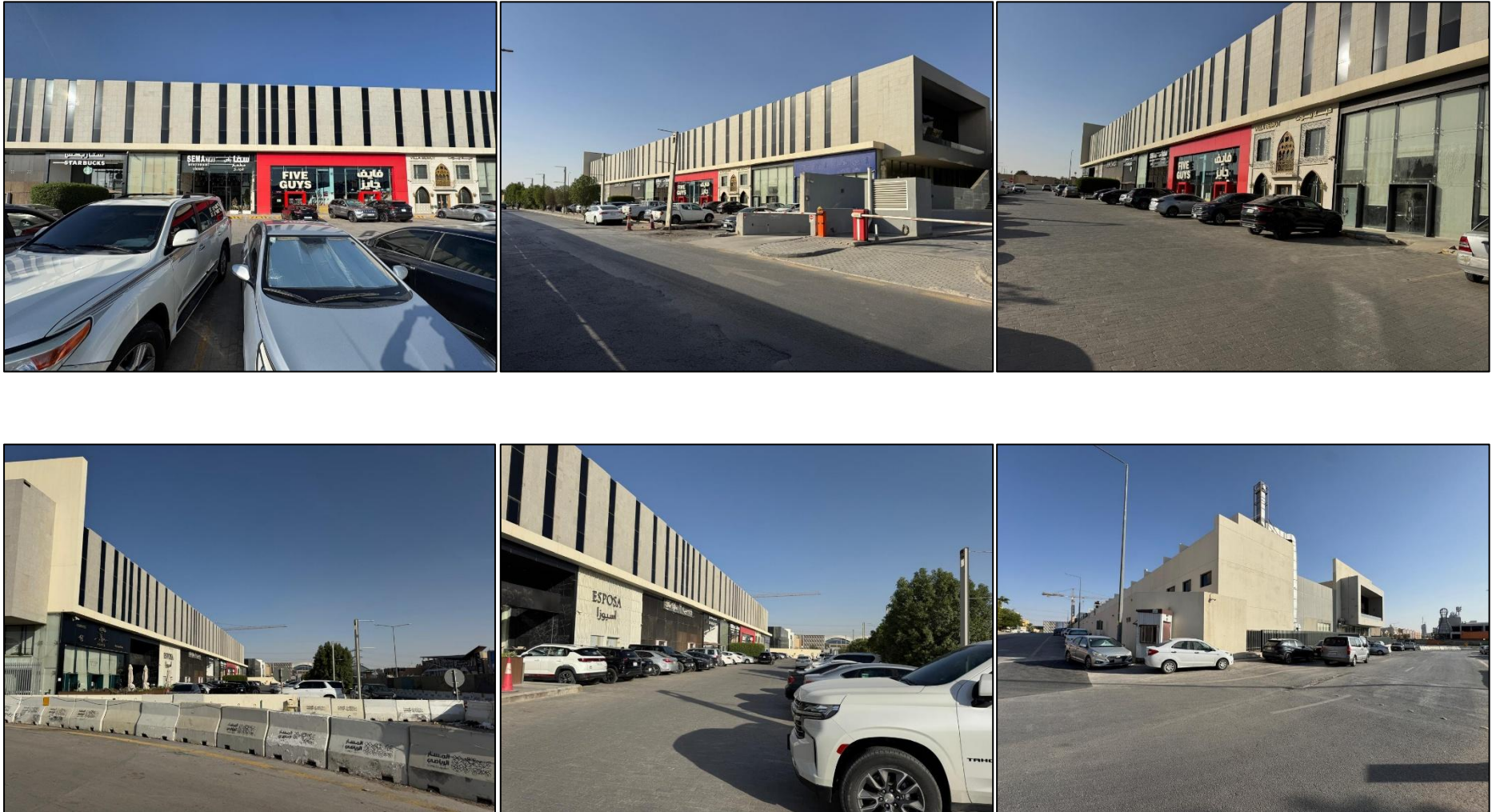
2.6 Construction Permit

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	Built-Up Area (BUA)	16,435.56
Property Type	Residential Commercial	Actual Age	
Construction Permit No.	13495/1434	State of Property	Fully Constructed
Construction Permit Date	27/06/1434	Completion Rate	100%

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.

2.7 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

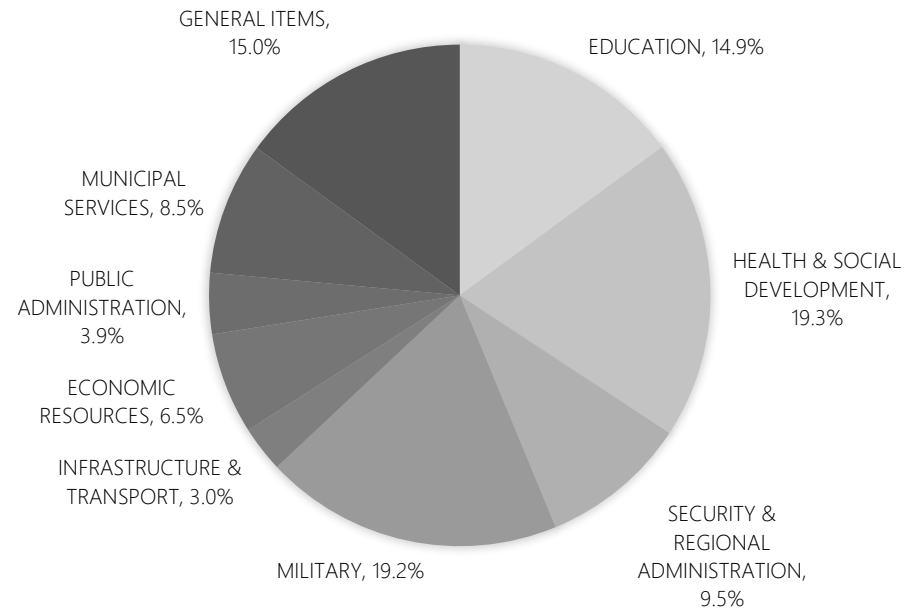
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	ﷲ 53.00	bn
Military Sector	ﷲ 259.00	bn
Security and Regional Administration Sector	ﷲ 128.00	bn
Municipal Services Sector	ﷲ 115.00	bn
Education Sector	ﷲ 201.00	bn
Health and Social Development Sector	ﷲ 260.00	bn
Economic Resources Sector	ﷲ 88.00	bn
Infrastructure and Transportation Sector	ﷲ 40.00	bn
General Items	ﷲ 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				




Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **26 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

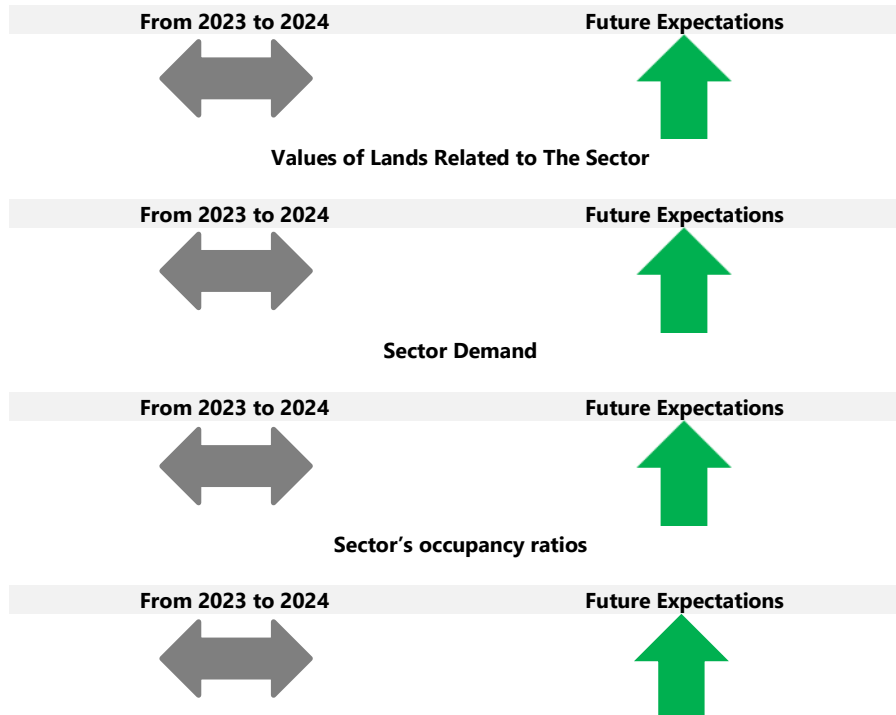
3.5 Sector Brief

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.

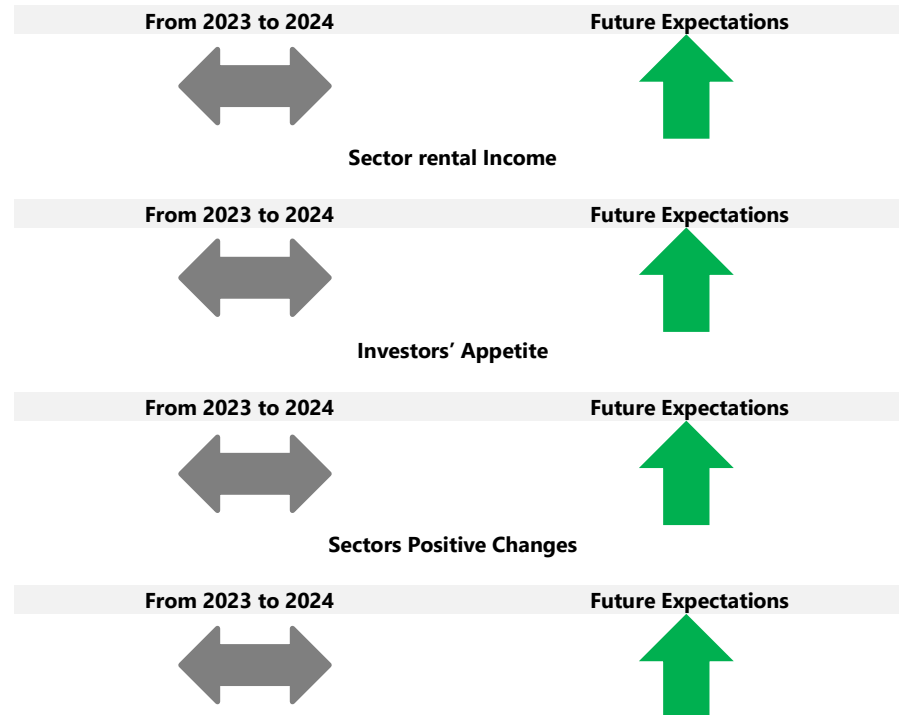


-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance



Overall Sector Stability



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.

3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the Discounted Cash Flow Method (DCF) has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

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

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, 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.

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%		

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		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 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: **ﷲ 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



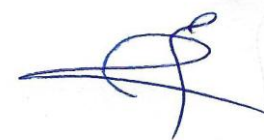
Member of RE Valuation
 Membership No. 1210002782

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

WHITE CUBES Stamp



RE Valuation Membership
 No: 11000171

4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 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.



DOCUMENTS

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/ق3/42) 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



Shaping visions

Building values





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital
MEFIC REIT
Souq Sharq

June 2025

REF: 25-0471
Code: 1434082
Date: 30/06/2025

Subject: Valuation Report for Commercial Exhibitions – Riyadh City, Saudi Arabia

Dear MEFIC Capital,

Pursuant to your request dated 18th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making 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.	25-0471
Dep. Code	1434082
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial.
Property Location	Al Hamraa district, Jedddah 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.
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	ﷲ 569,617,000
Report Date	30/06/2025
Valuation Date	30/06/2025
Inspection Date	25/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **MEFIC Capital** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (﷼) unless otherwise noted.

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 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its 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. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Vacancy Rate:** For income-generating properties, it is assumed that the property maintains an average vacancy rate of 2% over the valuation period.
6. **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 unless specified otherwise by the client.
7. **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.
8. **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. It should be noted that this value serves as an indicative figure under current market conditions.
9. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
10. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
11. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 25/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

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 and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Commercial Exhibitions building located in Al jazeera district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 120,205.97 square meters.
- Total Built-Up Area (BUA): 77,299.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property features a direct view of Eastern Ring Road from the east side.

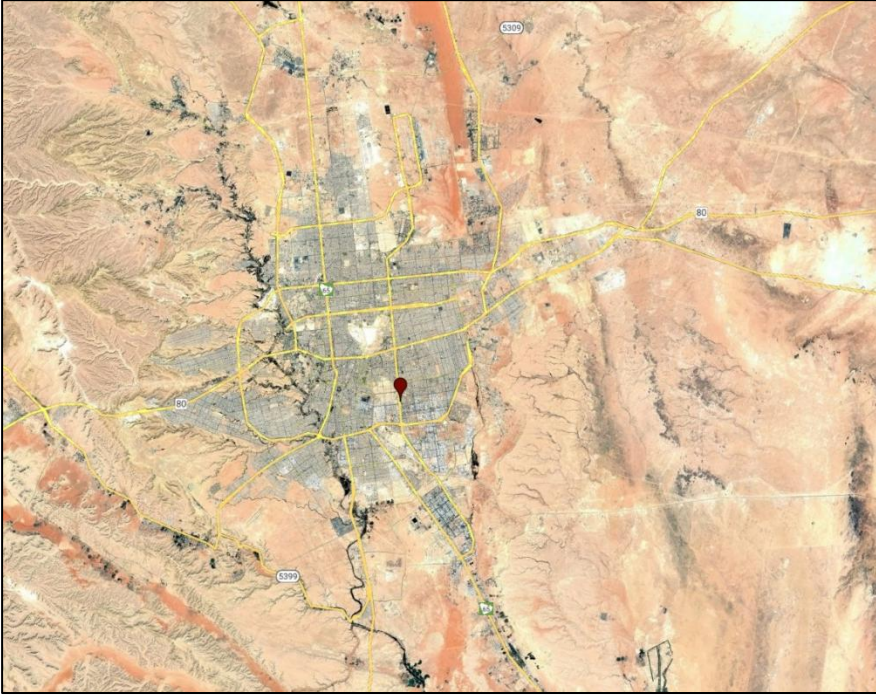
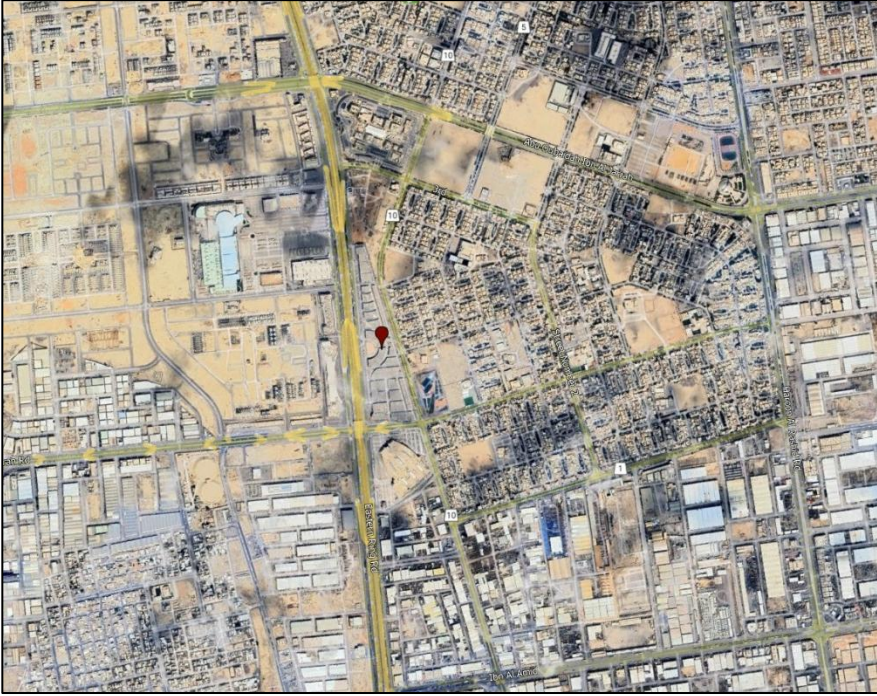
2.2 Ease of Access

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

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
 <p>A satellite map of Riyadh, Saudi Arabia, showing the city's layout within its desert surroundings. Major roads are highlighted in yellow. A red pin marks the location of the project in the central-eastern part of the city.</p>	 <p>A detailed satellite map of the district surrounding the project location. The map shows a dense urban area with a grid of streets. A red pin marks the project location at the intersection of a major road and a local street.</p>
24°39'25.6"N 46°47'30.0"E	
MQ4R+RMV Al Jazirah, Riyadh	
Google Maps	

2.5 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	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Ministry of Justice		
North Side	Walkway 10 meter	East Side	30 meters street.
South Side	Medina Street.	West Side	Eastern Ring Road

2.6 Construction Permit

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	Built-Up Area (BUA)	77,299
Property Type	Commercial	Actual Age	
Construction Permit No.	1429/10684	State of Property	Fully Constructed
Construction Permit Date	02/09/1429	Completion Rate	100%

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.

2.7 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

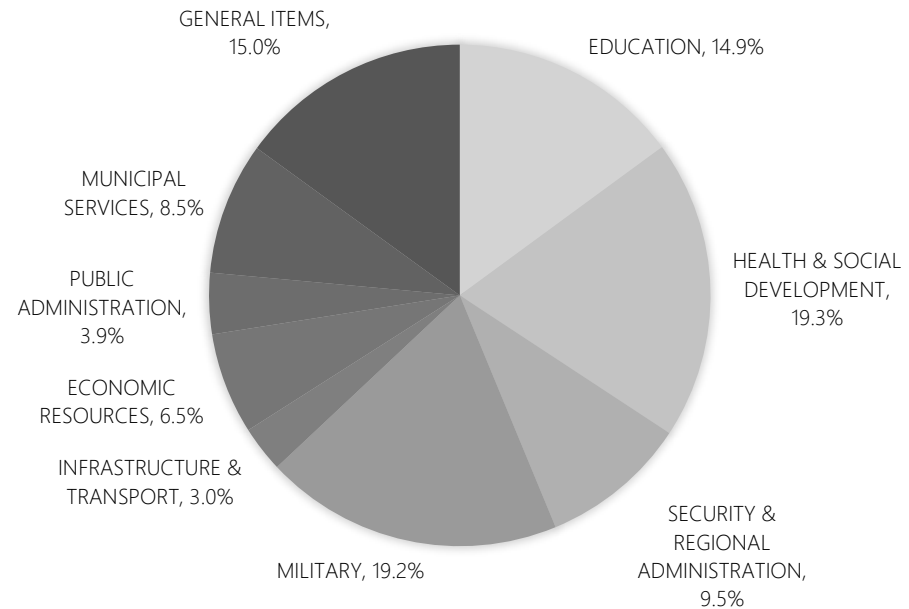
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	ﷲ 53.00	bn
Military Sector	ﷲ 259.00	bn
Security and Regional Administration Sector	ﷲ 128.00	bn
Municipal Services Sector	ﷲ 115.00	bn
Education Sector	ﷲ 201.00	bn
Health and Social Development Sector	ﷲ 260.00	bn
Economic Resources Sector	ﷲ 88.00	bn
Infrastructure and Transportation Sector	ﷲ 40.00	bn
General Items	ﷲ 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				




Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **26 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

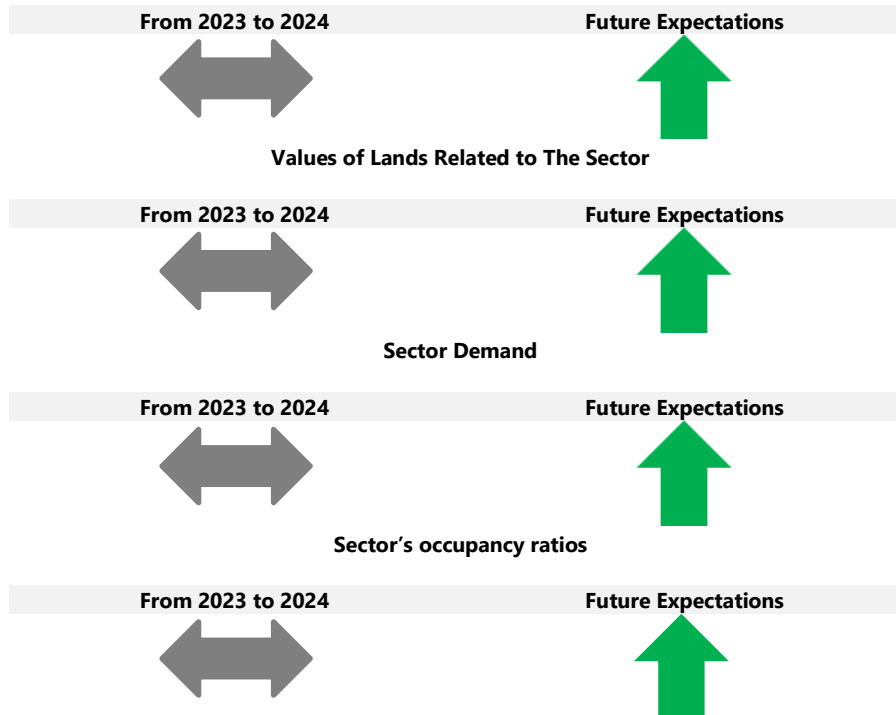
3.5 Sector Brief

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.

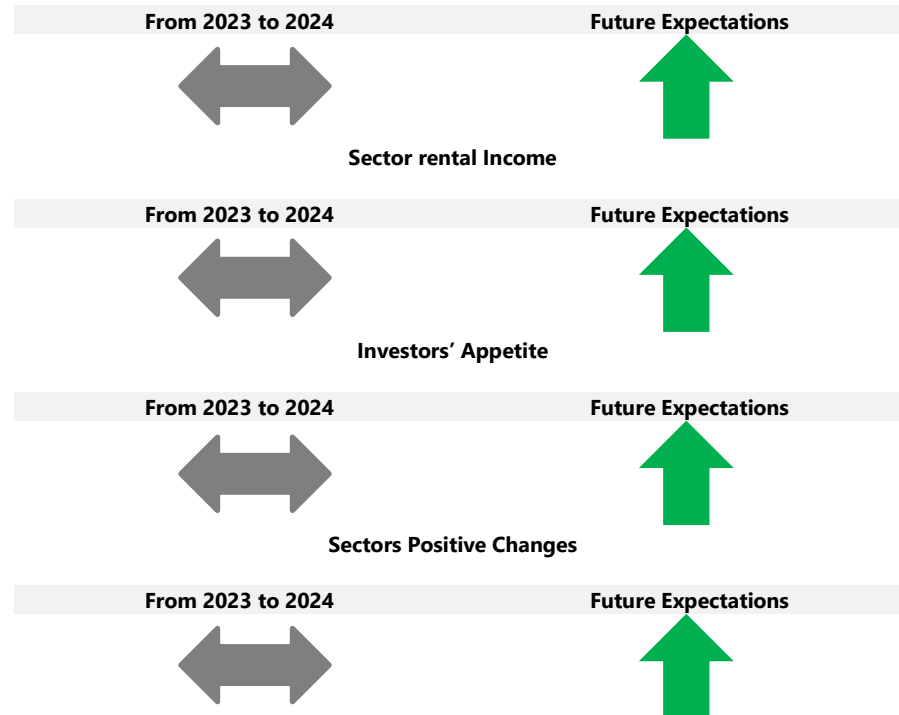


-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance



Overall Sector Stability



White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.

3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the Discounted Cash Flow Method (DCF) has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

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

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, 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.

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%		

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 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: **ﷲ 569,617,000.00**
Five Hundred Sixty-Nine Million Six Hundred Seventeen 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



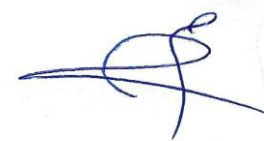
Member of RE Valuation
 Membership No. 1210002782

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

WHITE CUBES Stamp



RE Valuation Membership
 No: 11000171

4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 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

DOCUMENTS

Documents Received

5.1 Title deeds

رقم: 693563000194
التاريخ: 2024/09/16
1446/3/13

وثيقة تملك عقار

السوق العقارية
Real Estate Market

رقم الوثيقة	رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
1446/3/13	693563000194	تاريخ الوثيقة	رقم الوثيقة
تمال	مرهون	الحالة	التيود
120,205.97	1446/2/24	المساحة	تاريخ الوثيقة السابقة
760001438936	صفحة بتحويل	رقم الوثيقة السابقة	نوع السيلة

القيود

القيود	رقم التمتع	قيمة الرهن	تاريخ الاستحقاق
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	بلك	120,205.97	لا يوجد
لا يوجد	المالك	المجاورة / الجزء	لا يوجد
لا يوجد	الموقع	نموذج المقار	لا يوجد
لا يوجد	رقم المخطط <td>الحى <td>البلدية</td> </td>	الحى <td>البلدية</td>	البلدية
2	3203	الجزيرة	الرياض

الحدود

الحد	الترج	وصف الحد	الطول م
شمالا	متر	عرض 10م	66.09
جنوبا	شارع	المدينة المنورة بطول متكرر	24.6+44.24+9.91+23.33+24.48+24.4+14.77+37.68+40.05243.46 (اجمالى)
شرقا	شارع	عرض 40م	867.54
غربا	طريق	الدائري الشرقي عرض 100م بطول متكرر	اجمالى 10+19.37+42.67+50.01+10+722.02 (854.07)

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

رقم الوثيقة: ١٤٢٩/١٠٠١١
تاريخ الوثيقة: ١٤٢٩/١٠/٠٢
نوع الوثيقة: إصدار

المملكة العربية السعودية
وزارة الشؤون البلدية
إدارة منطقة الرياض

رقم الوثيقة: ١٤٢٩/١٠٠١١
تاريخ الوثيقة: ١٤٢٩/١٠/٠٢
نوع الوثيقة: إصدار

البيانات الأساسية

رقم الوثيقة	رقم الوثيقة	تاريخ الوثيقة	نوع الوثيقة
١٤٢٩/١٠٠١١	١٤٢٩/١٠/٠٢	١٤٢٩/١٠/٠٢	إصدار

القيود

القيود	رقم التمتع	قيمة الرهن	تاريخ الاستحقاق
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	بلك	120,205.97	لا يوجد

الحدود

الحد	الترج	وصف الحد	الطول م
شمالا	متر	عرض 10م	66.09
جنوبا	شارع	المدينة المنورة بطول متكرر	24.6+44.24+9.91+23.33+24.48+24.4+14.77+37.68+40.05243.46 (اجمالى)
شرقا	شارع	عرض 40م	867.54
غربا	طريق	الدائري الشرقي عرض 100م بطول متكرر	اجمالى 10+19.37+42.67+50.01+10+722.02 (854.07)

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

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



Shaping visions

Building values





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

MEFIC Capital
MEFIC REIT
Tohama

June 2025

REF: 25-0471
Code: 1434095
Date: 30/06/2025

Subject: Valuation Report for Administration-Commercial Building – Jeddah City, Saudi Arabia

Dear MEFIC Capital,

Pursuant to your request dated 18th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making 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.	25-0471
Dep. Code	1434095
Report Type	Detailed Report.
Client	MEFIC Capital
Report user	The Client.
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.
Land Use	Administration-commercial.
Land Area (Sqm)	2,500.00 Sqm.
BUA (Sqm)	8,643.75 Sqm.
GLA (Sqm)	N/A
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	ﷲ 39,000,000
Report Date	30/06/2025
Valuation Date	30/06/2025
Inspection Date	18/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **MEFIC Capital** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (ﷻ) unless otherwise noted.

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 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its 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. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Vacancy Rate:** For income-generating properties, it is assumed that the property maintains an average vacancy rate of 23% over the valuation period.
6. **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 unless specified otherwise by the client.
7. **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.
8. **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. It should be noted that this value serves as an indicative figure under current market conditions.
9. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
10. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
11. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 18/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

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 and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is administration-commercial building located in Al Hamraa district, Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 2,500.00 square meters.
- Total Built-Up Area (BUA): 8,643.75 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property features a direct view of Al Andalus Road from the east side.


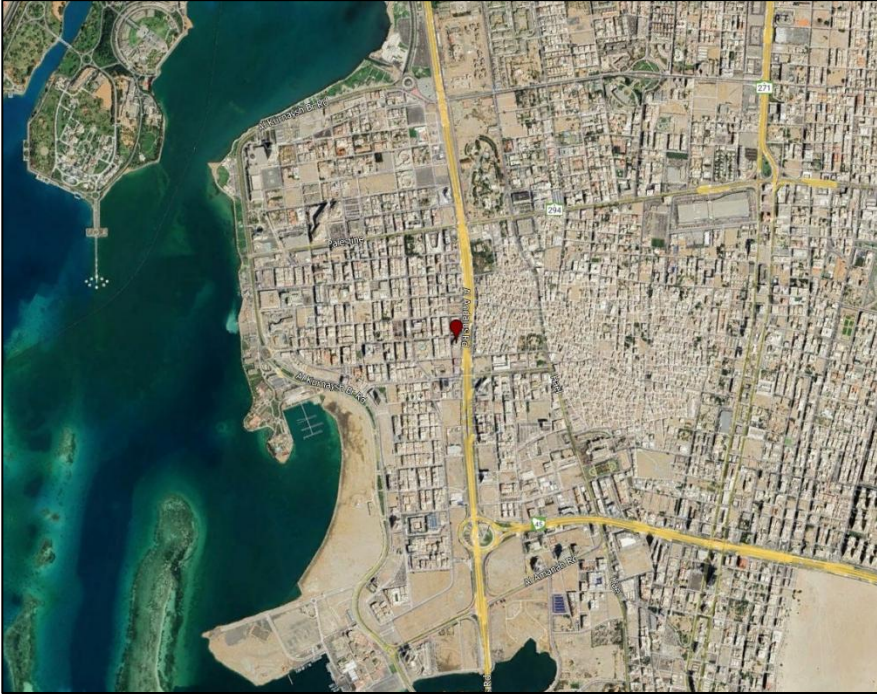
2.2 Ease of Access

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

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
	
21°31'01.9"N 39°09'55.6"E	
G588+V5G Al-Hamra'a, Jeddah	
Google Maps	

2.5 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	Limitation of Document	Mortgage to Saudi Awwal Bank
Issued From	Riyadh First Notary		
North Side	20 meters street.	East Side	Private property.
South Side	Private property.	West Side	10 meters street.

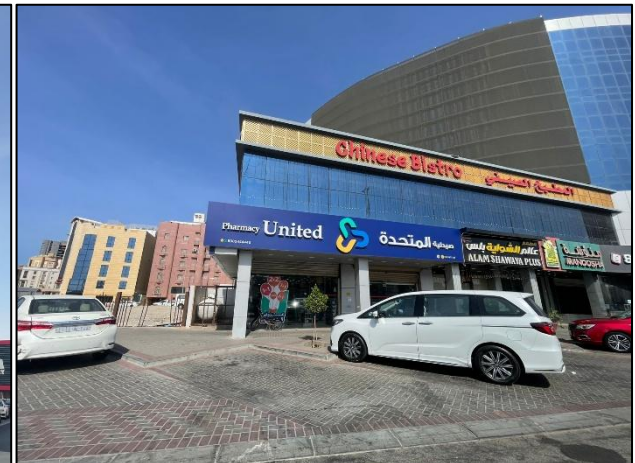
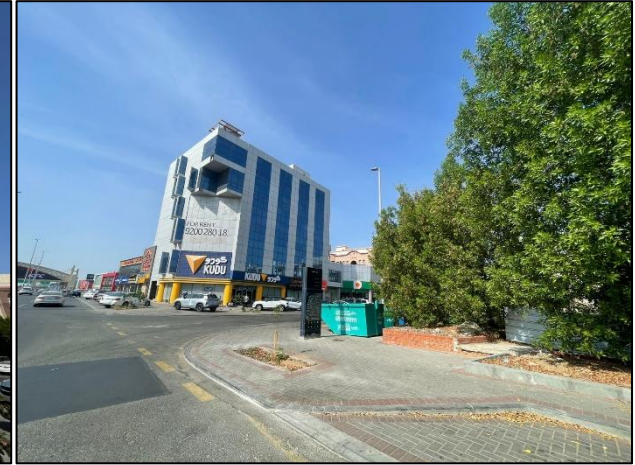
2.6 Construction Permit

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	---	Built-Up Area (BUA)	8,634.75
Property Type	---	Actual Age	
Construction Permit No.	---	State of Property	Fully Constructed
Construction Permit Date	---	Completion Rate	100%

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.

2.7 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

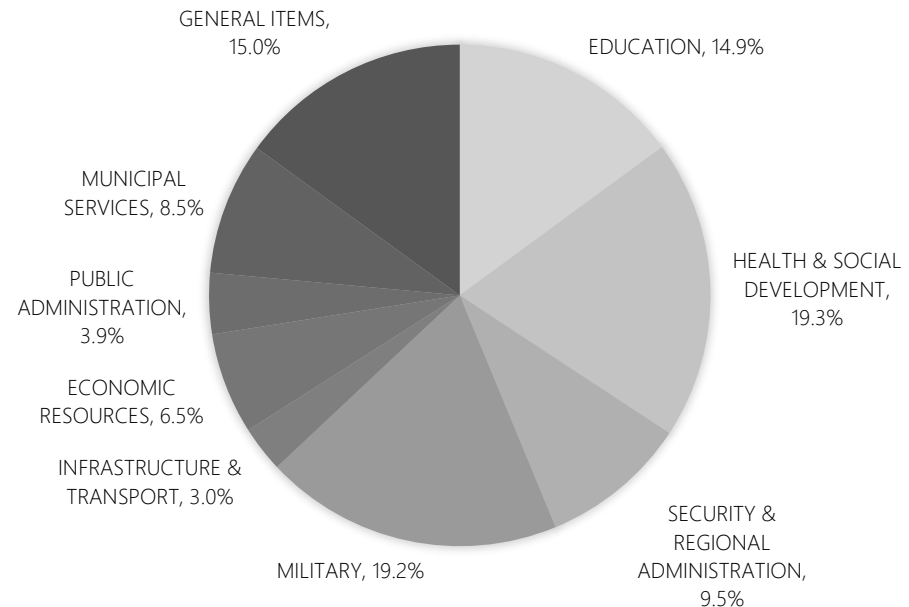
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	ﷲ 53.00	bn
Military Sector	ﷲ 259.00	bn
Security and Regional Administration Sector	ﷲ 128.00	bn
Municipal Services Sector	ﷲ 115.00	bn
Education Sector	ﷲ 201.00	bn
Health and Social Development Sector	ﷲ 260.00	bn
Economic Resources Sector	ﷲ 88.00	bn
Infrastructure and Transportation Sector	ﷲ 40.00	bn
General Items	ﷲ 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				




Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **26 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

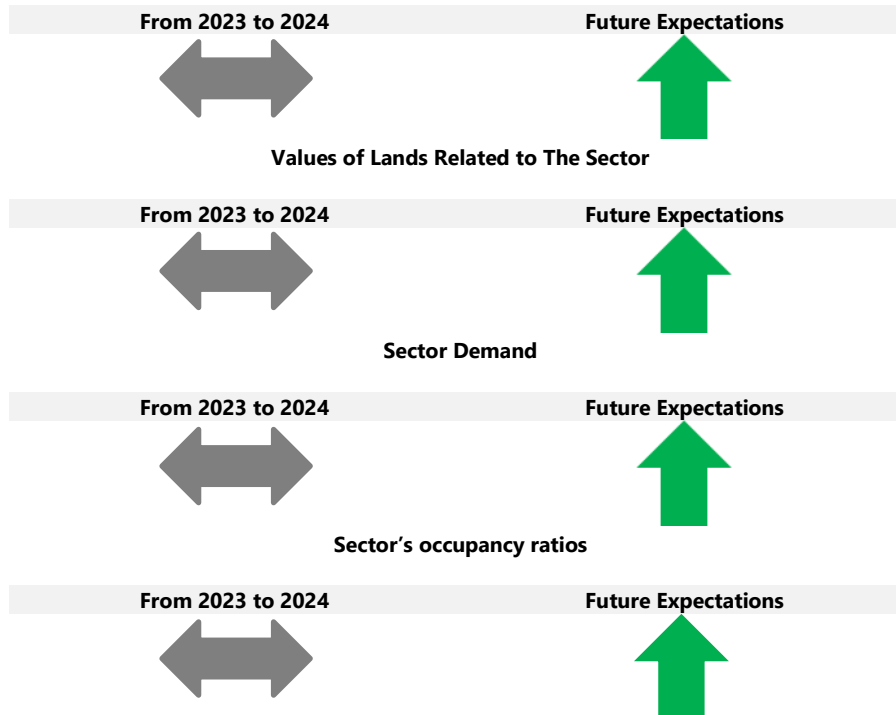
3.5 Sector Brief

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.

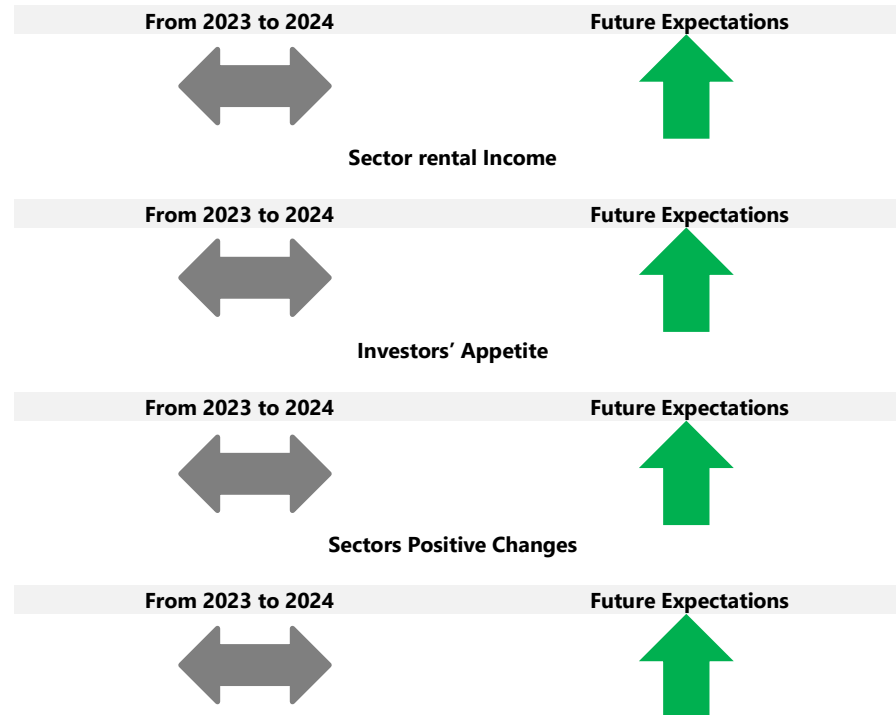


-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance



Overall Sector Stability



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.

3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the Discounted Cash Flow Method (DCF) has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

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

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, 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.

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%		

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%	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 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: **ﷲ 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



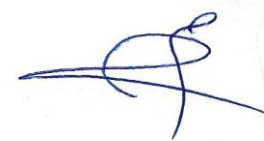
Member of RE Valuation
 Membership No. 1210002782

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

WHITE CUBES Stamp



RE Valuation Membership
 No: 11000171

4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 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

DOCUMENTS

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



وزارة التجارة والاستثمار
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إدارة المهن الاستشارية



Shaping visions

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