



Private & Confidential

Valuation Report

(11) SEDCO CAPITAL REIT FUND PROPERTY -
RIYADH, JEDDAH, DAMMAM & KHOBAR, KSA

SEDCO CAPITAL REIT FUND

REPORT ISSUED 25 JANUARY 2022

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APPENDIX 1 – PHOTOGRAPHS



1 EXECUTIVE SUMMARY

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

1.1 THE CLIENT

Mohamed W. Binmahfooz
SEDCO Capital REIT Fund
 Jeddah, Kingdom of Saudi Arabia

1.2 THE PURPOSE OF VALUATION

The valuation is required for the SEDCO Capital REIT transaction and submission to the Capital Market Authority (CMA).

1.3 INTEREST TO BE VALUED

The below (11) SEDCO Capital REIT property are the scope of this valuation exercise.

P#	Property Name	Location	Land Area (sq. m)	BUA (sq. m)	Interest
1	Khalidiyah Business Centre	Jeddah	7,903	26,712.51	Freehold
2	Rawdah Business Centre	Jeddah	2,462.50	17,526.74	Freehold
3	Panda Al Hamadaniah	Jeddah	13,685.85	5,858	Freehold
4	Panda Ishbilyah	Riyadh	23,604	10,784	Freehold
5	Jazeera Compound	Riyadh	20,758	16,606	Freehold
6	Burj Al Hayat	Riyadh	1,494.75	6,574	Freehold
7	Public Prosecution Office	Jeddah	4,767.25	19,342	Freehold
8	Panda Rayaana	Dammam	18,144.80	9,800	Freehold
9	Al Hukair Time	Dammam	5,155.52	3,326	Freehold
10	Saudi Fransi Bank	Dammam	5,191.44	879	Freehold
11	Ajdan Walk	Khobar	16,965.77	32,212.08	Freehold

Source: Client 2021

1.4 VALUATION APPROACH

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

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of 31 December 2021.

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



1.6 OPINION OF VALUE

Property #	Property Name	Location	Property Value - Rounded (SAR)
1	Khalidiyah Business Centre	Jeddah	144,000,000
2	Rawdah Business Centre	Jeddah	107,000,000
3	Panda Al Hamadaniah	Jeddah	38,000,000
4	Panda Ishbilyah	Riyadh	79,000,000
5	Jazeera Compound	Riyadh	65,000,000
6	Burj Al Hayat	Riyadh	20,000,000
7	Public Prosecution	Jeddah	52,000,000
8	Panda Rayaam	Dammam	65,000,000
9	Al Hukair Time	Dammam	32,000,000
10	Saudi Fransi Bank	Dammam	27,600,000
11	Ajdan Walk	Khobar	357,000,000
Aggregate Portfolio Value (SAR)			986,600,000

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

1.7 SALIENT POINTS (GENERAL COMMENTS)

It's been 18+ months since the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" back on 11 March 2020, had impacted global financial markets. Travel restrictions had been implemented by many countries across the globe and travel restrictions remain in force due to a new wave of infections / viruses.

The past year to 18 months, the world has undergone numerous transformations with businesses from all sectors disrupted. Businesses and industries remain working remotely and business leaders are focused on cost optimisation and digitisation. The roll-out of vaccinations offer hope for life and business to get back to near normal, and recovery of oil price appears to be stable in KSA with positive trends going forward into 2021 and beyond. The same trends have been apparent across other global markets suggesting back to regularity with the caution of implementing social distancing rules and wearing of masks, etc., though the threat remains as observed with many countries across the Asian sub-continent, Europe and South America suffering from a heavy bout of the new variant virus of COVID-19.

The KSA economy appears stable within a recovery mode on the back of higher oil demand and private consumption along with KSA's Vision 2030 looks to diversify the



economy away from oil through focusing on direct foreign investment, tourism and the increase of locals in the workforce.

Though the recent budget revealed, the budget deficit remains amounting to SR7.44 billion in the first quarter of this year, the ministry revealed that the total funding for the deficit amounted to SR29.55 billion. The cost of risk is also stay elevated in 2021 reflecting the volatile global health situation and international travel restrictions still weigh on the economies across continents and globally affecting Middle East and KSA. The real estate traditional determinants of location and value for money continue to be a key success influencing property and accommodation preference though investors in KSA are also no less sensitive to asset classes and the location of property providing investor expectations and stable long-term income for portfolios and funds. Equally, strong investor appetite remains for 'best in class' / 'Institutional Asset Class – Grade A' / good quality property providing long term income.

With all positive activity and investment by the government creating opportunities through projects across the Kingdom and through the creation of the Giga projects and a previous stimulus package of SAR 120 billion plus has meant a stable KSA economy with positive outlook going forward throughout 2022 and beyond.

Since the last exercise in June 2021 prices have remained unchanged, although we have made adjustments based upon information provided and/or conditions of property leases. We expect the subject mixed portfolio referred in this report to remain stable in the foreseeable future subject to ongoing maintenance, upkeep of the property and to provide yield stability with the real estate sector generally follows the fortunes of the greater economy. A funds performance relies on the performance of the underlying income generating investments and there is counterparty default risk that could affect the value of your investment. Past performance and forecasts are not reliable indicator of future results.

Burj Al Hayat Hotel - we understand from the client a new local operator has been secure with agreed lease term of 5 years from 01 January 2022. The initial rent is SAR 1.5 million per annum.

The tenant's name: مؤسسة الحفلة الرائعة للشقق الفندقية

The contract has been signed and executed through E-jar platform.

For the purpose of this valuation exercise, we assume there are no onerous terms impacting the valuation. Should it transpire there is onerous terms impacting the valuation, we reserve the right to amend our valuation and report.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It also must be borne in mind that capital values can fall as well as rise. The client is advised that whilst all reasonable measures have been



taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

For the purpose of this, we have assumed that a good and marketable title is held free from any encumbrances, mortgages, charges, third party interests, etc. Should this not be the case, we reserve the right to amend our valuation and report. We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject properties, although your legal representative should make their usual searches and enquiries in this respect. We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the properties and site boundaries prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives. ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make. We are unaware of any adverse conditions which may affect future marketability for the subject properties. It is assumed that the subject properties are freehold and are not subject to any rights, obligations, restrictions and covenants.

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

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

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

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

2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

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

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

P#	Property Name	Location	Land Area (sq. m)	BUA (sq. m)	Interest
1	Khalidiyah Business Centre	Jeddah	7,903	26,712.51	Freehold
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6	Burj Al Hayat	Riyadh	1,494.75	6,574	Freehold
7	Public Prosecution Office	Jeddah	4,767.25	19,342	Freehold
8	Panda Raya'an	Dammam	18,144.80	9,800	Freehold
9	Al Hukair Time	Dammam	5,155.52	3,326	Freehold
10	Saudi Fransi Bank	Dammam	5,191.44	879	Freehold
11	Ajdan Walk	Khobar	16,965.77	32,212.08	Freehold

Source: Client 2021

2.3 PURPOSE OF VALUATION

The valuation is required for SEDCO Capital REIT transaction for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taaqem Regulations (Saudi Authority for Accredited Valuers) in conformity with International Valuation Standards Council (IVSCs') and International Valuations Standards (IVS) 2020.

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



2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

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

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

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

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

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

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

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

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for



the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

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

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

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

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

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



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

2.5.2 VALUER(S)

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

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

2.5.3 STATUS OF VALUER

Status of Valuer	Survey Date	Valuation Date
External Valuer	*Between 09 – 16 December 2021	31 December 2021

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

2.6 EXTENT OF INVESTIGATION

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

Our site inspection was limited to the visual assessment of the exterior & interior features of the subject properties including their facilities & amenities and the properties' surrounding developments. For the purpose of our report, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

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

2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:



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

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report; that no contaminative or potentially contaminative use has ever been carried out on the site;

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

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order; we have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent; that, unless we have been informed otherwise, the properties comply with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work;

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and the market value conclusion arrived at for the properties reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

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

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

2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION & DESCRIPTION OF PROPERTY

The subject portfolio consists of (11) real estate assets located within Riyadh, Jeddah and Dammam, Kingdom of Saudi Arabia, described briefly as follows:

1. Khalidiyah Business Centre

The subject property is located along the southwest corner of Prince Sultan Road and Buhur Ash Shuara Street, within Al Khalidiyah District, Jeddah, Saudi Arabia. It is situated about 1.6 kilometers northeast of Badriyah Towers & Almukmal Tower and approximately 1.5 & 3.5 kilometers east of Stars Avenue Mall & Red Sea shoreline, respectively.



Khalidiyah Business Centre is situated in a mixed-use development district for residential and commercial uses. It is well accessible thru the fronting Prince Sultan Road, a major thoroughfare in the city linking the district to King Abdul Aziz International Airport. The nearby Sari Street likewise provides access for the property leading to the Red Sea/Corniche area. For ease of reference, refer to the illustration below (GPS Coordinates - 21°34'16.07"N, 39° 8'33.60"E).



Source: Google Extract 2021 - For Illustrative Purposes Only.



The subject property is a 5-storey with mezzanine and roof floor retail and office building known as Khalidiyah Business Centre. It is mainly built of reinforced concrete structures with glass and aluminum cladding exterior wall, painted concrete and partly marble cladding/wood paneling interior wall, granite/marble tiles flooring, acoustic tiles and painted suspended ceiling, wooden & glass doors. It is equipped with elevators, firefighting system with smoke detector and fire alarm, CCTV security cameras and centralized air-conditioning system. The subject property was observed to be in good condition and properly maintained.

As per document provided to us, the said retail/office building was built on a rectangular land with an aggregate area of 7,903 square meters. It was reportedly constructed circa 2008 with a total built-up area of 26,712.51 square meters as per building permit provided and details below:

Floor Level	BUA (sq. m)	Use
Ground Floor	5,277.29	Retail
Mezzanine	1,836.00	Retail
First Floor	4,578.97	Office
Second Floor	5,221.22	Office
Third Floor	5,221.22	Office
Fourth Floor	3,384.42	Office
Roof Floor	1,193.39	Office/Services
Total BUA (sq. m)	26,712.51	

Source: Client 2021

2. Rawdah Business Centre

The aforesaid property is located at the northeast corner of Al Rawdah Road and Ahmad Jamjum Street, within Al Rawdah District, Jeddah, Kingdom of Saudi Arabia. It is situated about 70 meters southwest of Omnia Center, some 340 meters northeast of Rovam Plaza and approximately 700 meters northwest of Radisson Blu Hotel. Rawdah Business Centre is situated along the commercial strip of Ar Rawdah Road characterized by retail and office buildings. It is well accessible thru the fronting Al Rawdah Road and the nearby Madinah Al Munawarah Road, a major thoroughfare in Jeddah directly linking the district towards north to King Abdul Aziz International Airport. For ease of reference, refer to the illustration below (GPS Coordinates - 21°33'46.86"N, 39° 9'50.98"E).



Source: Google Extract 2021 - For Illustrative Purposes Only.





The subject property is a 7-storey with mezzanine, 2-level basement parking and 2-roof floors; retail and office building known as Rawdah Business Centre. It is mainly built of reinforced concrete structures with concrete and glass on aluminum frame external walls, painted concrete and partly marble cladding interior wall, granite/marble/ceramic tiles & laminated flooring, painted suspended ceiling, wooden & glass doors. It is equipped with elevators, firefighting system with smoke detector and fire alarm, CCTV security cameras and centralized air-conditioning system.

As per document provided to us, the said retail/office building was built on a rectangular land with an area of 2,462.50 square meters. It was reportedly constructed circa 2014 with a total built-up area of 17,526.74 square meters as per building permit provided and details below:

Floor Level	BUA (sq. m)	Use
Basement 1	2,030.00	Parking
Basement 2	2,030.00	Parking
Ground Floor	1,734.74	Retail
Mezzanine	544.00	Retail
First Floor	1,576.00	Office
Second Floor	1,576.00	Office
Third Floor	1,576.00	Office
Fourth Floor	1,576.00	Office
Fifth Floor	1,576.00	Office
Sixth Floor	1,576.00	Office
Roof Floor – 2 level	1,732.00	Office
Total BUA (sq. m)	17,526.74	

Source: Client 2021

The subject property was observed to be in good condition and properly maintained.

3. Panda Al Hamadaniyah

The above-mentioned property is located at the southwest corner of Al Hamadaniyah street and an unnamed street, within Al Hamadaniyah District, Jeddah, Kingdom of Saudi Arabia.

It is situated about 340 meters northeast of Al Haramain Expressway, some 3.5 kilometers southeast of King Abdul Aziz Sports Stadium and approximately 10 kilometers northeast of King Abdul Aziz International Airport New Terminal.

Panda Al Hamadaniyah is situated in the northeast of Jeddah in an area mainly for residential use.

The fronting Al Hamadaniyah street provides access to the nearby Al Haramain Expressway, the main road in Jeddah linking to Makkah on the south and Madinah on the north.



For ease of reference, refer to the illustration below (GPS Coordinates - 21°45'19.77"N, 39°11'44.83"E).



Source: Google Extract 2021 - For Illustrative Purposes Only.



The subject property is a supermarket known as Panda Hypermarket. It is single storey and constructed of reinforced concrete & steel frame structures with painted concrete exterior and interior walls, ceramic tiles flooring and bare ceiling.

It is equipped with firefighting system, CCTV security cameras and centralized air-conditioning system.

As per building permit provided to us, it was reportedly constructed circa 1433 and has a total built-up area of 5,858 square meters with an open parking area of 2,550 square meters. It was built on land with an area of 13,685.85 square meters.

The property is relatively new and in good condition.

4. Panda Ishbilyah

The subject property is located on the south corner of Ashaikh Jaber Alahmed Alsabah Road & Qalat Al Fustat Street, within Ishbilyah District, Riyadh, Kingdom of Saudi Arabia. It is situated adjacent to KSB Compound, about 700 meters southeast of Ishbilyah Park and approximately 1-kilometre northeast of Ishbilyah Compound.

Panda Ishbilyah's immediate neighbourhood is mainly residential although lands along the main road is being utilized for commercial use.

It is easily accessible thru the fronting Ashaikh Jaber Alahmed Alsabah Road which links the district to King Khalid International Airport to the north.

For ease of reference, refer to the illustration below (GPS Coordinates - 24°47'56.43"N, 46°48'51.58"E).



Source: Google Extract 2021 - For Illustrative Purposes Only



The subject property is also a supermarket known as Panda Hypermarket. It is single storey and constructed of reinforced concrete and steel frame structures with glass panel and aluminum cladding exterior walls, painted interior wall, ceramic tiles flooring and bare ceiling.

It is equipped with firefighting system, CCTV security cameras and centralized air-conditioning system.

We were not provided with the copy of the building permit, although we were informed that it has a total built-up area of 10,784 square meters.

It was observed to be in good condition and properly maintained.

5. Jazeera Compound

The above-mentioned property is situated at the southwest corner of Mujashi Bin Masud and Al Mughira Bin Al Iyash streets, within As Sulimaniyah District, Riyadh, Kingdom of Saudi Arabia.

It is located about 100 meters southeast of Al Jazeera Markets, some 600 meters east of 1st Akaria Mall and approximately 950 meters northeast of Centria Mall.

Jazeera compound is situated in an area where development is mainly for residential and commercial use.

It is very accessible to commercial centers, offices, schools and medical institutions as it close to Musa Bin Nusair Street which directly links to Olaya Street and King Fahd Road, both main roads in Riyadh.

For ease of reference, refer to the illustration below (GPS Coordinates - $24^{\circ}42'16.96''N$, $46^{\circ}41'20.83''E$).



Source: Google Extract 2021 - For Illustrative Purposes Only



The subject property is a residential compound comprising of 52 residential units of which 26-units are villas and 26-units are apartments.

The compound was built on a rectangular shaped land with an aggregate area of 20,758 square meters.

The residential units are typically two-storey buildings with painted concrete exterior & interior wall, ceramic tiles and laminated flooring, painted suspended ceiling and glass on aluminum frame windows.

Compound facilities and amenities includes a fitness gym, swimming pool, basketball/tennis/football court, laundry room, landscaped playground and park. It is secured with concrete perimeter wall and steel gate.

We were not provided with a copy of the building permit, although we were informed that the compound was developed in the 1990's with a total BUA of 16,606 square meters.

It was observed the subject compound was maintained to a good standard and condition.

6. Burj Al Hayat Hotel

The aforementioned property is located at the northeast corner of Al Wara street and an unnamed street, within Olaya District, Riyadh, Kingdom of Saudi Arabia.

It is situated about 130 meters southwest of Holiday Inn Riyadh Meydan, some 850 meters northwest of the Ministry of Interior and approximately 1 kilometer southeast of King Fahd National Library and Park.

Burj Al Hayat is situated in an area characterized by medium rise commercial & office buildings.

Some notable buildings in the immediate vicinity includes the El Ajou Group Al Jeel Medical Company building, General Directorate of Narcotics Control, Holiday Inn Riyadh Meydan, etc. The nearby King Fahd Road provides excellent accessibility for the said property.

The succeeding illustration shows the location of the subject property and its immediate neighborhood (GPS Coordinates - 24°40'37.16"N, 46°41'28.62"E).



Source: Google Extract 2021 - For Illustrative Purposes Only



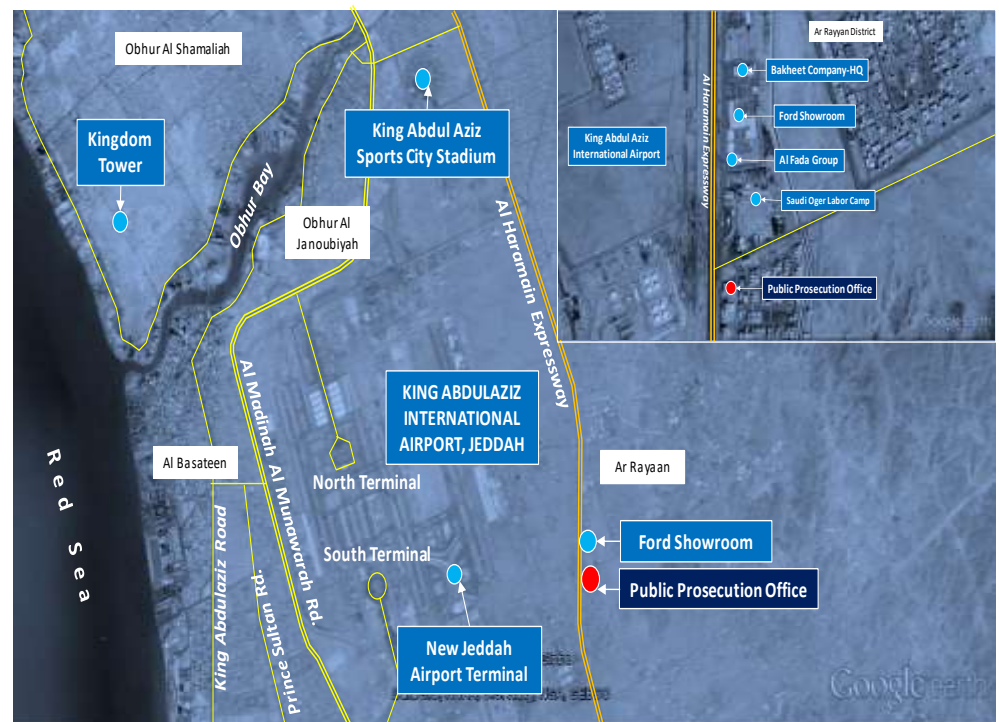
The subject property is a hotel apartment building constructed on a land with an area of 1,494.75 as per document provided. It is a six storey with basement reinforced concrete building with glass/aluminum cladding and concrete exterior wall, marble cladding façade reception area and hotel lobbies interior wall, granite/marble tiles reception area, wall to wall carpet tiles flooring on hotel lobbies, painted and wallpaper finished interior walls, ceramic/wall to wall carpet/laminated hotel room flooring, painted ceiling, glass on aluminum frame windows, wooden hotel room doors and glass main entrance door.

Hotel facilities includes a swimming pool, fitness gym, business center and sauna. It is equipped with elevators, firefighting system with smoke detector and fire alarm, CCTV security cameras, internet WIFI and centralized air-conditioning system. We were not provided with a copy of the building constructed permit although we were informed that the building was built circa 2000 with a total built-up area of 6,574 square meters. It is in good condition and well maintained.

7. Public Prosecution Building

The above property is located along the east side of Al Haramain Expressway access road, within Ar Rayaan District, Jeddah, Kingdom of Saudi Arabia. It is situated about 700 meters south of Ford Al Jazirah Vehicles showroom and approximately 3.4 kilometers of King Abdul Aziz International Airport New Terminal. The Public Prosecution Office Building is situated in an area wherein lands along the main road are for commercial use while interior plots are for residential use. The nearby Al Haramain Expressway provides good accessibility for the subject property.

For ease of reference, refer to the illustration below (GPS Coordinates - $21^{\circ}39'59.24''N$, $39^{\circ}12'17.59''E$).



Source: Google Extract 2021 - For Illustrative Purposes Only

The subject property is a seven storey with basement, office building constructed mainly of reinforced concrete structure. Architectural building finishes consist of glass cladding façade and concrete exterior wall, granite cladding and painted concrete interior wall, granite/marble/ceramic tiles flooring, acoustic tiles and painted suspended ceiling, wooden and glass doors. The building is equipped with elevators,

firefighting system with smoke detector & fire alarm, CCTV security cameras and air-conditioning system. As per document provided to us, the building was constructed circa 1434 and has a total built-up area (BUA) of 19,342 square meters as detailed below:

Floor Level	BUA (sq. m)	Use
Basement	4,767.29	Parking
Ground Floor	2,000.65	Office
First Floor	2,108.89	Office
Second - Fourth Floor	6,556.05	Office
Fifth – Sixth Floor	3,909.22	Office
Total BUA (sq. m)	19,342	

Source: Client 2021

8. Panda Rayaan

The subject property, identified as Panda Rayaan, is located along the northwest side of Al Imam Ali Bin Abi Street within Al Rayaan District, Dammam, Kingdom of Saudi Arabia. It is situated across Prince Mohammed Bin Fahd Complex, about 700 meters southwest of Maternity and Children Hospital and approximately 950 meters south of King Fahd Specialist Hospital Dammam. Panda Rayaan is situated in an area where land utilization is mostly for commercial use. Some of the prominent establishments near the subject property includes the Prince Mohammed Bin Fahd Complex, Al Rajhi Bank, Sahel Gas Station, Alinma Bank, SABB, Saudi Fransi Bank, etc. It is easily accessible thru the fronting Al Imam Ali Bin Abi Street and the nearby Othman Bin Affan Road. For ease of reference, refer to the illustration below (GPS: 26°24'8.90"N, 50°5'59.08"E).



Source: Google Extract 2021 - For Illustrative Purposes Only



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The subject property, known as Panda Rayan, is a single-storey, commercial retail shop and hypermarket building built mainly of reinforced concrete structure.

Architectural building finishes consist of partly glass panel façade and painted concrete exterior walls, granite tiles flooring, painted interior walls, glass door and steel roll-up doors. It is equipped with air-conditioning system and firefighting system. The property includes an asphalt-paved driveway and parking area.

Panda Rayaan has a total built-up area of 9,800 as per information provided. It was observed to be in good condition and properly maintained.

9. Al Hukair Time

The subject property, commonly known as Al Hukair Time, is located along the north side of Al Ashriah Street within Ash Shati Ash Sharqi District, Dammam, Kingdom of Saudi Arabia. It is situated about 370 meters west of the Arabian Gulf shoreline, some 780 meters east of Sheraton Dammam Hotel and Convention Center and approximately 800 meters southeast of Al Shatea Mall. Al Hukair Time is situated in an area where lands are mostly developed for commercial use due to its proximity to the Arabian Gulf shores. Notable developments in vicinity includes the Park Inn by Radisson, Best Western Hotel, Ewa East Moon Hotel Apartment, Applebee's, etc.

It is accessible via the fronting Al Ashriah Street and the nearby Prince Mohammed Bin Fahd and Khaleej Roads. The illustration below shows the location of the subject property in relation to its immediate neighborhood and environs (GPS: 26°27'9.75"N, 50°7'41.91"E).



Source: Google Extract 2021 - For Illustrative Purposes Only



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The above property is a single-storey with mezzanine and basement, commercial showroom building constructed mainly of reinforced concrete structure with glass panel, aluminum cladding and brick-stone finish façade; painted concrete exterior wall and glass on aluminum frame main entrance doors.

We were not able to view the interior finishes of the said building although it was noticed to be in excellent condition and properly maintained.

As per information provided to us, it was supposedly constructed circa 1437 and has a total built-up area of 3,326 square meters.

10. Saudi Fransi Bank

The subject property, identified as Saudi Fransi Bank, is situated near the west side intersection of Othman Bin Affan and Al Imam Bin Ali Abi Talib Streets, within Ar Rayyan District, Dammam, Kingdom of Saudi Arabia. It is located about 270 meters northeast of Prince Mohammed Bin Fahd Complex, some 400 meters southwest of Maternity and Children Hospital, and approximately 800 meters southeast of King Fahd Specialist Hospital Dammam.

Saudi Fransi Bank is located in an area where lands along the main road are developed for commercial use and interior plots are for residential use.

Notable landmarks in the vicinity includes the SABB Bank, Al Rajhi Bank, Panda Hypermarket, etc. It is very accessible thru Othman Bin Affan and Al Imam Ali Bin Abi Talib streets. For ease of reference, refer to the illustration below (GPS: 26°24'13.84"N, 50°6'8.82"E).



Source: Google Extract 2021 - For Illustrative Purposes Only



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The subject property, identified as Saudi Fransi Bank, is a two-storey building constructed mainly of reinforced concrete structure with glass panels and concrete exterior wall and glass main entrance door. We were not able to view the interior finishes of the subject building, although it was observed to be well maintained and in good condition. Other improvements on the subject property includes an asphalt-paved driveway with painted concrete curb & gutter, interlock concrete paver sidewalk and steel pole lightings open parking area fronting the said building.

As per document provided to us, the building was reportedly constructed circa 1426 and has a total built-up area of 879 square meters as per detail below. It is in good condition and well maintained.



Floor Level	BUA (sq. m)	Use
Ground Floor	426	Office
First Floor	453	Office
Total BUA (sq. m)	879	

Source: Client 2021

11. Ajdan Walk, Khobar

The subject property is located in the Khobar Waterfront in Corniche Road. Primary vehicular access to the property will be via Prince Turkey Street, which is commonly known as the Corniche Road. The property is located within the upcoming Ajdan Waterfront Development being developed by Al Oula. For ease of reference, refer to the illustration below.



Source: Google Extract 2021 - For Illustrative Purposes Only.



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Description	Property Details
Property Name	Ajdan Walk, Khobar
Type	Retail Development - 27 F&B Units over 12 Buildings
Land Area (sq. m.)	16,965.77
Built-Up Area (sq. m.)	32,212.08
Parking Bays	Approximately 339
No of Units	27 Food & Beverage (F&B) Units
Owner	Ajdan Real Estate Development Company
Location	Prince Turkey Street (Ajdan Walk), Khobar
GPS Co-ordinates	26°16'59.90"N 50°13'11.99"E
Interest Valued	Assumed Freehold

The subject mixed-use development consists of a unique retail village with luxury residential buildings that include food and beverage podiums with major cinema and other facilities.

The various components of the development are expected to complement each other with state-of-the-art design and quality. The subject property is now complete, and it is understood tenants are fitting out with signed occupational tenancy agreement in place.



The subject property consists of 27 units / shops distributed over 11 buildings with total GFA of 11,581 sq. m, whilst the GLA is approximately 14,235 sq. m. The schedule below depicts a detailed area schedule (space program) for Ajdan Walk including Gross Floor and Gross Leasable Area(s):



#Building	Units / Shops	GFA (sq. m)	FF GFA	GF seating	FF Seating	Total Seating	Total GFA	Total GLA (sq. m)
Building 1	1	608	649	87	-	87	1,256	1343
Building 2	2	897	745	209	326	535	1,641	2176
Building 3	1	773	665	238	256	494	1,438	1932
Building 4	5	631	693	55	223	278	1,323	1602
Building 5	5	352	338	182	65	247	690	937
Building 6	7	876	940	148	143	291	1,816	2107
Building 7	2	649	551	153	111	263	1,200	1463
Building 8	1	1755	-	-	-	0	1,755	1755
Building 9	1	253	-	203	-	203	253	456
Building 10	1	127	-	142	-	142	127	269
Building 11	1	82	-	113	-	113	82	195
Total	27	7,003	4,581	1,530	1,124	2,653	11,581	14,235

Source: Client 2021

2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details

Based on the document supplied by the client, the land areas and built-up areas of the subject properties are as follows:

Prop. #	Property Name	Land Area (sqm)	BUA (sqm)
1	Khalidiyah Business Center	7,903.00	26,712.51
2	Rawdah Business Center	2,462.50	17,526.74
3	Panda Al Hamadaniah	13,685.85	5,858
4	Panda Ishbilyah	23,604.00	10,784
5	Jazeera Compound	20,758.00	16,606
6	Burj Al Hayat	1,494.75	6,574
7	Public Prosecution Office	4,767.25	19,342
8	Panda Rayan	18,144.80	9,800
9	Al Hukair Time	5,155.52	3,326

	10	Saudi Fransi Bank	5,191.44	879
	11	Ajdan Walk	16,965.77	32,212.08
Topography	Generally, the properties are mostly regular in shape and on level terrain			
Drainage	Assumed available and connected.			
Flooding	ValuStrat’s verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report’s scope of work. Note: It is understood that there is no known flooding in the areas where the properties are located.			
Landslip	ValuStrat’s verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report’s scope of work.			

2.10.1 TOWN PLANNING

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

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

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

2.10.2 SERVICES

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

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

According to Civil Defence regulations in Saudi Arabia known as the Civil Defence system released by Royal Decree No. M/10 on 05-10-1406, corresponding to 20-01-



1986]; firefighting system(s) must be in place providing protection to both people, public and private properties.

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

2.11 TENURE/TITLE

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

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

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

The subject properties were registered under the below-mentioned title deeds which we had assumed on freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

P#	Property Name	Location	Title Deed No.	T.D. Date	Land Area (sqm)	Interest
1	Khalidiyah Business Centre	Jeddah	420216026736	1441/6/1	7,903	Freehold
2	Rawdah Business Centre	Jeddah	420228018317	1440/8/17	2,462.50	Freehold
3	Panda Al Hamadaniah	Jeddah	220206006345	1434/3/14	13,685.85	Freehold
4	Panda Ishbilyah	Riyadh	410111055251	1440/9/18	23,604	Freehold
5	Jazeera Compound	Riyadh	310117046169	1440/9/17	20,758	Freehold
6	Burj Al Hayat	Riyadh	910104046943	1440/9/17	1,494.75	Freehold
7	Public Prosecution	Riyadh	720223019231	1439/11/12	4,767.25	Freehold
8	Panda Rayyan	Dammam	530105021904	1440/2/7	18,144.80	Freehold
9	Hukair Time	Dammam	330107029073	1440/2/7	5,155.52	Freehold
10	Saudi Fransi Bank	Dammam	330114008967	1440/6/9	5,191.44	Freehold
11	Ajdan Walk	Khobar	930203009265	1440/6/9	16,965.77	Freehold

Source: Client 2021; The above properties are owned by Saudi Economic and Development Company for Real Estate Funds.

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



2.11.1 OCCUPANCY LEASES & TENANCY DETAILS

We have been provided with the lease contract agreements/tenancy schedules for the (11) property which have been adjusted for the multiple occupied property and have summarized details in the table below:

Prop. #	Property Name	Gross Rent (SAR)	% Occ.	OPEX	*Escalation	Lease Terms
1	Khalidiyah Business Centre	12,239,035 p.a.	85%	13%	2.5%	2-10 years
2	Rawdah Business Centre	10,632,000 p.a.	75%	14%	2.5%	1-5 years
3	Panda Al Hamadaniah	2,845,151 p.a.	100%	0%	5%	15 years
4	Panda Ishbilyah	5,822,670 p.a.	100%	0%	5%	15 years
5	Jazeera Compound	7,408,500 p.a.	97%	20%	2.5%	Annual Renewals
6	Burj Al Hayat	1,500,000 p.a.	100%	0%	6.67%	5 years
7	Public Prosecution	4,400,000 p.a.	100%	6%	0%	Annual Renewals
8	Panda Rayaah	5,228,170 p.a.	100%	0%	5%	15 years
9	Al Hukair Time	2,200,000 p.a.	100%	0%	13.64%	20 years
10	Saudi Fransi Bank	2,000,000 p.a.	100%	0%	33%	10 years
11	Ajdan Walk	25,000,000 p.a.	100%	0%	5%	10 years

Source: Client 2021

*Refer to lease contract agreement for details of rent escalation/growth rate of each property. We assume information provided is correct and accurate.

For Khalidiyah Business Centre, the client has informed us that a proposed Parking Building and Roof Top Restaurant construction will be undertaken started in March 2019 at an estimated CAPEX of SAR 12.8 million. This expects to generate an additional gross leasable area of 1,895 square meters beginning March 2022). Assuming an average rental rate of SAR 1,400/sqm, it produces additional rental income of SAR 2,653,000 per annum; hence, Gross Rent in Year 2022 will be SAR 16,498,344 per annum.

The Ajdan Walk lease agreement is between Ajdan Walk Development Real estate and First Development Real Estate Holding Company commencement from 1/1/2019 for a term of 10 years with an initial income of SAR 25 million per annum and thereafter in year 6 at an income of SAR 26,250,000 per annum. Due to confidentiality and size of documents, we are unable to attach agreements with this report. For further details refer to the Fund Manager.

Burj Al Hayat Hotel – we understand from the client a new local operator has been secure with agreed lease term of 5 years from 01 January 2022. The initial rent is SAR 1.5 million per annum.

The tenant's name: مؤسسة الحفلة الرائعة للشقق الفندقية

The contract has been signed and executed through E-jar platform.

Also, we understand there is an escalation in the 4th year at 6.67% with tenants to bear all operational expenses.

For the purpose of this valuation exercise, we assume there are no onerous terms impacting the valuation. Should it transpire there is onerous terms impacting the valuation, we reserve the right to amend our valuation and report.

Public Prosecution Building – we understand the annual rent has declined to SAR 4,400,000 per annum.



Panda Rayan – There is has been an escalation of annual rent to SAR 5,228,170 per annum.

For the purposes of this valuation, we have explicitly assumed that the lease contract agreements, tenancy schedules and all other information provided by the client are complete, accurate and updated. Should this not be the case, we reserve the right to amend our valuation and this report.

2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow (DCF) approach taking into consideration the lease contract agreements/tenancy schedules and other related information provided by the client.

2.12.1 DISCOUNTED CASH FLOW APPROACH

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

In determining our opinion of Market Value of the subject property we have utilized the Investment Approach utilizing a Discounted Cash Flow technique. The Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property. This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property. The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject compounds the cash flow has been projected over a 10-year period reflecting a market practice for cash flows reflecting the two lease terms referred above for both properties.

The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of both properties. The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate as referred in the lease contract based on rental income per annum has been agreed and has been reflected within the DCF calculations.

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

2.12.2 MARKET RENTS

Since the last exercise in June 2021 prices generally remained unchanged, although adjustments have been made based on information provided by the client based on the tenancy schedules and in line with lease terms reflecting market conditions. We expect the subject mixed portfolio referred in this report to remain stable in the foreseeable future subject to ongoing maintenance, upkeep of the property and to provide yield stability with the real estate sector generally follows the fortunes of the greater economy. Although should the pandemic – health crisis cases persist, we expect an adjustment in rent and capital values in 2022.

A funds performance relies on the performance of the underlying income generating investments and there is counterparty default risk that could affect the value of your investment. Past performance and forecasts are not reliable indicator of future results. Property values are subject to fluctuation over time as market conditions may change.

Valuation figures considered full figure and may not be easily achievable in the event of an early re-sale. It also must be borne in mind that capital values can fall as well as rise. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace. Sales or rental evidence for similar properties within KSA are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia. Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of some office space, retail stores and residential villas within Riyadh, Jeddah & Dammam.

Rental rates of some office & retail spaces within Jeddah

<i>Establishments</i>	<i>Type</i>	<i>Area (sqm)</i>	<i>Rent/sqm (SAR)</i>	<i>Location</i>
Omnia Centre	Retail	133-304	900 – 1,100	Rawdah District
	Office	217-504	930 – 1,400	
Nojoud Centre	Retail	136-1,623	2,250 - 5,100	Tahlia Street
	Office	105-4,225	400 - 1,100	
Al Marwah Plaza	Retail	29-265	700 - 2,000	Al Marwah District
	Office	57-304	650 - 900	

Rental Rates of some Commercial Retail Strips/Plazas within Riyadh

<i>Establishments</i>	<i>Type</i>	<i>Area (sqm)</i>	<i>Rent/sqm (SAR)</i>	<i>Location</i>
Veranda F&B	Retail	-	1,500	North Ring Road, Al Ghadir District
	Office	200-400	1,000	
Black Garden	Retail	145-1,150	1,380-2,300	North Ring Road, At Taawun District
	Office	137.00	365	
Jarir Complex	Retail	325-390	1,000	Uthman Bin Affan Road
Al Ezdihar Complex	Retail	192-336	850	Northern Ring Road



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Tijan Plaza	Retail	114-280	690-950	King Khalid Road, Ar Rehab District
	Office	70-192	400-550	
Rawana Plaza	Retail	208-317	1,000	Uthman Bin Affan Road, At Taawun District
	Office	88-148	550	
Al Sahafa Center	Retail	66-250	1,200-1,800	King Abdul Aziz Road, Al Sahafa District
	Office	337-447	400-550	
Tilal Center	Retail	76-456	900-2,100	Al Malqa District
Al Yarmouk Center	Retail	74-320	1,300-1,800	Dammam Rd., Al Yarmouk

Rental Rates of some villas within residential compound in Riyadh

Name of Compound	Location	Villa Type	Area (m ²)	Rent/Yr (SAR)	Rent/m ² (SAR)
Palms Estate Compound	Khozama District	3-Bedroom	220	200,000	909.09
		3-Bedroom	300	240,000	800.00
		2-Bedroom	180	170,000	944.44
		2-Bedroom	165	150,000	909.09
DHC Compound	Diriyah Area	1-Bedroom	79	60,000	759.49
		3-Bedroom	167	110,000	658.68
Al Rabia Community	Ad Diriyah District	3-Bedroom	284	160,000	563.38
		4-Bedroom	422	250,000	592.42
Daraq Diplomatic Quarter	As Safarat	4-Bedroom	450	265,000	588.89
		4-Bedroom	500	287,000	574.00
		4-Bedroom	539	317,000	588.13
Del Mar Compound	Al Munsiyah District	3-Bedroom	496	215,000	433.47
		2-Bedroom	198	85,000	429.29
Carolina Palms Compound	Al Mutha'ar District	4-Bedroom	342	245,000	716.37
		3-Bedroom	260	180,000	692.31
		3-Bedroom	180	125,000	694.44
Cecil Compound	Khurais Road	3-Bedroom	166	100,000	602.41
		3-Bedroom	161	90,000	559.01

Commercial Properties offered for Lease in the vicinity of Panda Raya, Dammam

Sn	Property Type	Area (sqm)	Rent/Year (SAR)	Rent/Sqm (SAR)	Location
1	Commercial	3,500	1,400,000	400	Ar Rayyan District-close by
2	Commercial	1,900	750,000	395	Al Muraikabat District
3	Commercial	4,000	1,400,000	350	An Nur District
4	Commercial	1,026	350,000	341	As Saif District
5	Commercial	900	300,000	333	Al Hamra District
6	Commercial	2,030	500,000	246	Prince Mohd. Bin Fahd Rd
7	Commercial	1,680	400,000	238	Al Badr District
8	Commercial	3,600	800,000	222	Uhud District

Retail shops for lease in the vicinity of Al Hukair Time, Dammam

Sn	Property Type	Area (sqm)	Rent/Year (SAR)	Rent/Sqm (SAR)	Location
1	Retail	288	150,000	521	Ash Shati Ash Sharqi
2	Retail	599	419,300	700	Ash Shati Ash Sharqi
3	Retail	380	285,000	750	Ash Shati Ash Sharqi
4	Retail	166	165,000	994	Ash Shati Ash Sharqi
5	Retail	841	850,000	1,011	Ash Shati Ash Sharqi



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Office spaces for lease in the vicinity of Saudi Fransi Bank, Dammam					
Sn	Property Type	Area (sqm)	Rent/Year (SAR)	Rent/Sqm (SAR)	Location
1	Office	125	62,500	500	Ar Rayyan District
2	Office	435	279,705	643	Ar Rayyan District
3	Office	100	70,000	700	Ar Rayyan District
4	Office	140	140,000	1,000	Ar Rayyan District
5	Office	250	270,000	1,080	Ar Rayyan District

Retail leases Across Khobar			
GLA (m ²)	Annual Rent (SAR)	Rent/m ² (SAR)	Location
36	90,000	2,500	Thuqbah
30	45,000	1,500	Thuqbah
40	50,000	1,250	Thuqbah
289	400,000	1,384	Madinat Al Umal
60	70,000	1,167	Al Andalus
40	30,000	750	Al Aqrabiyah

Rental Rates of some hotel buildings in Riyadh					
S#	Property Type	District	BUA (m ²)	Rent/Year (SAR)	Rent/m ² (SAR)
1	Hotel Building w/ Retail	Al Yasmin	10,013	4,300,000	430
2	Hotel Building	Al Olaya	6,750	3,400,000	504
3	Hotel Building	King Fahd	7,669	6,250,000	815
4	Hotel	Al Yasmin	6,300	3,000,000	476

The client has provided us rental details referred below, although, we have adjusted the rentals for the multiple occupied property such as Khalidiyah Business Centre and Rawdah Business Centre.

#No.	Property	GLA/NLA (sq. m)	Gross Income (SAR)	Actual Rate per sq. m
1	Khalidiyah Business Centre	14,369	12,239,035 p.a.	852
2	Rawdah Business Centre	11,794	10,632,000 p.a.	901
3	Panda (Jeddah)	5,858	2,845,151 p.a.	486
4	Panda (Riyadh)	10,784	5,822,670 p.a.	540
5	Jazeera Compound	9,630	7,408,500 p.a.	769
6	Burj Al Hayat	6,574	1,500,000 p.a.	228
7	Public Prosecution	14,575	4,400,000 p.a.	302
8	Panda Rayan	9,800	5,228,170 p.a.	533
9	Hukair Time	3,326	2,200,000 p.a.	661
10	Saudi Fransi Bank	879	2,000,000 p.a.	2,275
11	Ajdan Walk	14,235	25,000,000 p.a.	1,756

Source: Client 2021



2.12.3 ASSUMPTIONS & COMMENTARY

The subject property has been assessed as an investment property subject to the lease amount provided by the client and any assumptions made by ValuStrat within market benchmarks. ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical commercial and residential properties in Riyadh, Jeddah & Dammam, KSA taking cognisance of the surrounding developments within the property which will ultimately form part of. This was done in an attempt to forecast our interpretation of performance of the subject property over the 10-year explicit cash flow period.

In this instance, we have adopted the following rates:

Growth Rates & Operational Cost

The growth rates for the subject properties are as per lease contract agreements provided by the client which are summarized as follows:

Property #	Property Name	Growth Rates	Operational Cost
1	Khalidiyah Business Centre	2.50%	13%
2	Rawdah Business Centre	2.50%	14%
3	Panda Al Hamadaniah	5%	0%
4	Panda Ishbilyah	5%	0%
5	Jazeera Compound	2.50%	20%
6	Burj Al Hayat	6.67%	0%
7	Public Prosecution	2.5%	6%
8	Panda Rayaan	5%	0%
9	Al Hukair Time	13.64%	0%
10	Saudi Fransi Bank	33%	0%
11	Ajdan Walk	5%	0%

Exit Yield

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments. These typically vary between 7% and 9%, with exceptions on either side, depending on the quality of the property, length of the leases and the location.

Based on the above criteria we are of the opinion that a fair exit yield for the subject properties is shown on the succeeding page and table.

Discount Rate

The discount rate reflects the opportunity cost of capital. It reflects the return required to mitigate the risk associated with the particular investment type in question.



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

Market risk will also reflect where we are in the property cycle. For the purpose of our valuation calculations, we have adopted the following exit yields & discount rates.

Property #	Property Name	Exit Yield	Discount Rates
1	Khalidiyah Business Centre	8%	10.5%
2	Rawdah Business Centre	8%	10.5%
3	Panda Al Hamadaniah	7%	9%
4	Panda Ishbilyah	7%	9%
5	Jazeera Compound	8.5%	10.5%
6	Burj Al Hayat	8.5%	10%
7	Public Prosecution	8%	9%
8	Panda Raya	7%	9.5%
9	Al Hukair Time	7%	8%
10	Saudi Fransi Bank	7.5%	9%
11	Ajdan Walk	7%	7.5%

2.12.4 INVESTMENT YIELD AND DISCOUNT RATE(S)

Despite the continuance of subdued conditions, the KSA real estate investment market remains resilient in times of global uncertainty, protectionism, technology innovation disruption and regional volatility.

The divergence between prime yields and secondary continues to widen, reflecting the fact that investors are willing to pay a premium for assets seen as lower risk, in core locations along with strong covenants/tenants/branding.

Whilst there remains a lack of transactional evidence in the KSA market and the lack of good quality income generating assets across the KSA market; however, strong investor appetite remains for 'Best in Class' / 'Institutional Asset Class – Grade A' / good quality property providing long term income.

The historic strength of asset classes and significant growth in the past few years has meant fairly attractive yields and with the continuance of current stable demand but slower growth. Investors are also no less sensitive to asset classes i.e., office, retail, residential, industrial and the location of property providing investor expectations and stable long-term income for portfolios and funds.

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



General consensus anticipates a strident improvement in the Saudi economy in the period ahead (vision 2020 and vision 2030), supported by both the oil and non-oil sectors.

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

Transaction Type	Investment Yield (%)
Major Cities & Core Location(s)	7% - 8.5%
Best in Class / Institutional Asset Class – Grade A	7% - 8.5%
Good Quality Income Generating Asset	7% - 8.5%
Strong Covenants / Leases / Tenants / Strong Brands	7% - 8.5%
Secondary / Tertiary Location & Grade B/C stock.	9% - 10.5%

2.12.5 VALUATION SUMMARY

The resultant values based upon the above variables/assumptions for the subject properties are as follows:

Property #	Property Name	Location	Property Value - Rounded (SAR)
1	Khalidiyah Business Centre	Jeddah	144,000,000
2	Rawdah Business Centre	Jeddah	107,000,000
3	Panda Al Hamadaniah	Jeddah	38,000,000
4	Panda Ishbilyah	Riyadh	79,000,000
5	Jazeera Compound	Riyadh	65,000,000
6	Burj Al Hayat	Riyadh	20,000,000
7	Public Prosecution	Jeddah	52,000,000
8	Panda Rayaam	Dammam	65,000,000
9	Al Hukair Time	Dammam	32,000,000
10	Saudi Fransi Bank	Dammam	27,600,000
11	Ajdan Walk	Khobar	357,000,000
Aggregate Portfolio Value (SAR)			986,600,000

2.12.6 VALUATION COMMENTARY

- In reaching our opinion of the value, we have assumed that the subject property referred within this report are professionally operated and managed complying with all government legislation. Should this not be the case, we reserve the right to amend our valuation and report.
- The outbreak of the COVID-19 pandemic 2020 a year on remains a material factor in daily life and uncertain economic trends globally along with delta, delta plus virus with mutations of the virus especially the outbreak of the Omicron virus which spread across over seventy countries across the globe;



therefore, should the the health crisis persist affecting the economy in 2022, it is likely the market rates/prices will be affected. The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2. In times of uncertainty with restricted travel due to ongoing concerns of pandemic 2020 with volatility across many sectors; hence many businesses are affected due to the closure and loss of business, we assume all rentals, lease(s) and landlord & tenant information provided by the client is correct and accurate. Should this not be the case, we reserve the right to amend our valuation and report.
3. We have been made aware there is no rent arrears (debt) and all tenants are up to date with rental obligations. Should this not be the case, we reserve the right to amend our valuation and report.
4. Occupancy rates and rents may fluctuate depending on a number of factors, including market and economic conditions resulting in the property/investment not being profitable.
5. KSA's oil production and business is a major contributor to Saudi income and strong economic conditions. Therefore, any major fluctuations in oil prices can have a similar effect on the local economy impacting commercial investments and the overall long-term development of the economy in volatile and uncertain times.
6. The growth of the economy is also subject to numerous other external factors, including continuing population growth, increased direct and foreign investment in the local economy and Government and private sector investment in infrastructure, all of which could have a significant impact on the economy and business profitability.
7. It should be noted that the valuation provided is of the property (excluding any element of value attributable to furnishings, removable fittings and sales incentives) as new. It is possible that the valuation figure may not be subsequently attainable on a resale as a' second-hand villa especially if comparable new property is on offer at the same time.
8. As regards properties, which are retained, or to retain an ownership interest in, such competition may affect the Funds ability to attract and retain tenants and reduce the rents impacting the property/investment.
9. Any retained or owned property by fund will face competing properties leading to high vacancy rates resulting in lower rental rates. It is imperative for leasing obligations to preserve and keep-up high standard of landlord & tenant (property management) and so it will necessitate that the property be maintained to a good standard to maintain its value.



10. The subject portfolio referred in this report is considered as full figure(s) and may not be easily achievable in the event of an early re-sale in the short term due to volatile and uncertain times. Refer to our market conditions section below.
11. Property values are subject to fluctuation over time as market conditions may change.
12. We have assumed that the land is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject 11 (eleven) property referred within this report, as of the date of valuation, based on the Discounted Cash Flow (DCF) Approach and assumptions expressed within this report, may be fairly stated as follows;

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

Aggregate Value: SAR 986,600,000 (Nine Hundred Eighty-Six Million, Six Hundred Thousand, Saudi Arabian Riyals).

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

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

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

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

2.14 MARKET CONDITIONS SNAPSHOT

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

The outbreak of the pandemic COVID-19 a year on remains a material factor in daily life and uncertain economic trends globally and in the middle east, though KSA has remained fairly resilient with PIF – sovereign wealth fund going from strength to strength. Through the unprecedented trial over the Coronavirus COVID-19 and the global spread of the virus, it has meant a significant impact on global financial



markets as geographies experience continued spread and increase of pandemic cases. This has meant a global shutdown/lockdown of economies with most sectors affected.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization (WHO) as a “Global Pandemic” back on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe and continues to be restricted travel throughout 2021. Market activity is being impacted in many sectors. Prior to the global rapid spread of the virus and the announcement by the KSA authorities of an initial indefinite lockdown, the KSA real estate market was in a healthy position with many analysts predicting a strong 2020 for real estate (vision 2020) with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

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

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

The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut,



though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

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

Equally, the short-term generally speaking we do not expect the current real estate market to show any small adjustment in prices/rates. The KSA real estate market is a developing market with much invested by the government in infrastructure projects, so we expect the government’s latest stimulus to preserve liquidity and for demand to hold having limited / no bearing on prices / rates. However, should the pandemic persist throughout 2021, we do expect adjustment later on in the year.

Our valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

2.14.2 MARKET CONDITIONS PRIOR TO THE PANDEMIC & THE KSA LOCKDOWN

Despite a new wave of infections (Variant Viruses) this year (2021), the roll out of vaccinations offers hope in controlling this disease and provide a path of recovery in sight along with recovery in oil price provides further impetus.

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

Through the current vision 2030 and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue



diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy.

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

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

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

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

General consensus anticipates a piercing improvement in the Saudi economy in the period ahead (2021-2022), supported by both the oil and non-oil sector. So ultimately it appears the economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall. The economy slipped into recession in 2018 but returned to growth in 2019, albeit at the fairly modest level of 1.7%, according to estimates from the International Monetary Fund (IMF). However, the return to growth is mainly due to a return to increase in oil prices again and output which, in turn, is enabling an increase in government spending.

Accordingly, in the short term needs to rely on the oil revenue and this reliance is being channelled into public spending. The reforms that have been pushed through to date have led to important changes aiding the economy.

The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce. Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars.

A due enactment of law will encourage public-private partnerships to herald more foreign investment.



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

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

Vision 2030 to diversify the economy from reliance on oil, has only just commenced in previous years and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region.

Reform efforts include a reduction of subsidies on fuel and electricity and the implementation of a 5 per cent VAT back on 01 January 2018 which increased to 15 per cent VAT as of 01 July 2020.

The government is also striving to get women to play a greater role in the economy including recently allowing them to drive back in 2019. Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAFD) along with 4 VOX screens opening at Riyadh Park Mall.

The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF.

With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030.

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

Red Sea Tourism Project

To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination.

For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

Al Faisaliyah Project

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

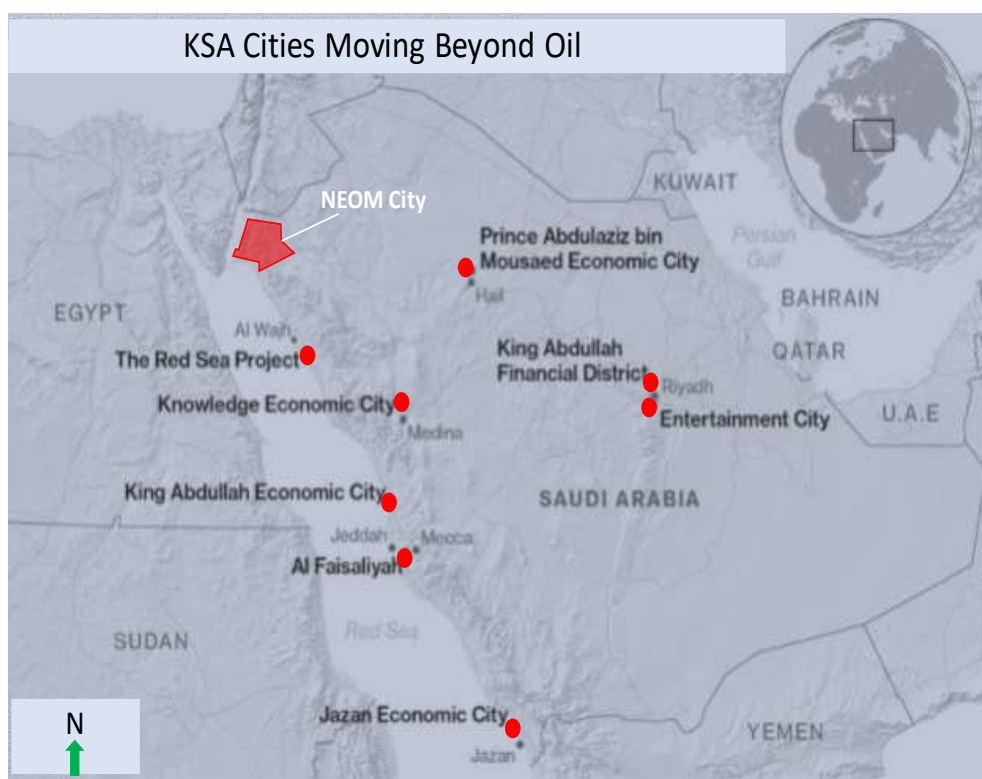


Qiddiya Entertainment City

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

The 334 square kilometre entertainment city will include a Safari Park too. The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels.

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



Neom City

The NEOM city project will operate independently from the "existing governmental framework" backed by Saudi government along with local and international investors.

The project will be part of a 'new generation of cities' powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Economic Cities

The overall progress with the Economic Cities has been slow and projects on hold over the past 7-10 years, although KAFD has recently given the go ahead to complete by 2020.

Within the Saudi Vision 2030 the government referenced that they will work to “salvage” and “revamp”.

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to decline in both sales and rental values.

We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.

Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above.

As mentioned earlier, KSA experienced positive growth by oil price rise in the first quarter of 2021; hence the main driver of the recovery remains oil. Over 2021 we envisage the Kingdom’s consumer outlook to be more favourable in economic conditions.

Moreover, tax on development land implemented in 2017/18 has kept the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom’s oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia’s sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing.

This initiative will create stability and growth in the Kingdom’s housing sector by injecting liquidity and capital into the market. Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part.

The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past (2008-2016). The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy.

The real estate market performance in 2019/20 and the general trend in KSA for most sectors have remained subdued given lower activity levels, while prices have been under pressure across most asset classes leading to a gradual softening of rental and sale prices.

The real estate sector remains subdued, and prices may have bottomed out across sectors, and we expect in the medium to long term for the market to pick-up further



growth given the reforms and transformation in KSA, although we expect the growth to be slow and steady subject to a stable political environment in KSA and across the region.

The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation. All in all, market volatility remains currently, and prices are likely to witness further deterioration in the short term. Since the issuing of this report the KSA lockdown for the COVID-19 health crisis was lifted back on 21 June 2020 and the economy is now trying to get back to normalcy. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2022.

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

2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too. We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature. The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis. The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

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

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

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



2.16 DISCLAIMER

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

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

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

2.17 CONCLUSION

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

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

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

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

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



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



Private & Confidential

SEDCO Capital REIT Fund, KSA – Dec 2021

APPENDIX 1 - PHOTOGRAPHS

Property No. 1 – Khalidiyah Business Centre



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SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 2 – Rawdah Business Center



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SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 3 – Panda Al Hamadaniah



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SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 4 – Panda Ishbilyah



Private & Confidential

SEDCO Capital REIT Fund, KSA – Dec 2021

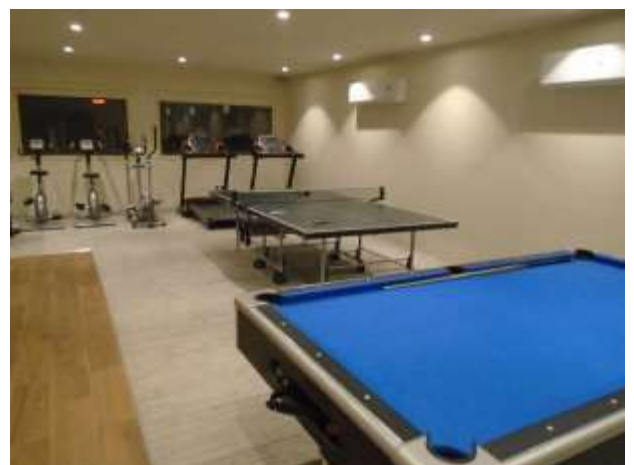
Property No. 5 – Jazeera Compound



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SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 6 – Burj Al Hayat



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SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 7 – Public Prosecution Building



Private & Confidential

SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 8 – Panda Rayaan



Private & Confidential

SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 9 – Al Hukair Time



Private & Confidential

SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 10 – Saudi Fransi Bank



Private & Confidential

SEDCO Capital REIT Fund, KSA – Dec 2021

Property No. 11 – Ajdan Walk





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