



Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund

Ajdan Entertainment

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832295
Date: 10/08/2026

Subject: Valuation Report for Commercial Complex– Khobar City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832295
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial complex
Property Location	Al- Corniche district, Al Khobar City.
Title Deed No.	599181002162
Title Deed Date	08/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	6,865.99 Sqm
BUA (Sqm)	16,093.40 Sqm
GLA (Sqm)	5,803 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 154,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	07/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

The subject property is a commercial complex located in Al-Corniche district, Al Khobar city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 6,865.99 square meters.
- Built-up area: 16,093.40 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property located near Prince Turki Street from the western side.

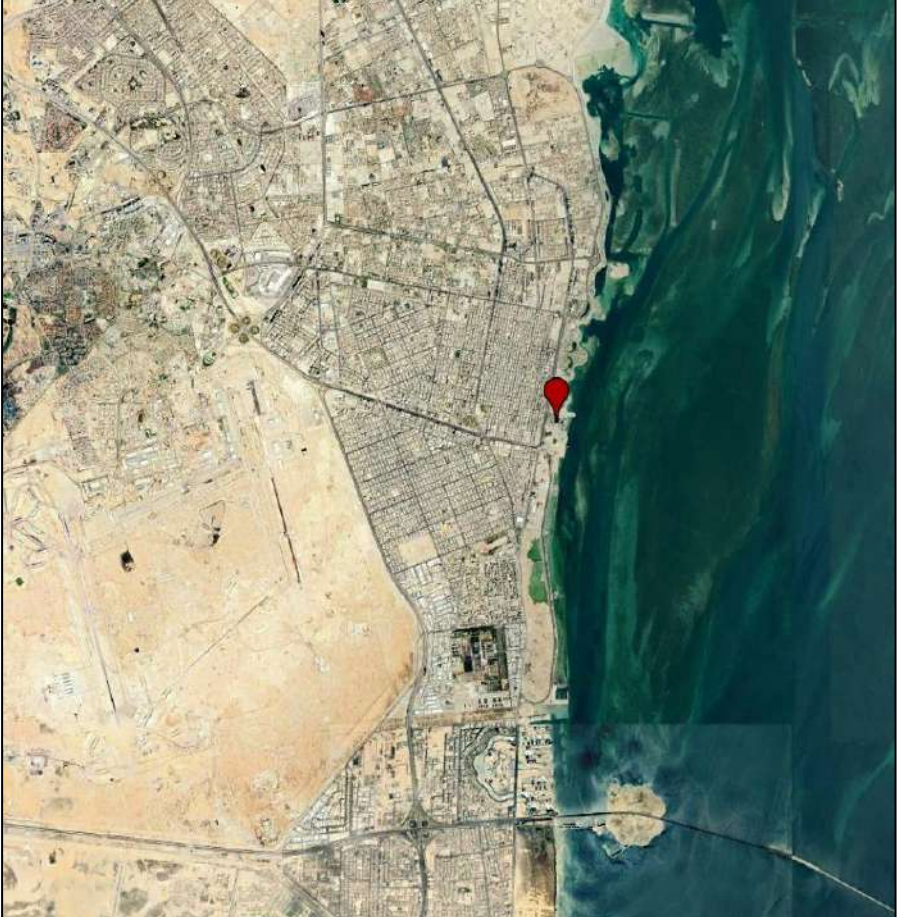
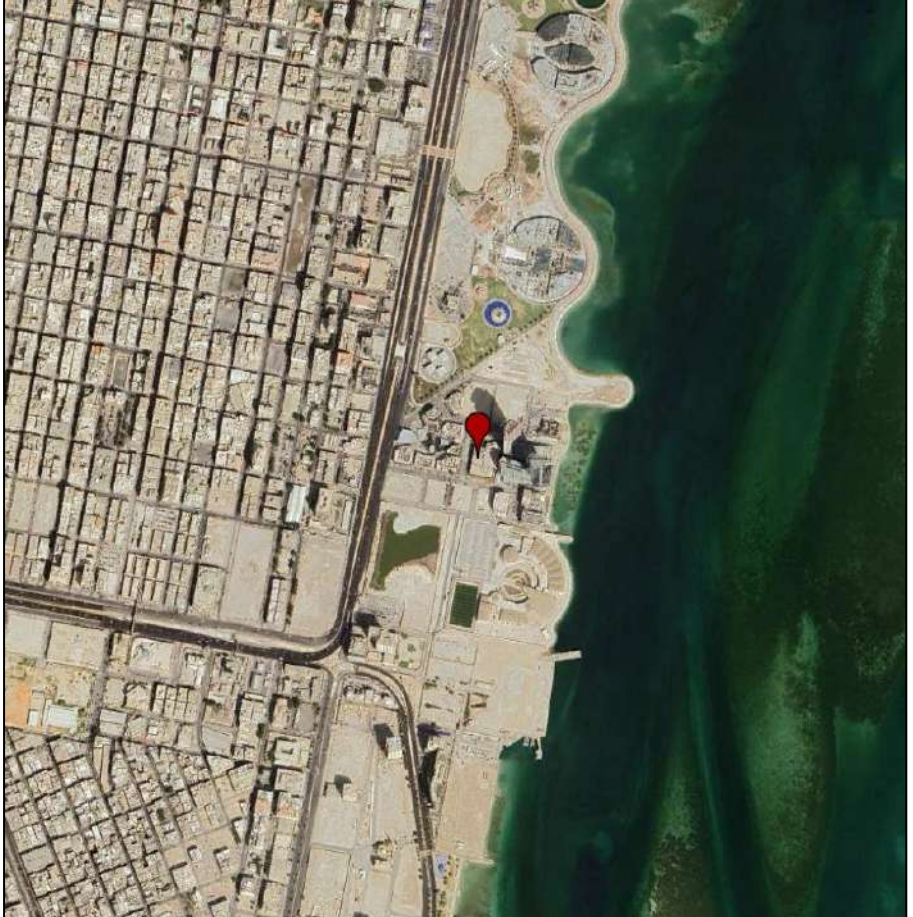
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location near Prince Turki Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
26°16'58.9"N 50°13'15.3"E	
76MC+692 الخير	
Google Maps	

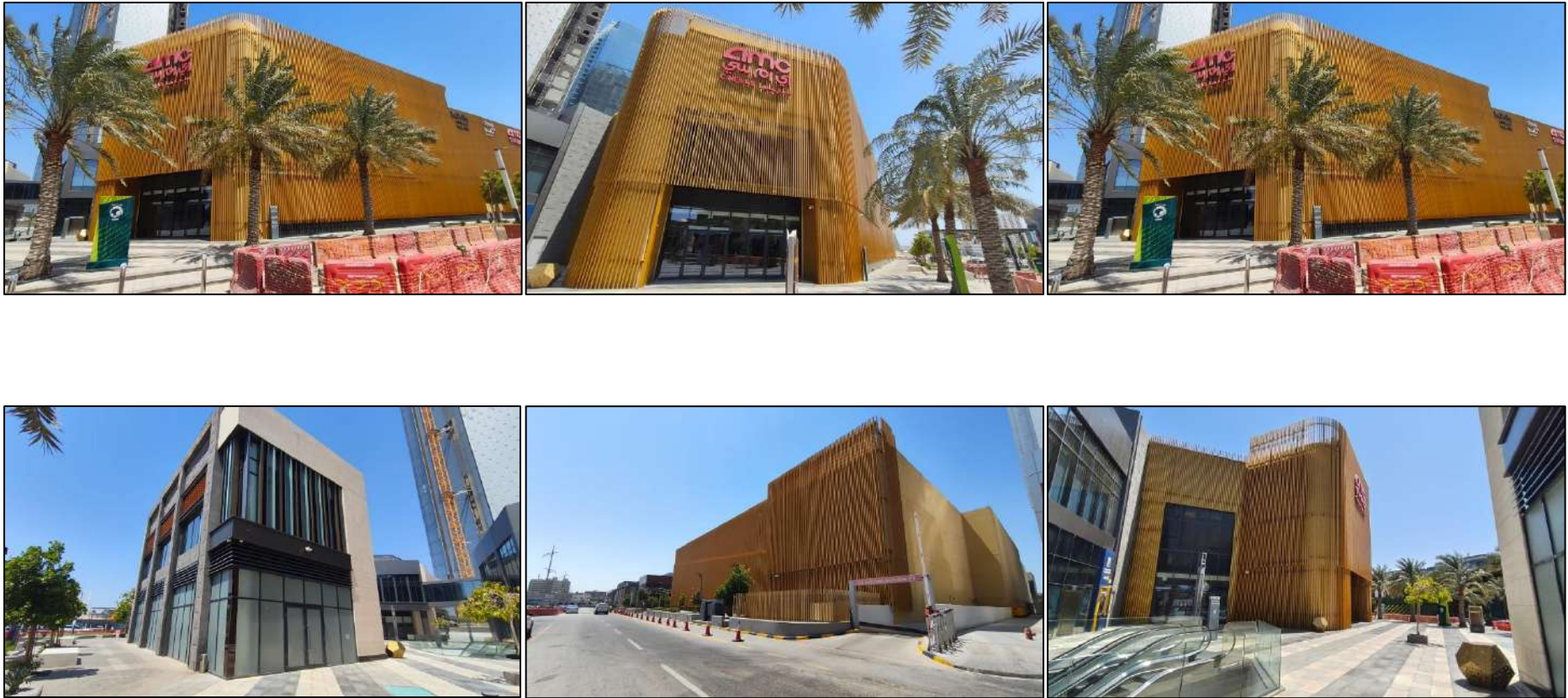
2.5 Title Deed and Ownership

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

City	Al Khobar	Land Area	6,865.99 sqm
District	Al-Corniche	Plot No.	3/12
T.D Type	Electronic	Block No.	---
T.D Number	499181002146	Layout No.	2/356
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	20 meter width street	East Side	Plot No 2/12 1/12
South Side	20 meter width street	West Side	20 meter width street

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

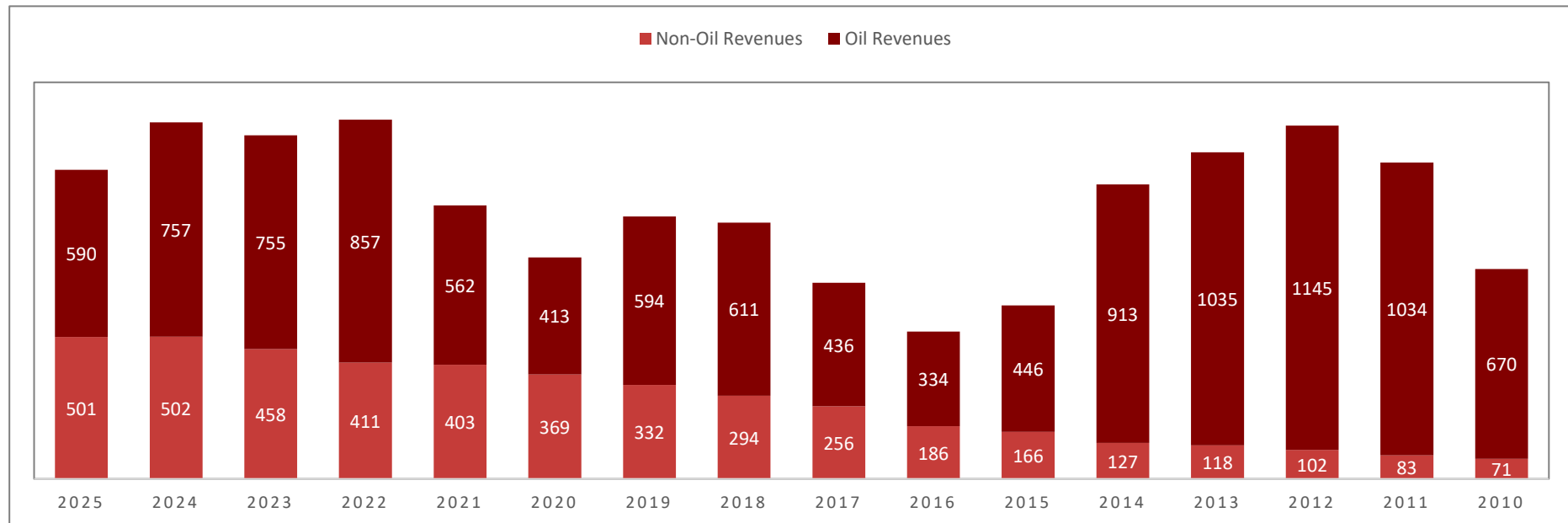
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

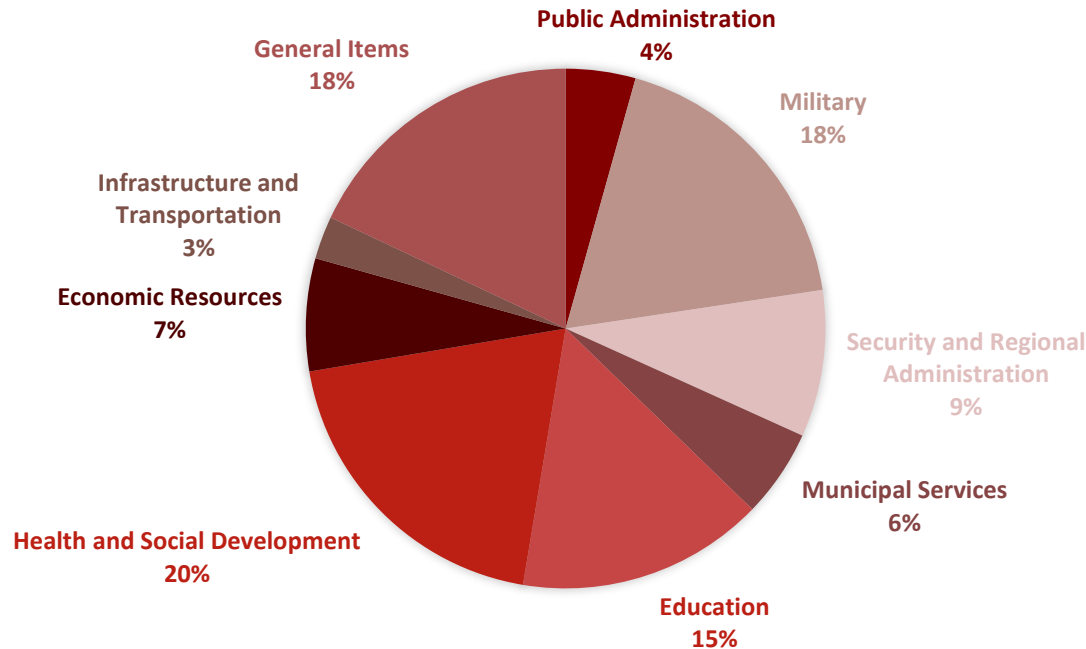
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.5% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	133,000,000.00	55,000,000.00	110,000,000.00
NOI	9,975,000	4,125,000	8,250,000
Cap Rate	7.50%	7.50%	7.50%
Average Cap Rate	7.50%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.00		Trading Economics
Company-specific Risk Premium %	%1.00		Team's experience.
Discount Rate%	8.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033
		0	1	2	3	4	5	6	7
Inflation		0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
Expected Revenue									
Cinema	Sqm	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Rate (SAR)	SAR	1,760	1,760	1,760	1,760	1,760	1,848	1,848	1,848
Total	SAR	6,336,000	6,336,000	6,336,000	6,336,000	6,336,000	6,652,800	6,652,800	6,652,800
Commercial	Sqm	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203
Rate (SAR)	SAR	1,900	1,900	1,900	1,900	1,900	1,995	1,995	1,995
Total	SAR	4,185,700	4,185,700	4,185,700	4,185,700	4,185,700	4,394,985	4,394,985	4,394,985
Overall Revenues		10,521,700	10,521,700	10,521,700	10,521,700	10,521,700	11,047,785	11,047,785	11,047,785
Vacancy and Credit Loss									
Cinema	0.0%	0	0	0	0	0	0	0	0
Commercial	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		10,521,700	10,521,700	10,521,700	10,521,700	10,521,700	11,047,785	11,047,785	11,047,785
Expenses									
OpEx	2.0%	210,434	210,434	210,434	210,434	210,434	220,956	220,956	220,956
CapEx	2.0%	210,434	210,434	210,434	210,434	210,434	220,956	220,956	220,956
Overall Expenses		420,868	420,868	420,868	420,868	420,868	441,911	441,911	441,911
NOI		10,100,832	10,100,832	10,100,832	10,100,832	10,100,832	10,605,874	10,605,874	10,605,874
Terminal Value	7.5%								
Discount Rate	8.0%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58
Present Value		10,100,832	9,352,622	8,659,835	8,018,366	7,424,413	7,218,179	6,683,499	6,188,425
Net Present Value									

Discounted Cash Flows		2034	2035	2036	2037	2038	2039	2040	2041
		8	9	10	11	12	13	14	15
Inflation		5.0%	0.0%	0.0%	5.0%	0.0%	0.0%	5.0%	0.0%
Expected Revenue									
Cinema	Sqm	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Rate (SAR)	SAR	1,940	1,940	1,940	2,037	2,037	2,037	2,139	2,139
Total	SAR	6,985,440	6,985,440	6,985,440	7,334,712	7,334,712	7,334,712	7,701,448	7,701,448
Commercial	Sqm	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203
Rate (SAR)	SAR	2,095	2,095	2,095	2,199	2,199	2,199	2,309	2,309
Total	SAR	4,614,734	4,614,734	4,614,734	4,845,471	4,845,471	4,845,471	5,087,745	5,087,745
Overall Revenues		11,600,174	11,600,174	11,600,174	12,180,183	12,180,183	12,180,183	12,789,192	12,789,192

Vacancy and Credit Loss									
Cinema	0.0%	0	0	0	0	0	0	0	0
Commercial	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		11,600,174	11,600,174	11,600,174	12,180,183	12,180,183	12,180,183	12,789,192	12,789,192

Expenses									
OpEx	2.0%	232,003	232,003	232,003	243,604	243,604	243,604	255,784	255,784
CapEx	2.0%	232,003	232,003	232,003	243,604	243,604	243,604	255,784	255,784
Overall Expenses		464,007	464,007	464,007	487,207	487,207	487,207	511,568	511,568

NOI		11,136,167	11,136,167	11,136,167	11,692,976	11,692,976	11,692,976	12,277,624	12,277,624
Terminal Value	7.5%								163,701,659
Discount Rate	8.0%	0.54	0.50	0.46	0.43	0.40	0.37	0.34	0.32
Present Value		6,016,525	5,570,856	5,158,200	5,014,917	4,643,442	4,299,483	4,180,053	55,476,009
Net Present Value									154,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 154,000,000.00**
One Hundred Fifty-Four Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

	الرقم: 599181062162 التاريخ: 1445/5/8	وثيقة تملك عقار	الشركة السعودية Saud Etsaka Market			
اليانات الأساسية						
رقم الوثيقة	599181062162	تاريخ الوثيقة	1445/5/8	المصدر	العقود بجهة 6	الحالة
المساحه(م ²)	394065001421	تاريخ الوثيقة السابقة	1443/11/7	نوع الصلة	صفحة تصديق	
التقيد						
النقد	الجهة الزمنية	رقم السجدة	قيمة الرهن	تاريخ الاستحقاق		
مرعون	بنك الجزيرة	7000120712	رأس 116,355,555.5			
المللاك						
رقم الهوية	7901902688	الاسم	نسبة التملك			
		الشركة السعودية للاقتصاد والتنمية لتصادق العقارية	100 %			
المقار						
رقم الهوية المقارة	لا يوجد	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام		
		قطعة الأرض	6,865.99	لا يوجد		
الدقة	لا يوجد	نموذج المقار				
رقم القطعة	3 / 12	رقم المخطط	الحى	العينة		
		2 / 356	الجبر			
المند						
المند	النوع	وصف المند	المطرد (م ²)			
شمالا	شارع	عرض 20 متر	62			
جنوبا	شارع	عرض 20 متر	62			
شرقا	قطعة	و 12 / 12 / 12	111			
غربا	شارع	عرض 20 متر	111			

مذكرة: الخطة من البرصة التقديرية، يمكن استخلاص من مساحة الخطة هي القاعدات المذكورة في الجدول أعلاه، لإجراء تقديرات وإجراءات قانونية أخرى.

الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type:	فئة العضوية :
Main	أساسي
Membership No:	رقم العضوية:
1210000474	1210000474
ID No:	رقم الهوية \ الإقامة:
1044275947	1044275947
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



حاصل على شهادة الزمعة

للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1210002782	1210002782
ID No:	رقم الهوية \ الإقامة:
1014178931	1014178931
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



ريما خالد سليمان الضحيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1210004007	1210004007
ID No:	رقم الهوية \ الإقامة:
1116638824	1116638824
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



فathi سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1220001949	1220001949
ID No:	رقم الهوية \ الإقامة:
2266363668	2266363668
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



للمزيد من التفاصيل يرجى الاطلاع
على البروفايل

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund
Ajdan walk

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832329
Date: 10/08/2026

Subject: Valuation Report for Commercial Complex– Khobar City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832329
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial complex
Property Location	Al- Corniche district, Al Khobar City.
Title Deed No.	394753000914
Title Deed Date	22/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	16,965.77 Sqm
BUA (Sqm)	32,212 Sqm
GLA (Sqm)	14,235 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 308,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a commercial complex located in Al-Corniche district, Al Khobar city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 16,965.77 square meters.
- Built-up area: 32,212 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located a direct view of Prince Turki Street from the western side.

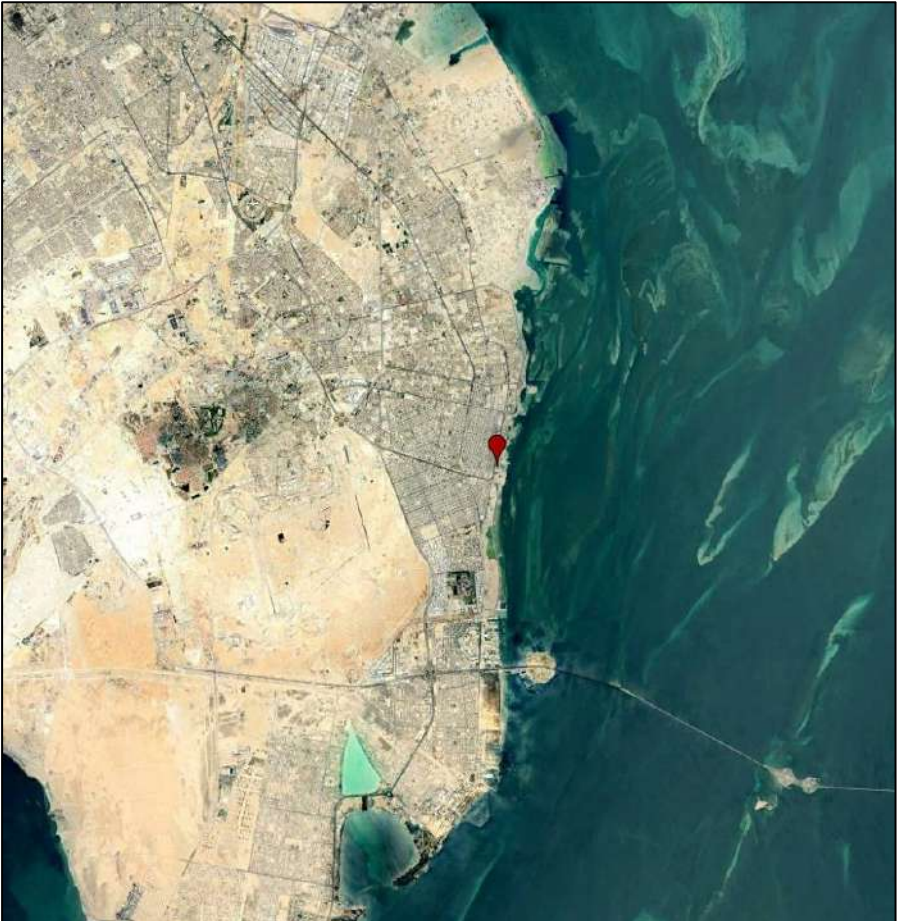
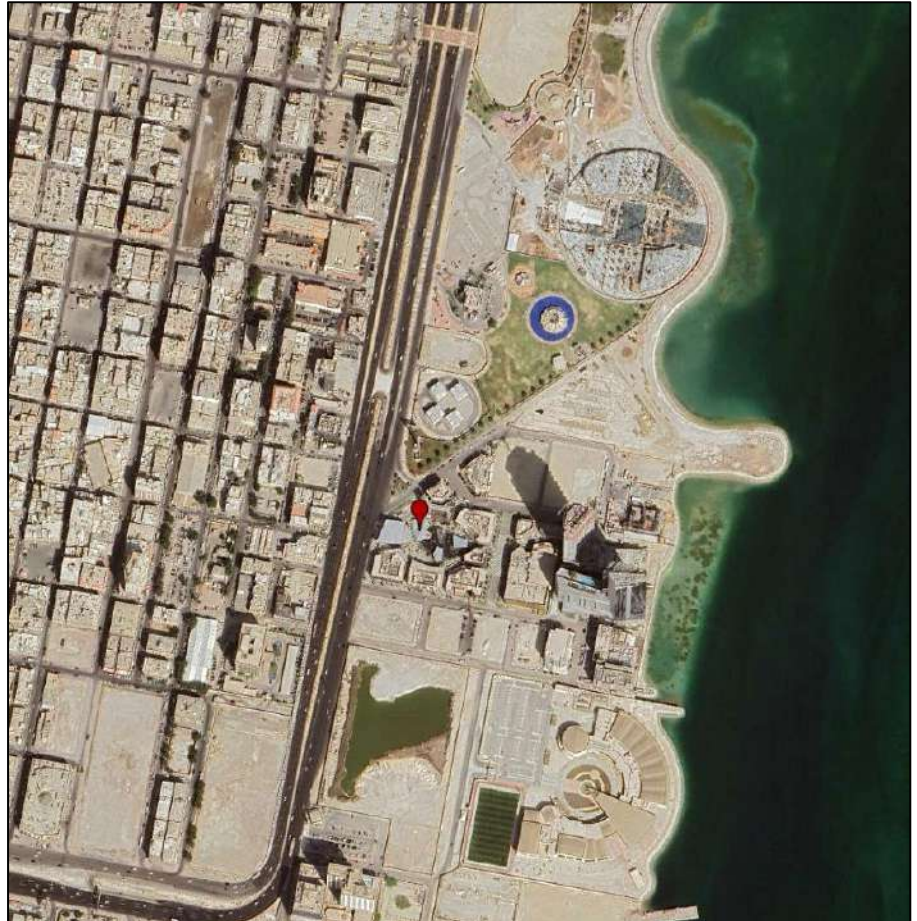
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Prince Turki Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
26°17'00.4"N 50°13'10.8"E	
Prince Turkey Street, Alkurnaish, Al Khobar 34446	
Google Maps	

2.5 Title Deed and Ownership

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

City	Al Khobar	Land Area	16,965.77 sqm
District	Al-Corniche	Plot No.	4/12
T.D Type	Electronic	Block No.	---
T.D Number	394753000914	Layout No.	2/356
T.D Date	22/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	20 meter width street	East Side	20 meter width street
South Side	20 meter width street	West Side	60 meter width street

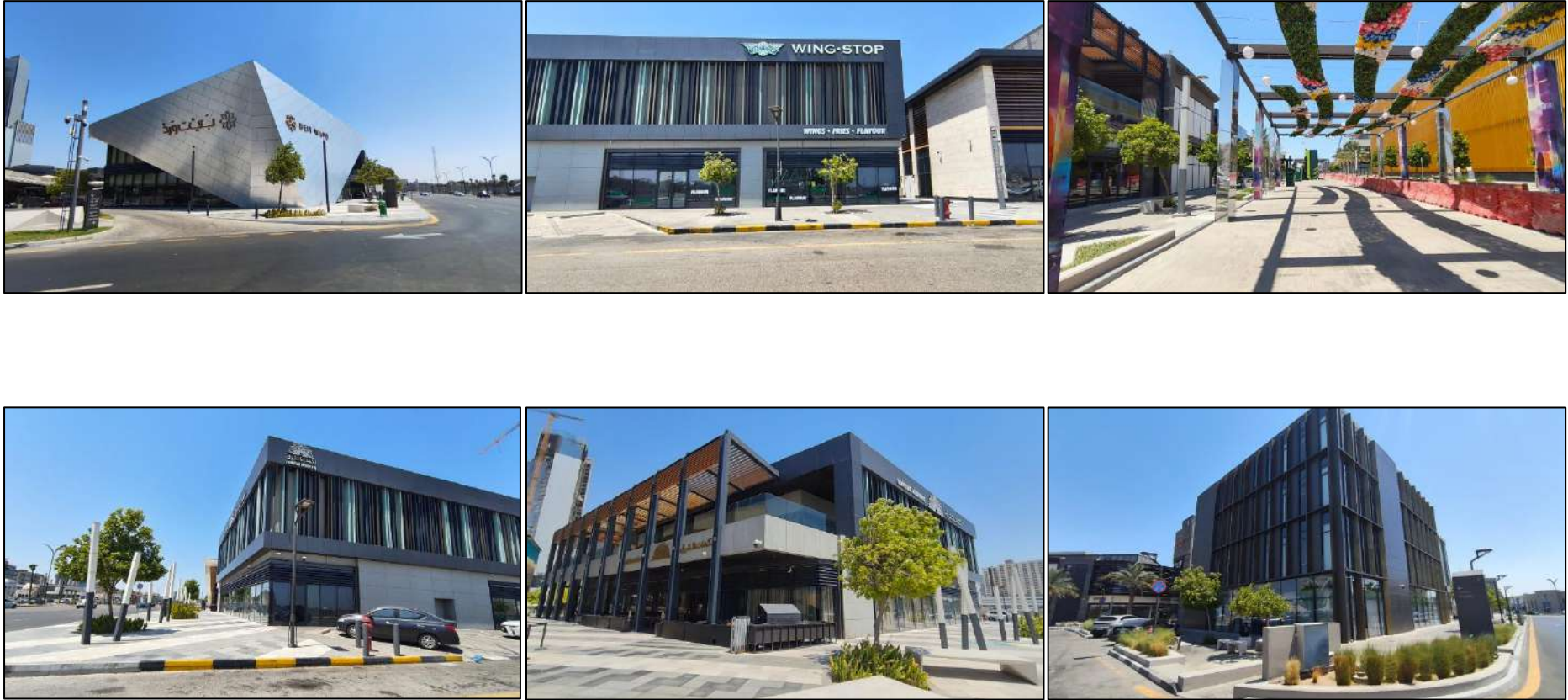
2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	32,304
Property Type	Commercial building	Actual Age	8
Construction Permit No.	1438/10343	State of Property	Fully Constructed
Construction Permit Date	1438/03/30	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

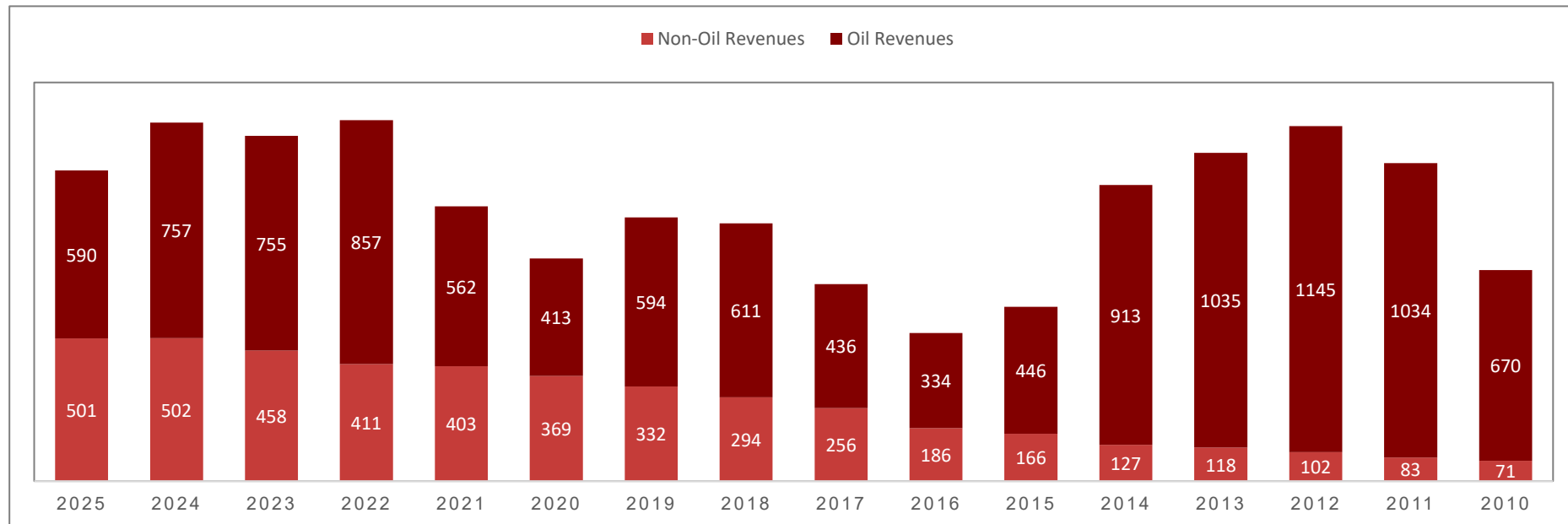
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

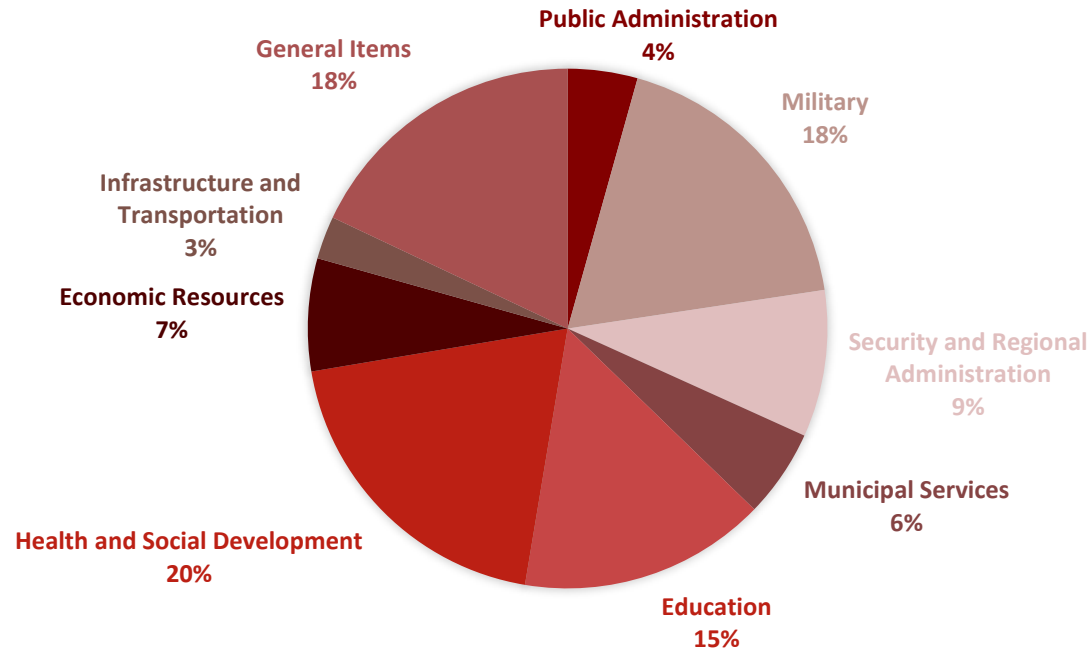
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.5% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	159,800,000.00	225,000,000.00	253,000,000.00
NOI	11,985,000	16,875,000	18,975,000
Cap Rate	7.50%	7.50%	7.50%
Average Cap Rate	7.50%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.00		Trading Economics
Company-specific Risk Premium %	%1.00		Team's experience.
Discount Rate%	8.00%		

Discounted Cash Flows		2026	2027	2028
		0	1	2
Inflation		0.0%	0.0%	0.0%
Expected Revenue				
Commercial complex	Sqm	16,966	16,966	16,966
Rate (SAR)	SAR	1,297	1,297	1,297
Total	SAR	22,000,000	22,000,000	22,000,000
Overall Revenues		22,000,000	22,000,000	22,000,000
Vacancy and Credit Loss				
Commercial complex	0.0%	0	0	0
Total		0	0	0
Effective Rental Income		22,000,000	22,000,000	22,000,000
Expenses				
OpEx	0.0%	0	0	0
CapEx	1.5%	330,000	330,000	330,000
Overall Expenses		330,000	330,000	330,000
NOI		21,670,000	21,670,000	21,670,000
Terminal Value	7.50%			288,933,333
Discount Rate	8.00%	1.00	0.93	0.86
Present Value		21,670,000	20,064,815	266,292,295
Net Present Value				308,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 308,000,000.00**
Three Hundred Eight Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

8. BUILDING PERMIT

[illegible]



الرقم: 394753000914
التاريخ: 1445/9/22

وثيقة تملك عقار

السلطنة العامة للتخطيط
Ministry of Land, Urban Planning and Construction



البيانات الأساسية

رقم الوثيقة	394753000914	تاريخ الوثيقة	1445/5/22
التبؤد	مروهن	الحالة	قابل
تاريخ الوثيقة السابقة	1444/11/12	المساحة (م ²)	16,965.77
نوع السيلة	صفقة تبديل	رقم الوثيقة السابقة	330208016720

التبؤد

التبؤد	الهيئة الراضة	رقم السندأة	قبة الزمن	تاريخ الاستعاق
مروهن	بنك الجزيرة	7000120712	ر.س 236,111,111.1	

الملاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية للصناديق العقارية	100 %

المقار

رقم الهوية المقارية	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	16,965.77	لا يوجد
الموقع		توزيع المقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
4 / 12	2 / 356		الرياض

الحدود

الحد	النوع	وصف الحد	الطول (م ²)
شمالاً	شارع	عرض 20 متر	31.00 + 7.22 + 7.22 + 7.22 + 28.546
جنوباً	شارع	عرض 20 متر	157.85
شرقاً	شارع	عرض 20 متر	111
غرباً	شارع	الامتداد 60 متر	170.5

ملاحظات

ملاحظات هذه الوثيقة من وزارة التخطيط بموجب الترخيص من مملكتها ومراجعتها عن معلومات مصلحة الجورسة العقارية.

الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report






عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type: Main
 فئة العضوية: أساسي

Membership No: 1210000474
 رقم العضوية: 1210000474

ID No: 1044275947
 رقم الهوية \ الإقامة: 1044275947

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




حصل على شهادة الزيادة
 للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210002782
 رقم العضوية: 1210002782

ID No: 1014178931
 رقم الهوية \ الإقامة: 1014178931

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






ريما خالد سليمان الضعيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210004007
 رقم العضوية: 1210004007

ID No: 1116638824
 رقم الهوية \ الإقامة: 1116638824

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






فثي سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1220001949
 رقم العضوية: 1220001949

ID No: 2266363668
 رقم الهوية \ الإقامة: 2266363668

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Al Hamra Plaza

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832221
Date: 10/08/2026

Subject: Valuation Report for Al Hamra Plaza – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	16
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	17
MARKET INDICATORS	19
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	19
3.2 OIL AND NON-OIL REVENUES	20
3.3 BUDGET ALLOCATION FOR 2026	21
3.4 REAL ESTATE MARKET OVERVIEW 2025	21
3.5 RISK ANALYSIS	24
3.6 NEW REGULATORY PROVISIONS	25
PROPERTY VALUATION	27
4.1 VALUATION METHODS	27
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	29
4.3 SUBJECT PROPERTY VALUE	32
4.4 ACCREDITED VALUERS	32
4.5 VALUER'S OPINION OF VALUE	33
4.6 CONCLUSION	33
DOCUMENTS RECEIVED	35
5.1 TITLE DEED	35
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	37



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832221
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial project.
Property Location	Al Mansourah district, Riyadh City.
Title Deed No.	399181002149
Title Deed Date	08/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	21,120.98 Sqm
BUA (Sqm)	13,012 Sqm.
GLA (Sqm)	9,651 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 57,500,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	05/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 05/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

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

- Total Land Area: 21,120.00 square meters.
- Total Built-Up Area (BUA): 13,012.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property located a direct view of Al Bathaa Street from the west side.

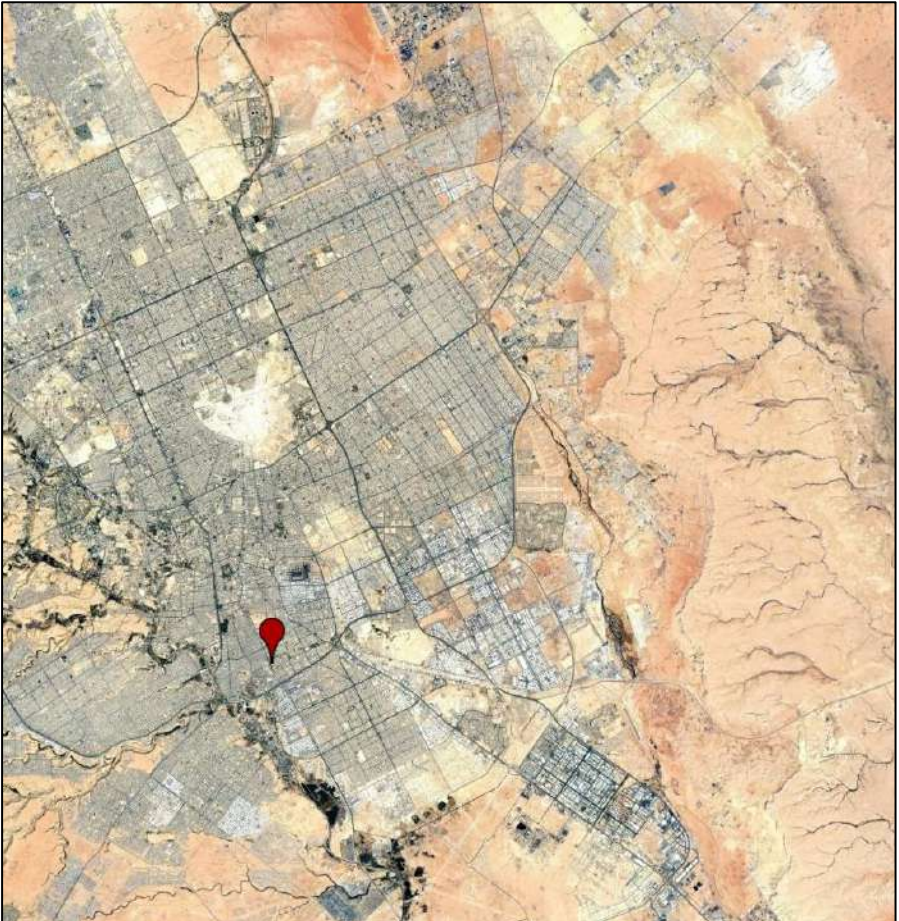
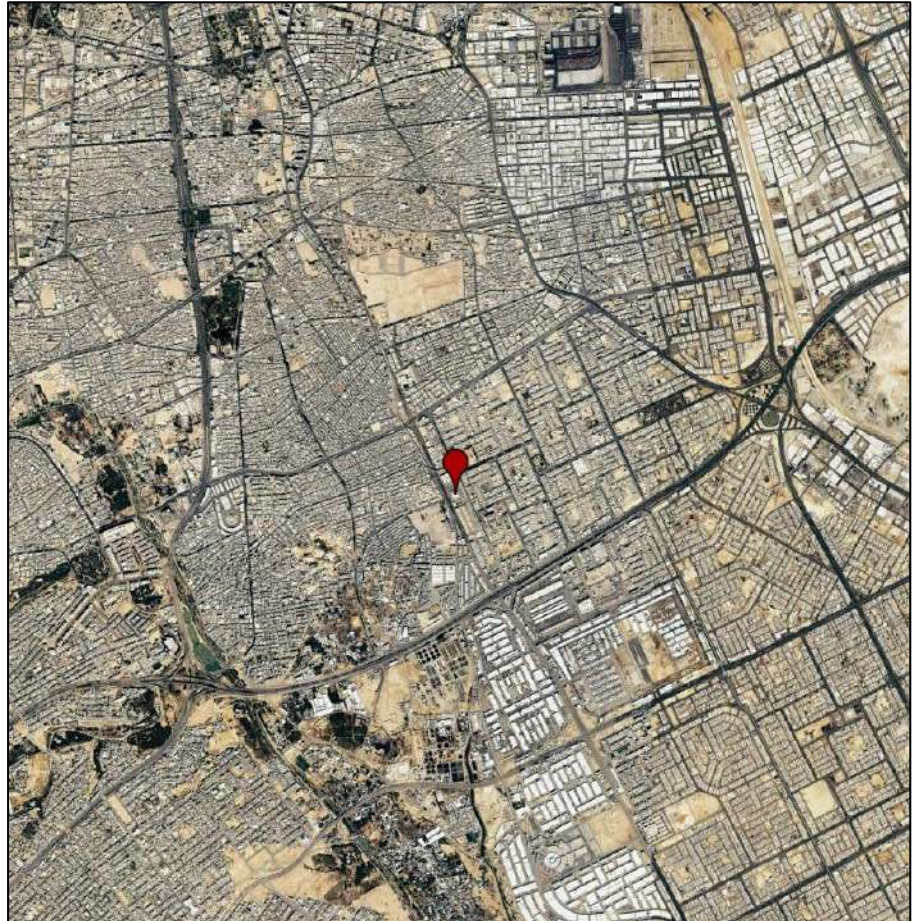
2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Al Bathaa Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°36'14.06"N 46°43'58.47"E	
JP3J+WX5, Al Mansourah, Riyadh 12684	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	2,750 Sqm
District	Al Mansourah	Plot No.	56
T.D Type	Electronic	Block No.	---
T.D Number	399181002149	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	40 meter width street

City	Riyadh	Land Area	8,250 Sqm
District	Al Mansourah	Plot No.	55/57/59
T.D Type	Electronic	Block No.	---
T.D Number	399181002151	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side		East Side	
South Side		West Side	

City	Riyadh	Land Area	2,750 Sqm
District	Al Mansourah	Plot No.	60
T.D Type	Electronic	Block No.	---
T.D Number	999181002156	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	40 meter width street

City	Riyadh	Land Area	4,620 Sqm
District	Al Mansourah	Plot No.	61/62
T.D Type	Electronic	Block No.	---
T.D Number	399181002149	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side		East Side	
South Side		West Side	

City	Riyadh	Land Area	2,750 Sqm
District	Al Mansourah	Plot No.	58
T.D Type	Electronic	Block No.	---
T.D Number	799181002154	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	40 meter width street

2.6 Construction Permit

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

Construction Permit Type	Adding to building plans	Built-Up Area (BUA)	13,130.7
Property Type	Commercial complex	Actual Age	15
Construction Permit No.	1430/5021	State of Property	Fully Constructed
Construction Permit Date	18/04/1430	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

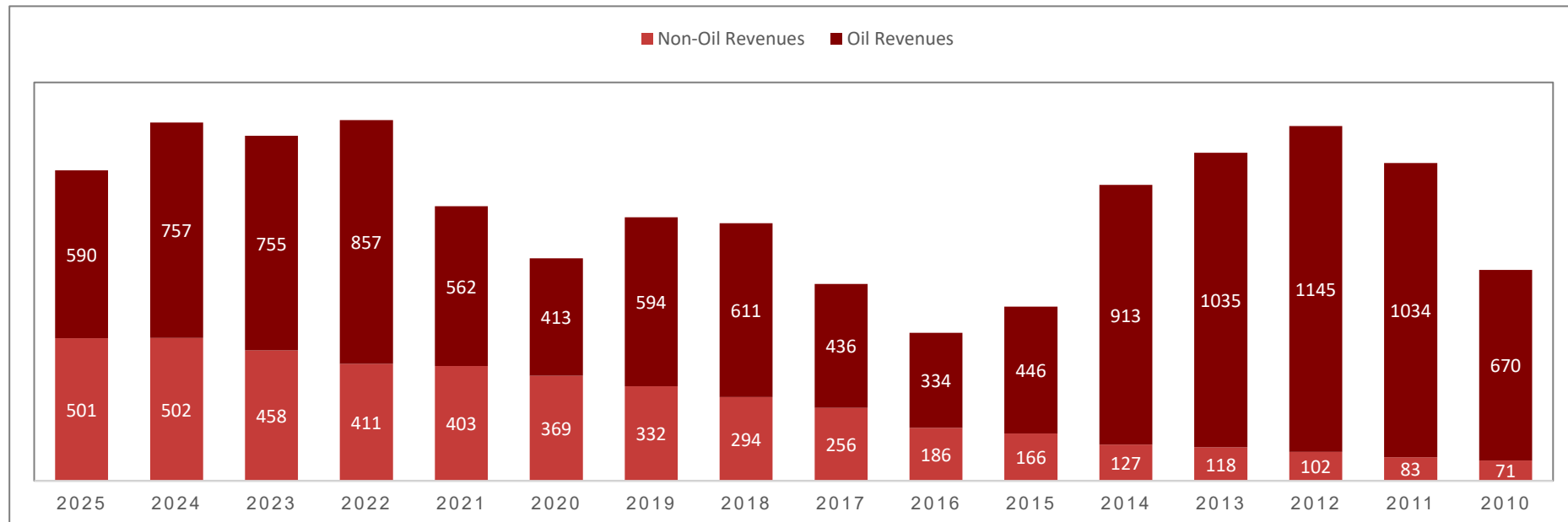
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

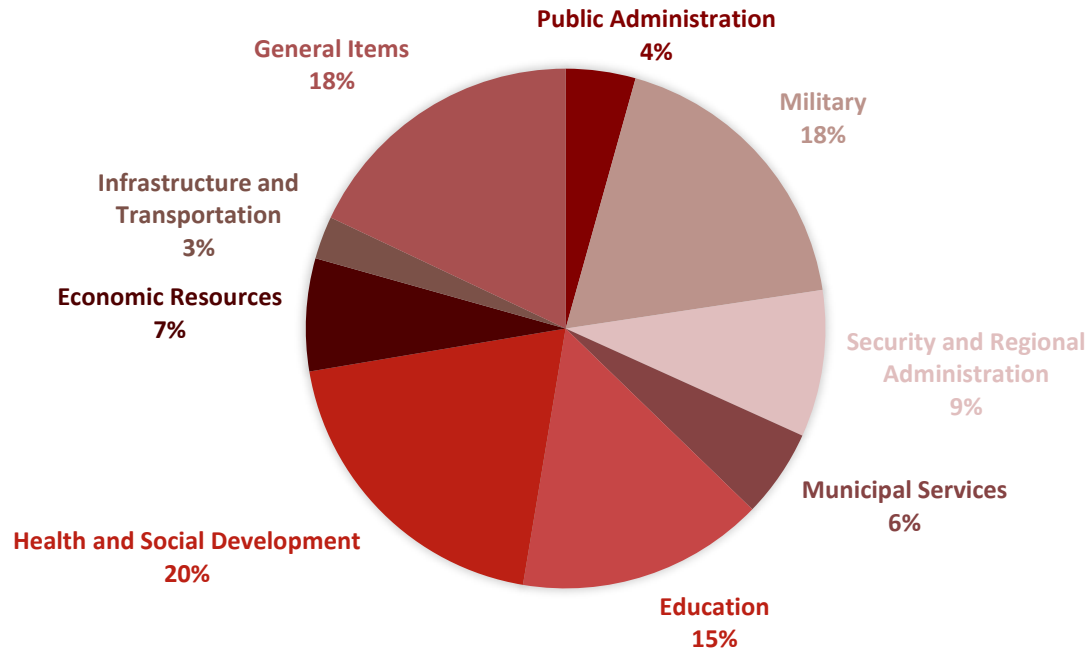
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	110,000,000.00	34,000,000.00	82,600,000.00
NOI	8,800,000	2,720,000	6,608,000
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	0%	0%	0%	0%	0%
Expected Revenue							
Commercial complex	Sqm	9,651	9,651	9,651	9,651	9,651	9,651
Rate (SAR)	SAR	462	462	462	462	462	462
Total	SAR	4,457,592	4,457,592	4,457,592	4,457,592	4,457,592	4,457,592
Overall Revenues		4,457,592	4,457,592	4,457,592	4,457,592	4,457,592	4,457,592
Vacancy and Credit Loss							
Commercial complex	0.91%	40,564	40,564	40,564	40,564	40,564	40,564
Total		40,564	40,564	40,564	40,564	40,564	40,564
Effective Rental Income		4,417,028	4,417,028	4,417,028	4,417,028	4,417,028	4,417,028
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0
NOI		4,417,028	4,417,028	4,417,028	4,417,028	4,417,028	4,417,028
Terminal Value	8.0%						55,212,851
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		4,417,028	4,052,319	3,717,724	3,410,756	3,129,134	38,755,330
Net Present Value							57,500,000

4.3 Subject Property Value

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

Property Value: **ﷲ 57,500,000.00**
Fifty-Seven Million Five Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Documents Received

5.1 Title deed

999181002156 الرقم
1443/5/8 التاريخ

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	999181002156	تاريخ الوثيقة	1443/5/8
المصدر	الموافقين بصفة 6	الحالة	فعال
المساحة (م ²)	2,750	القيود	مرفوع
رقم الوثيقة السابقة	393759000188	تاريخ الوثيقة السابقة	1443/9/2
نوع المسلة	صفقة بتحويل		

التقيد

التقيد	الجهة الراحة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرفوع	بنك الجزيرة	7000120712	رهن 11,336,381	

الملاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية للصناديق العقارية	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	2,750	لا يوجد
البرق	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	البلدية
60	2303	المنصورة	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالاً	قطعة	رقم 58	55
جنوباً	قطعة	رقم 62	55
شرقاً	قطعة	رقم 59	50
غرباً	شارع	عرض 40م	50

صدرت هذه الوثيقة من الوزارة العقارية بتمسك المالكين من صحة هذه الوثيقة من المصادقات الإلكترونية التابعة لوزارة العدل بوزارة الشؤون الداخلية والرقابة والإشراف وهيئة العامة للعقار - الصفحة 1 من 1

499181002153 الرقم
1443/5/8 التاريخ

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	499181002153	تاريخ الوثيقة	1443/5/8
المصدر	الموافقين بصفة 6	الحالة	فعال
المساحة (م ²)	4,620	القيود	مرفوع
رقم الوثيقة السابقة	793759000186	تاريخ الوثيقة السابقة	1443/9/2
نوع المسلة	صفقة بتحويل		

التقيد

التقيد	الجهة الراحة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرفوع	بنك الجزيرة	7000120712	رهن 11,336,381	

الملاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية للصناديق العقارية	100 %

عقار 1 من 2

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	-	لا يوجد
البرق	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	البلدية
61	2303	المنصورة	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالاً			
جنوباً			
شرقاً			
غرباً			

صدرت هذه الوثيقة من الوزارة العقارية بتمسك المالكين من صحة هذه الوثيقة من المصادقات الإلكترونية التابعة لوزارة العدل بوزارة الشؤون الداخلية والرقابة والإشراف وهيئة العامة للعقار - الصفحة 2 من 2

799181002154 الرقم
1443/5/8 التاريخ

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	799181002154	تاريخ الوثيقة	1443/5/8
المصدر	الموافقين بصفة 6	الحالة	فعال
المساحة (م ²)	2,750	القيود	مرفوع
رقم الوثيقة السابقة	393759000185	تاريخ الوثيقة السابقة	1443/9/2
نوع المسلة	صفقة بتحويل		

التقيد

التقيد	الجهة الراحة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرفوع	بنك الجزيرة	7000120712	رهن 11,336,381	

الملاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية للصناديق العقارية	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	2,750	لا يوجد
البرق	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	البلدية
58	2303	المنصورة	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالاً	قطعة	رقم 56	55
جنوباً	قطعة	رقم 60	55
شرقاً	قطعة	رقم 57	50
غرباً	شارع	عرض 40م	50

صدرت هذه الوثيقة من الوزارة العقارية بتمسك المالكين من صحة هذه الوثيقة من المصادقات الإلكترونية التابعة لوزارة العدل بوزارة الشؤون الداخلية والرقابة والإشراف وهيئة العامة للعقار - الصفحة 1 من 1

2019年12月15日

تحت هذا العنوان، لمسة الطائر، وسكر البستور، صياح هذا الوفاة، العذبات الأليمة، الحياة المارة، العمل، وازالة الطائر، الحياة، الجود، الإحسان، والحب، الحياة الطائر، العليمة، 1 - 1

Copyright © 2006 by John Wiley & Sons, Inc.

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Amjad School

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832066
Date: 10/08/2026

Subject: Valuation Report for Amjad School– Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832066
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	School.
Property Location	Qurtoba district, Riyadh City.
Title Deed No.	399684003635
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Education.
Land Area (Sqm)	14,300 Sqm
BUA (Sqm)	34,213 Sqm.
GLA (Sqm)	32,344Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 125,700,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	05/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 05/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

The subject property is a school located in Qurtoba district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 14,300.00 square meters.
- Total Built-Up Area (BUA): 34,213.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located near northern Ring Road.

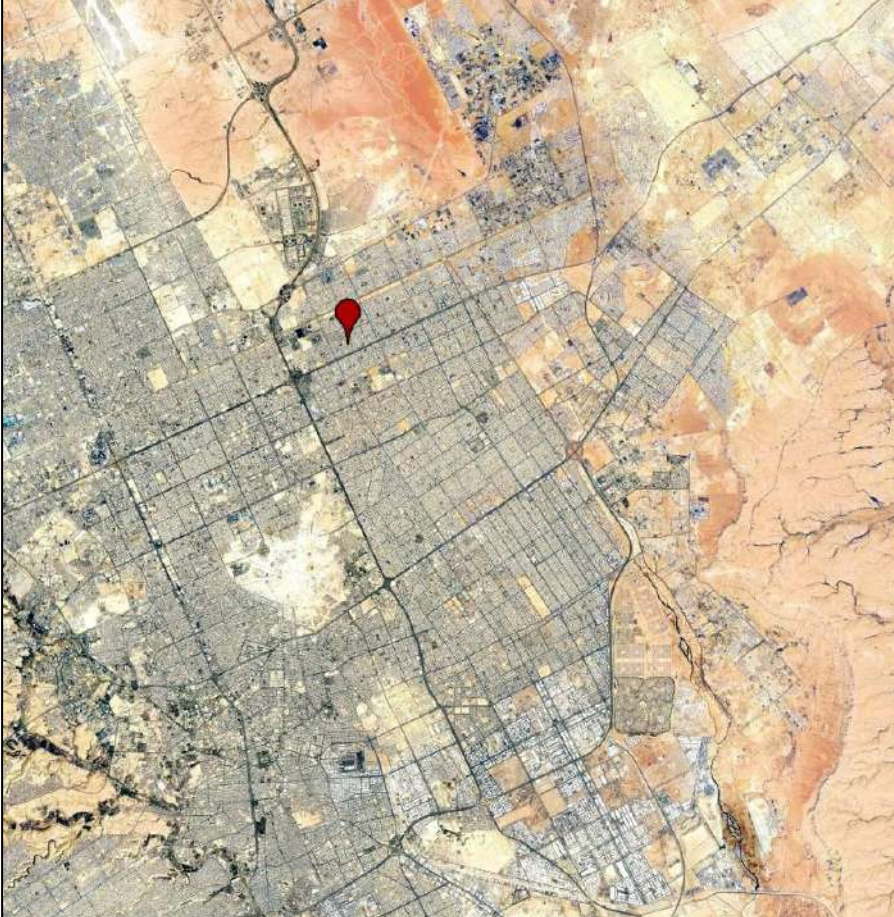
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Raya Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°48'22.68"N 46°44'42.95"E	
Rayah, Qurtubah, Qurtubah, Riyadh 13245	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	14,300.00 Sqm
District	Qurtubah	Plot No.	485 to 504
T.D Type	Electronic	Block No.	---
T.D Number	399684003635	Layout No.	1822
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	20 meter width street	East Side	36 meter width street
South Side	30 meter width street	West Side	20 meter width street

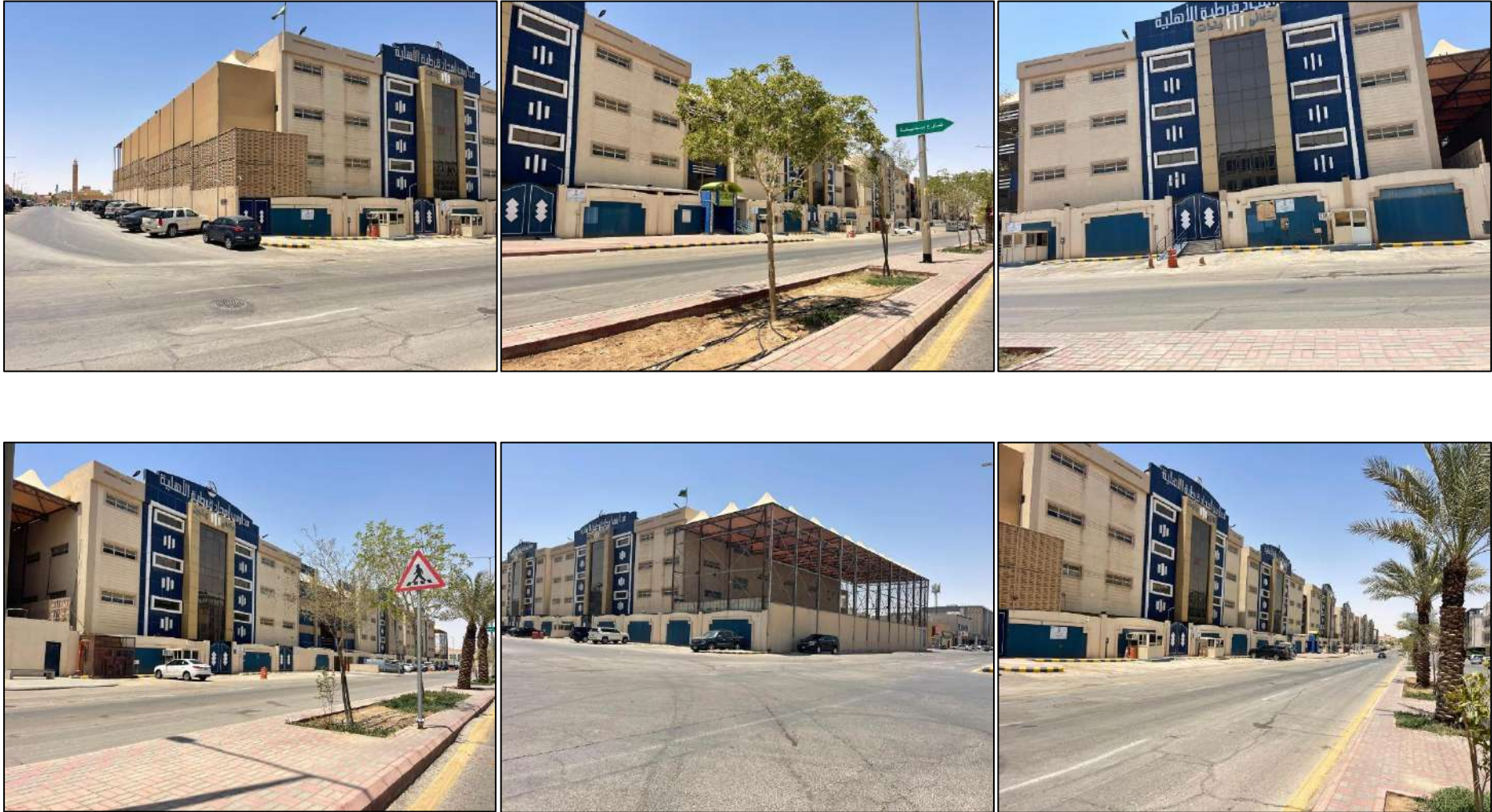
2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	34,213
Property Type	School complex	Actual Age	13
Construction Permit No.	1432/11017	State of Property	Fully Constructed
Construction Permit Date	15/01/1432	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

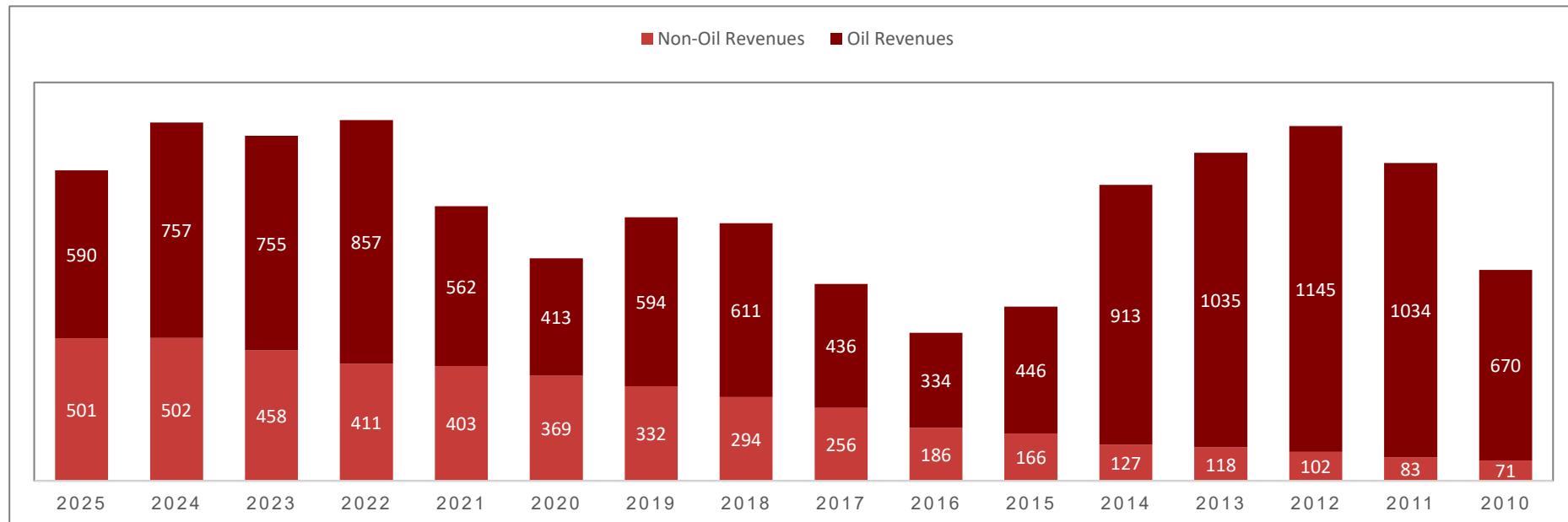
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

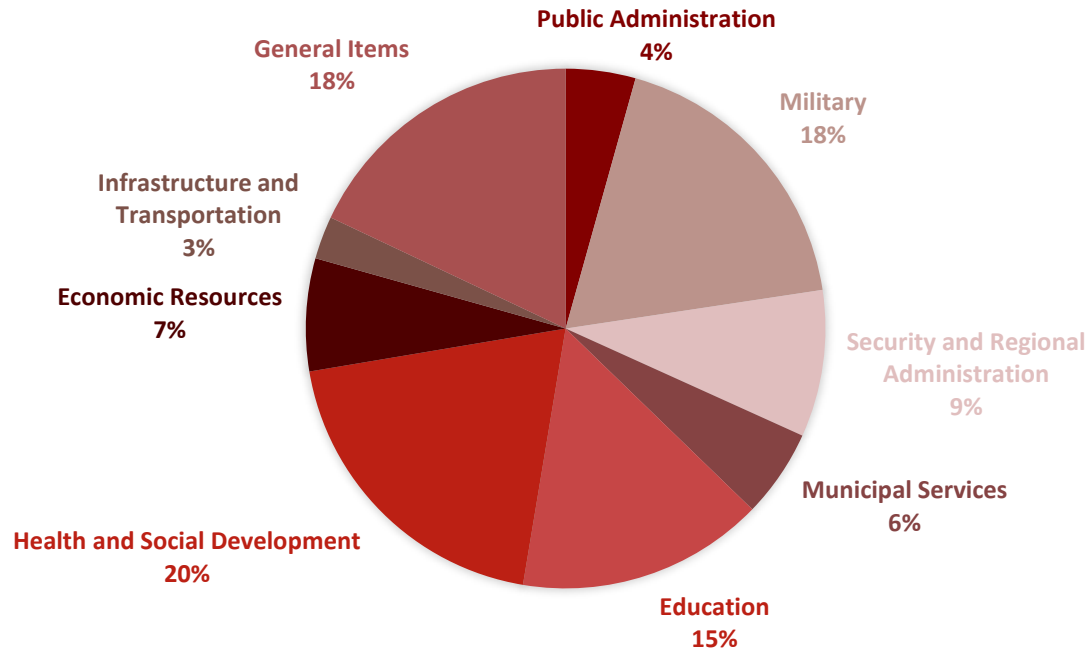
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	87,000,000.00	68,000,000.00	107,000,000.00
NOI	6,090,000	4,760,000	7,490,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8
Inflation		0%	0%	0%	0%	7%	0%	0%	0%	0%
Expected Revenue										
Educational Complex	Sqm	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Rate (SAR)	SAR	624	624	624	624	668	669	669	669	669
Total	SAR	8,923,279	8,923,279	8,923,279	8,923,279	9,547,909	9,560,656	9,560,656	9,560,656	9,560,656
Overall Revenues		8,923,279	8,923,279	8,923,279	8,923,279	9,547,909	9,560,656	9,560,656	9,560,656	9,560,656
Vacancy and Credit Loss										
Educational Complex	0.0%	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0
Effective Rental Income		8,923,279	8,923,279	8,923,279	8,923,279	9,547,909	9,560,656	9,560,656	9,560,656	9,560,656
Expenses										
OpEx	0.0%	0	0	0	0	0	0	0	0	0
CapEx	2.0%	178,466	178,466	178,466	178,466	190,958	191,213	191,213	191,213	191,213
Overall Expenses		178,466	178,466	178,466	178,466	190,958	191,213	191,213	191,213	191,213
NOI		8,744,813	8,744,813	8,744,813	8,744,813	9,356,950	9,369,443	9,369,443	9,369,443	9,369,443
Terminal Value	7.0%									
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50
Present Value		8,744,813	8,022,765	7,360,335	6,752,600	6,628,700	6,089,495	5,586,693	5,125,406	4,702,207
Net Present Value										

Discounted Cash Flows		2035	2036	2037	2038	2039	2040	2041	2042
		9	10	11	12	13	14	15	16
Inflation		7%	0%	0%	0%	0%	7%	0%	0%
Expected Revenue									
Educational Complex	Sqm	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Rate (SAR)	SAR	669	716	716	716	716	716	767	767
Total	SAR	9,560,656	10,243,560	10,243,560	10,243,560	10,243,560	10,243,560	10,975,243	10,975,243
Overall Revenues		9,560,656	10,243,560	10,243,560	10,243,560	10,243,560	10,243,560	10,975,243	10,975,243
Vacancy and Credit Loss									
Educational Complex	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		9,560,656	10,243,560	10,243,560	10,243,560	10,243,560	10,243,560	10,975,243	10,975,243
Expenses									
OpEx	0.0%	0	0	0	0	0	0	0	0
CapEx	2.0%	191,213	204,871	204,871	204,871	204,871	204,871	219,505	219,505
Overall Expenses		191,213	204,871	204,871	204,871	204,871	204,871	219,505	219,505
NOI		9,369,443	10,038,689	10,038,689	10,038,689	10,038,689	10,038,689	10,755,738	10,755,738
Terminal Value	7.0%								153,653,402
Discount Rate	9.0%	0.46	0.42	0.39	0.36	0.33	0.30	0.27	0.25
Present Value		4,313,952	4,240,451	3,890,322	3,569,102	3,274,406	3,004,042	2,952,859	41,409,691
Net Present Value									125,700,000

4.3 Subject Property Value

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

Property Value: **ﷲ 125,700,000.00**
One Hundred Twenty-Five Million Seven Hundred Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

[illegible]

الرقم: 399684003625
التاريخ: 1445/5/9

وثيقة تملك عقار

الهيئة العامة للعقار
Real Estate Market




البيانات الأساسية

رقم الوثيقة	399684003625	تاريخ الوثيقة	1445/5/9
العدد	الموجدين بالرياض 9	الحالة	فعال
المساحة (م ²)	14,300	القيود	مرهون
رقم الوثيقة السابقة	310122049152	تاريخ الوثيقة السابقة	1443/10/23
نوع المعاملة	صفحة تمويل		

القيود

القيود	الجهة الراحة	رقم المنشأة	قيمة الزمن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000126712	رأس 88,606,115.56	

الملاك

رقم الهوية	الاسم	نسبة المسك
7001902688	الشركة السعودية للاقتصاد والتنمية للمضائق العقارية	100 %

عقار 1 من 20

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	025	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المتوسط	العبي	المدينة
486	1822	قرنية	الرياض

الحدود

الحد	النوع	وصف الحد	الطول (م ²)
شمالا			
جنوبا			
شرقا			
غربا			

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزمعة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Atelier La Vie

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832381
Date: 10/08/2026

Subject: Valuation Report for Commercial Project – Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	15
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	16
MARKET INDICATORS	18
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	18
3.2 OIL AND NON-OIL REVENUES	19
3.3 BUDGET ALLOCATION FOR 2026	20
3.4 REAL ESTATE MARKET OVERVIEW 2025	20
3.5 RISK ANALYSIS	23
3.6 NEW REGULATORY PROVISIONS	24
PROPERTY VALUATION	26
4.1 VALUATION METHODS	26
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	28
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832381
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial project.
Property Location	Ash Shati district, Jeddah City.
Title Deed No.	420208037288 / 320208037287
Title Deed Date	03/12/1444
Ownership Type	Freehold
Limitations	None.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	29,745.70 Sqm
BUA (Sqm)	27,489.58 Sqm.
GLA (Sqm)	21,428 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 496,400,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Ash Shati district of Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 29,745.70 square meters.
- Total Built-Up Area (BUA): 27,489.58 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located a direct view of King Abdul Aziz Street from the eastern side.

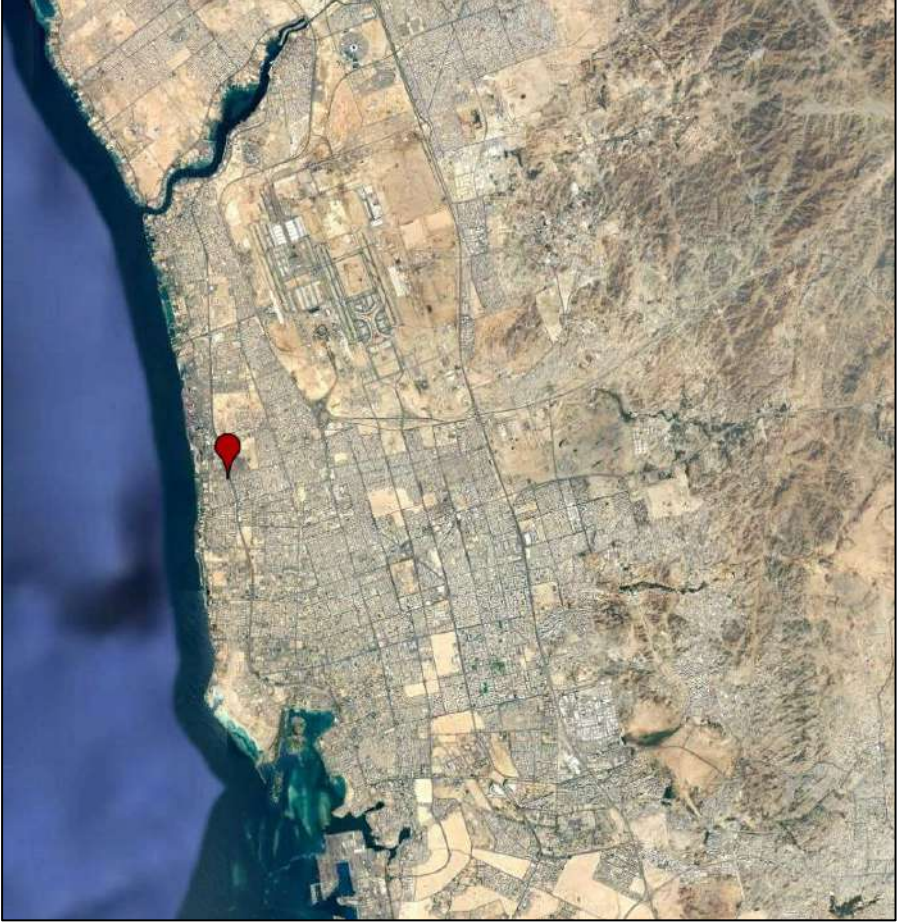
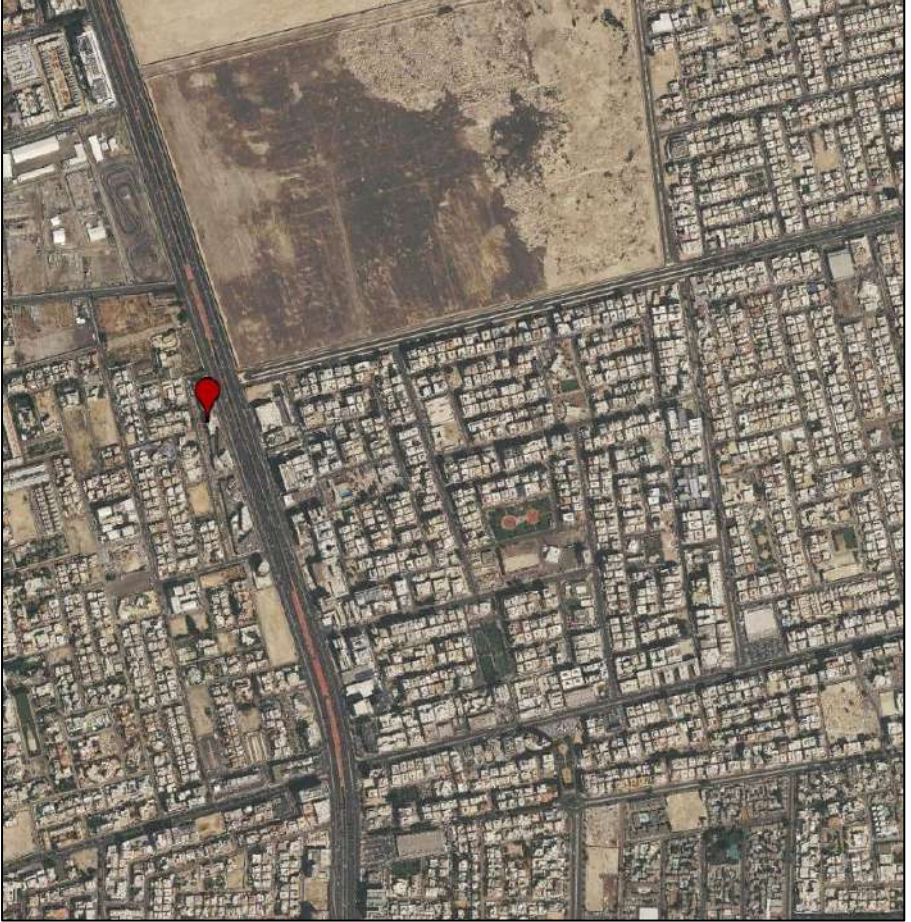
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on King Abdul Aziz Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
21°36'47.2"N 39°07'05.1"E	
J479+66W الشاطئ, جدة	
Google Maps	

2.5 Title Deed and Ownership

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

City	Jeddah	Land Area	16,954.8 Sqm
District	Ash Shati	Plot No.	1/21 to 1/32
T.D Type	Electronic	Block No.	---
T.D Number	320208037287	Layout No.	ع/462/3
T.D Date	03/12/1444	Ownership Type	Freehold
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	None
Issued From	Ministry of Justice		
North Side		East Side	
South Side		West Side	

City	Jeddah	Land Area	12,790.9 Sqm
District	Ash Shati	Plot No.	1/ 6 to 1/20
T.D Type	Electronic	Block No.	---
T.D Number	420208037288	Layout No.	ع/462/3
T.D Date	03/12/1444	Ownership Type	Freehold
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	None
Issued From	Ministry of Justice		
North Side		East Side	
South Side		West Side	

2.6 Construction Permit

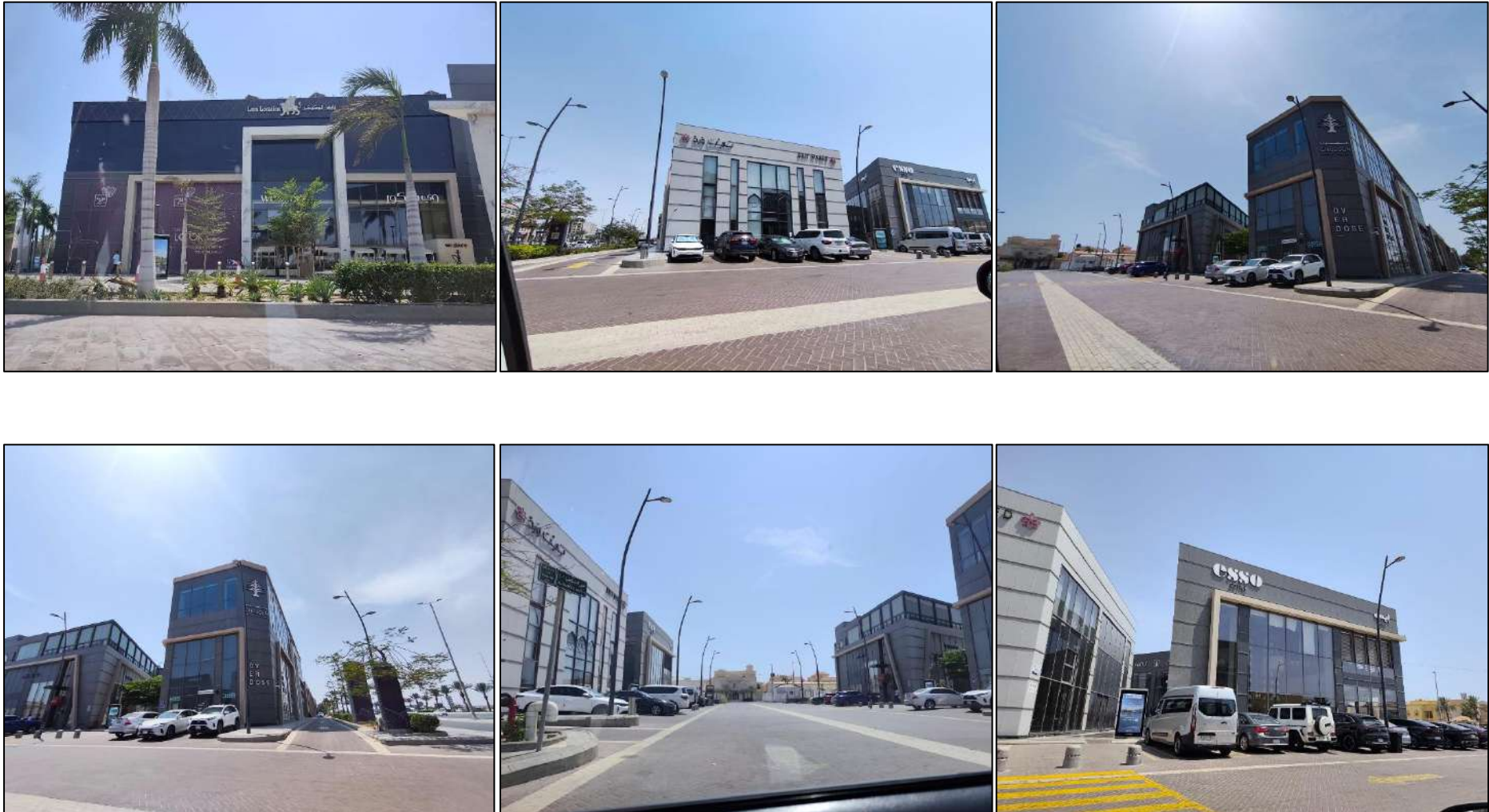
The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Adding and modifying	Built-Up Area (BUA)	11,229.07
Property Type	Commercial project	Actual Age	8
Construction Permit No.	3900178239	State of Property	Fully Constructed
Construction Permit Date	26/12/1438	Completion Rate	100%

Construction Permit Type	Adding and modifying	Built-Up Area (BUA)	16,260.51
Property Type	Commercial project	Actual Age	8
Construction Permit No.	3900178244	State of Property	Fully Constructed
Construction Permit Date	27/12/1438	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

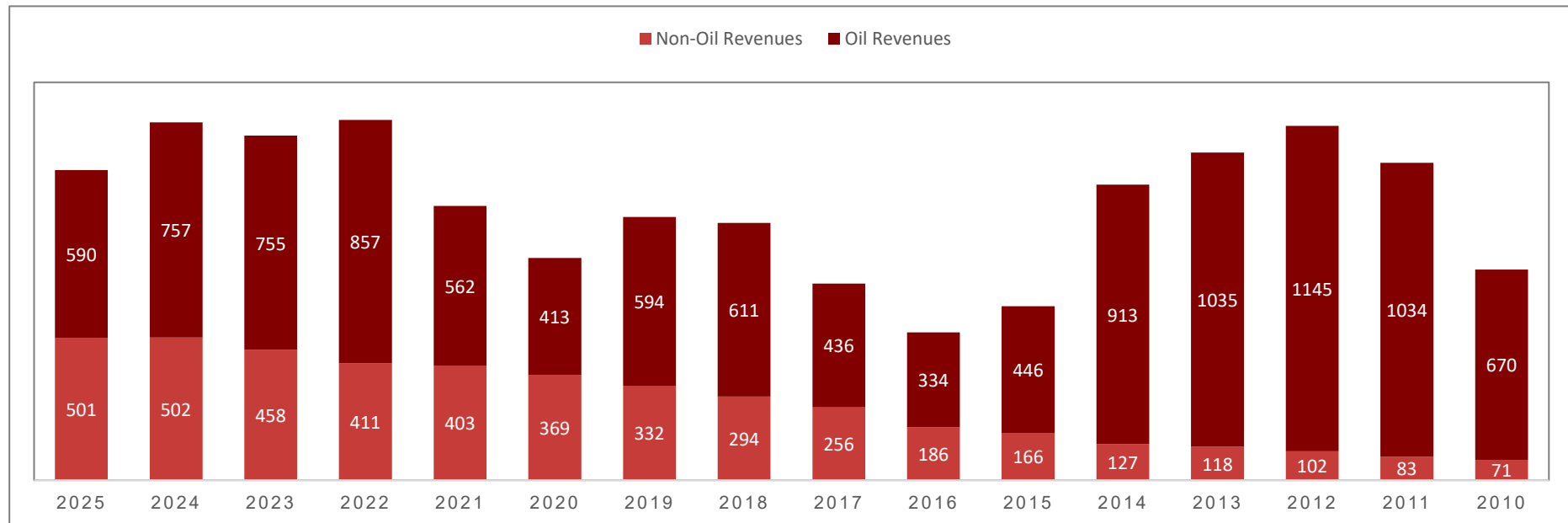
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

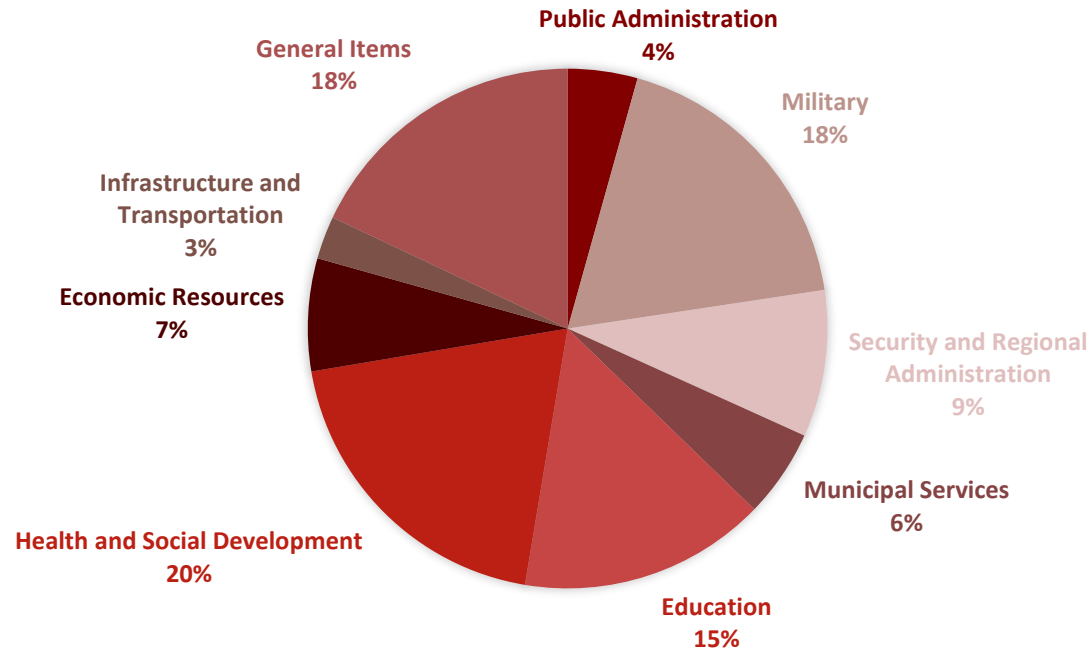
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	89,300,000.00	115,700,000.00	263,000,000.00
NOI	6,251,000	8,099,000	18,410,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.20		GASTAT
Market Risk Premium%	%2.00		Trading Economics
Company-specific Risk Premium %	%2.00		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	5%	5%	5%	5%	5%
Expected Revenue							
Commercial complex	Sqm	21,236	21,236	21,236	21,236	21,236	21,236
Rate (SAR)	SAR	1,641	1,723	1,809	1,899	1,994	2,094
Additional income	SAR	1,753,000	1,753,000	1,753,000	1,753,000	1,753,000	1,753,000
Total	SAR	36,595,575	38,337,704	40,166,939	42,087,636	44,104,368	46,221,936
Overall Revenues		36,595,575	38,337,704	40,166,939	42,087,636	44,104,368	46,221,936
Vacancy and Credit Loss							
Commercial complex		20%	15%	15%	12%	10%	10%
		7,319,115	5,750,656	6,025,041	5,050,516	4,410,437	4,622,194
Total		7,319,115	5,750,656	6,025,041	5,050,516	4,410,437	4,622,194
Effective Rental Income		29,276,460	32,587,048	34,141,898	37,037,120	39,693,931	41,599,742
Expenses							
PM Fees	3.5%	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
FM Fees	10.0%	3,136,272	3,136,272	3,136,272	3,136,272	3,136,272	3,136,272
Overall Expenses		4,336,272	4,336,272	4,336,272	4,336,272	4,336,272	4,336,272
NOI		24,940,188	28,250,776	29,805,626	32,700,848	35,357,659	37,263,470
Terminal Value	7.0%						532,335,292
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		24,940,188	25,918,143	25,086,799	25,251,054	25,048,257	370,200,113
Net Present Value							496,400,000

4.3 Subject Property Value

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

Property Value: **ﷲ 496,400,000.00**
Four Hundred Ninety-Six Million Four Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

[illegible][illegible]

رقم
42020007208
البيع 1444/1/23

وثيقة تملك عقار

المملكة العربية
السعودية
KSA 1000000000

التأسيس

1444/1/23

عدد

المدة

لا يوجد فترة

1438/5/23

تاريخ الوثيقة

المدة

الفترة

لغة الوثيقة

تاريخ الوثيقة التالية

42020007208

كيفية التعامل الأولى مع

12770.3

على حاكمية

320214018053

رقم الوثيقة

المصدر

الاستاذ (م)

رقم استاذ

رقم الوثيقة التالية

الملحقات

نسبة المسك

100 %

النسبة

-

الاسم

الفرقة الجديدة للأقتصاد والتنمية
المركز المالية

رقم الوثيقة

7601902688

مقرر 3 من 14

رقم الوثيقة التالية

مساحة المقرر

رقم المقرر

رقم الوثيقة

رقم المخطط

المدة

التي

لا يوجد

موضوع المظار

لا يوجد

لا يوجد

174

482 / 3 ع

1

المظار

لا يوجد

البيع

الطراز (م)

وصف المظ

النوع

العدد

ملاحظات

حيزا

فترة

فترة

الصفحة 3 من 3

يتمثل هذا الملف من الوثيقة الأصلية ويحتوي على كافة المعلومات الواردة في الوثيقة الأصلية. أي تغيير في الوثيقة الأصلية لا يؤثر على صحة هذا الملف. الوثيقة الأصلية هي الوثيقة الوحيدة التي يمكن الاعتماد عليها.



الرقم: 320208037287
التاريخ: 1440/07/23

وثيقة تملك عقار



الجمهورية العربية السورية
DIP - 2020-0000

رقم الوثيقة: 1440/12/3

العنوان: شارع

الطابق: لا يوجد طابق

1438/07/23

رقم الوثيقة: 320208037287

كتابة العدل (المكتب): 16,054,8

تاريخ الوثيقة: 9,2021/10/18,932

رقم الوثيقة: 1440/12/3

العنوان: شارع

الطابق: لا يوجد طابق

1438/07/23

الملك

نسبة الملكية	الصفة	الاسم	رقم الهوية
100 %	-	الفرقة العسكرية الخامسة القوات الجوية	7081902088

رقم الوثيقة: 12 من 12

رقم الهوية: لا يوجد

سجل الممتلكات: لا يوجد

رقم الوثيقة: لا يوجد

رقم الممتلكات: لا يوجد

الصفة: لا يوجد

الاسم: لا يوجد

رقم الوثيقة: 12 من 12

رقم الهوية: لا يوجد

سجل الممتلكات: لا يوجد

رقم الوثيقة: لا يوجد

رقم الممتلكات: لا يوجد

الصفة: لا يوجد

الاسم: لا يوجد

رقم الوثيقة: 12 من 12

رقم الهوية: لا يوجد

سجل الممتلكات: لا يوجد

رقم الوثيقة: لا يوجد

رقم الممتلكات: لا يوجد

الصفة: لا يوجد

الاسم: لا يوجد

الشراء

رقم الوثيقة	رقم الهوية	الاسم	رقم الوثيقة
12 من 12	لا يوجد	الفرقة العسكرية الخامسة	لا يوجد

رقم الوثيقة: 12 من 12

رقم الهوية: لا يوجد

سجل الممتلكات: لا يوجد

رقم الوثيقة: لا يوجد

رقم الممتلكات: لا يوجد

الصفة: لا يوجد

الاسم: لا يوجد

رقم الوثيقة: 12 من 12

رقم الهوية: لا يوجد

سجل الممتلكات: لا يوجد

رقم الوثيقة: لا يوجد

رقم الممتلكات: لا يوجد

الصفة: لا يوجد

الاسم: لا يوجد

رقم الوثيقة: 12 من 12

رقم الهوية: لا يوجد

سجل الممتلكات: لا يوجد

رقم الوثيقة: لا يوجد

رقم الممتلكات: لا يوجد

الصفة: لا يوجد

الاسم: لا يوجد

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزمعة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund
Ban Abdulaziz

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832093
Date: 10/08/2026

Subject: Valuation Report for Office Building – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832093
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Office Building
Property Location	Al Yasmin District, Riyadh City.
Title Deed No.	5054113021000000
Title Deed Date	---
Ownership Type	Freehold
Limitations	None
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	3,850.3 Sqm
BUA (Sqm)	13,460 Sqm
GLA (Sqm)	5,630 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 167,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

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

- Total Land Area: 3,850.30 square meters.
- Total Built-Up Area (BUA): 13,460.00 square meters.
- Gross Leasable Area (GLA): 5,630.00 square meters.

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

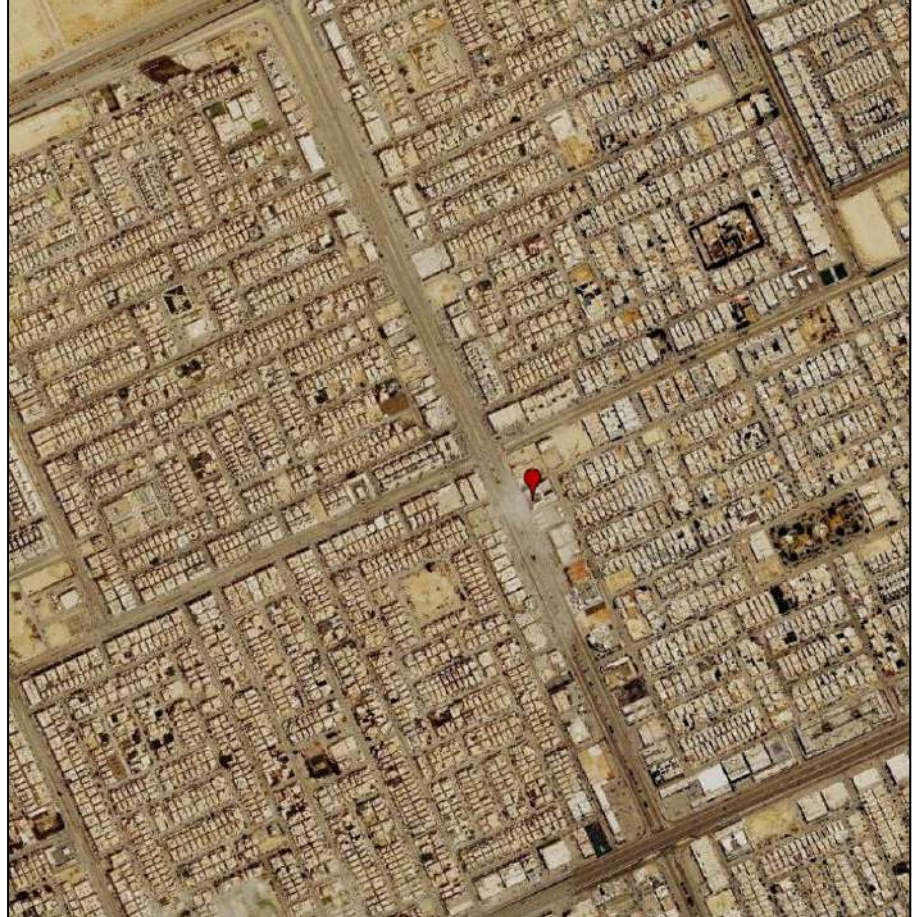
2.2 Ease of Access

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

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
 A wide-angle aerial photograph of Riyadh, Saudi Arabia, showing the city's grid-like street pattern and surrounding desert landscape. A red pin marks the location of the project site in the western part of the city.	 A closer aerial view of the project site, showing a dense residential area with many small buildings and narrow streets. A red pin marks the specific location of the project.
24°49'32.6"N 46°38'27.4"E	
RJGR+79W Alyasmin, Riyadh	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	3,850.2
District	Al Yasmin	Plot No.	46
T.D Type	Electronic	Block No.	9
T.D Number	5054113021000000	Layout No.	3229
T.D Date	---	Ownership Type	Freehold
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	N/A
Issued From	Real Estate Registry		
North Side		East Side	
South Side		West Side	

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

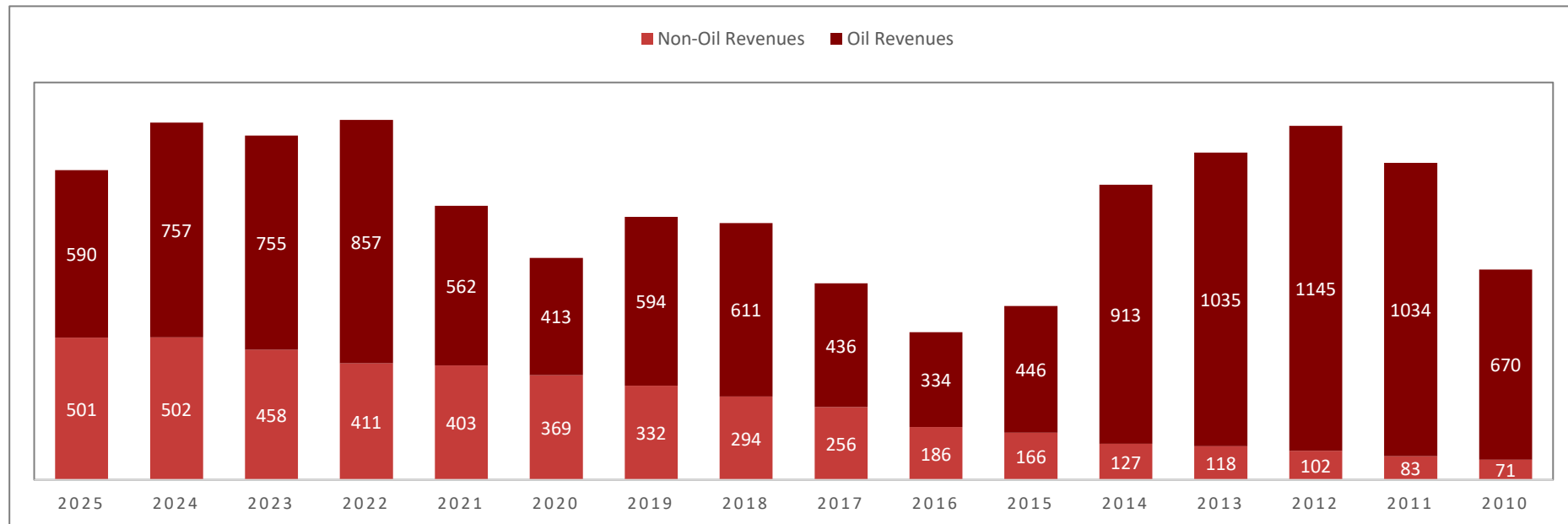
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

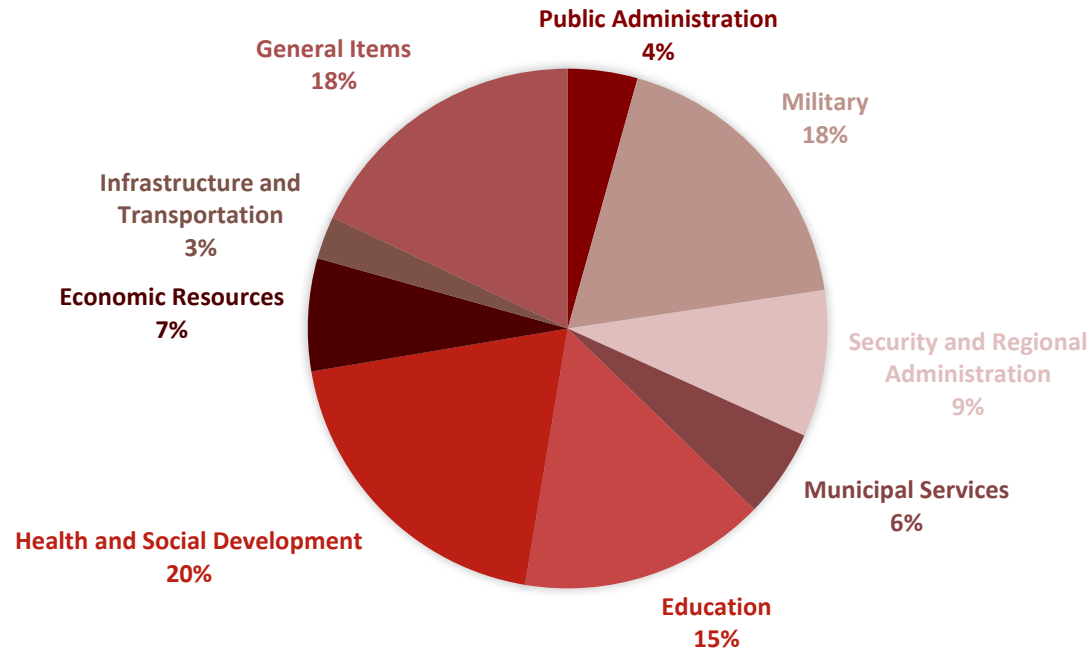
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	42,560,000.00	93,350,000.00	73,141,000.00
NOI	2,979,200	6,534,500	5,119,870
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.20		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected Revenues							
office building	Sqm	5,420	5,420	5,420	5,420	5,420	5,420
Rate (SAR)	SAR	2,170	2,170	2,170	2,170	2,170	2,170
Total	SAR	11,761,400	11,761,400	11,761,400	11,761,400	11,761,400	11,761,400
Overall Revenues		11,761,400	11,761,400	11,761,400	11,761,400	11,761,400	11,761,400
Vacancy and Credit Loss							
office building	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		11,761,400	11,761,400	11,761,400	11,761,400	11,761,400	11,761,400
Expenses							
OPEX	0.0%	0	0	0	0	0	0
CAPEX	0.0%	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0
NOI		11,761,400	11,761,400	11,761,400	11,761,400	11,761,400	11,761,400
Terminal Value	7.0%						168,020,000
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		11,761,400	10,790,275	9,899,335	9,081,959	8,332,072	116,845,575
Net Present Value							167,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 167,000,000.00**
One Hundred Sixty-Seven Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Documents Received

5.1 Title deed



صك تسجيل ملكية
رقم العقار / 5054113021000000



بيانات قطعة الأرض						
المدينة	الحي	المخطط	البلد	القطعة	المساحة	استعمالاتها
الرياض	الباسمين	3229	9	46	3850.3	إستعمال مختلط

معلومات العقار			
نوع العقار	حالة العقار	قيمة انتقال الملكية	تاريخ الشراء
أرض فضاء	أرض فضاء	135000000 ريال سعودي	2025-07-06

ملوك العقار				
مالك العقار	الجنسية	نسبة التملك	نوع الهوية	رقم الهوية
الشركة السعودية للاقتصاد والتنمية للصناديق العقارية		% 100.000	الرقم الموحّد للمؤسسات	7001902688

رقم النسخة (5)
تاريخ إصدار النسخة: 2025/07/06
يمكن التحقق من بيانات الصك عبر الرابط التالي: <https://services.rer.sa/White-cubes>
هذه وثيقة رسمية صادرة من المحل المفلي
العقار مكتسب الحصة المطلقة وفقاً للمادة الجارية عشر من نظام التسجيل المبني للعقار
صفحة (1)



5.2 Memberships of the Participants Involved in Preparing the Report






عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type: Main
 فئة العضوية: أساسي

Membership No: 1210000474
 رقم العضوية: 1210000474

ID No: 1044275947
 رقم الهوية \ الإقامة: 1044275947

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




حصل على شهادة الزيادة
 للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210002782
 رقم العضوية: 1210002782

ID No: 1014178931
 رقم الهوية \ الإقامة: 1014178931

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






ريما خالد سليمان الضعيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210004007
 رقم العضوية: 1210004007

ID No: 1116638824
 رقم الهوية \ الإقامة: 1116638824

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






فثي سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1220001949
 رقم العضوية: 1220001949

ID No: 2266363668
 رقم الهوية \ الإقامة: 2266363668

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Banque Saudi Fransi

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832377
Date: 10/08/2026

Subject: Valuation Report for Administrative Project – Dammam City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary

Executive Summary

Reference No.	26-0682
Dep. Code	1832377
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Administrative Project.
Property Location	Al-Rayyan district, Dammam City.
Title Deed No.	799684003636
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	5,191.44 Sqm
BUA (Sqm)	879 Sqm.
GLA (Sqm)	879 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 30,400,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9.1%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is an administrative building located in Al-Rayyan district, Dammam city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 5,191.44 square meters.
- Total Built-Up Area (BUA): 879 square meters.
- Gross Leasable Area (GLA): 879 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located a direct view of Imam Ali bin Abi Talib Street from the southern side.

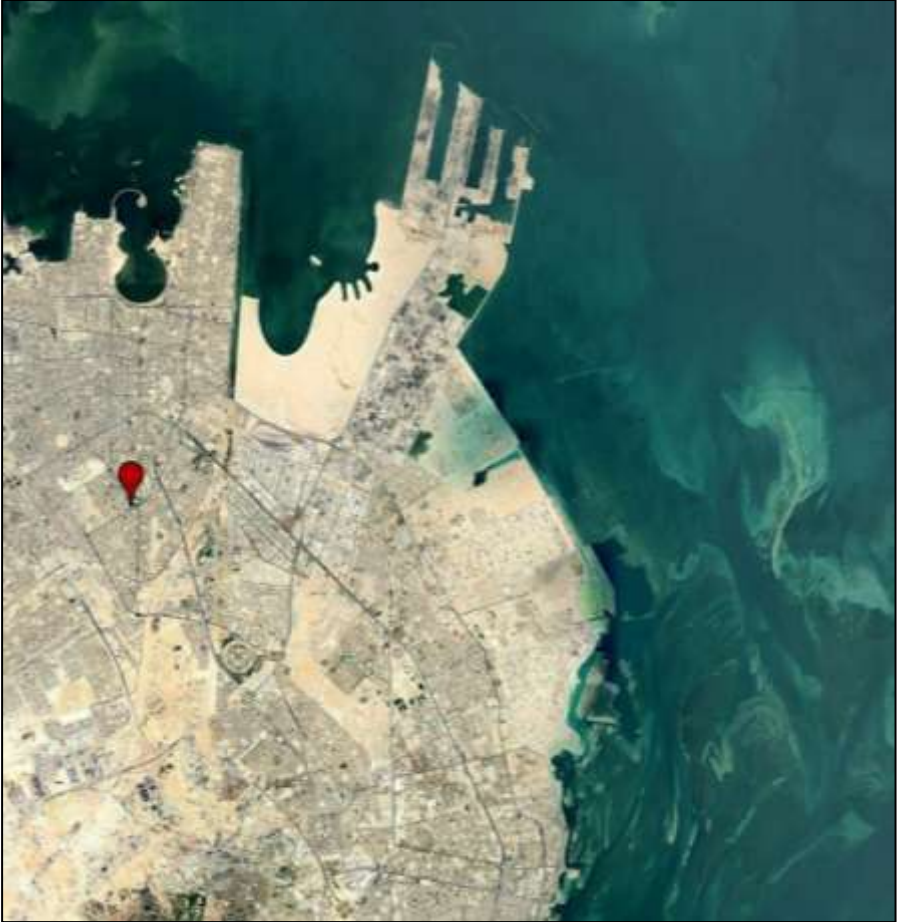
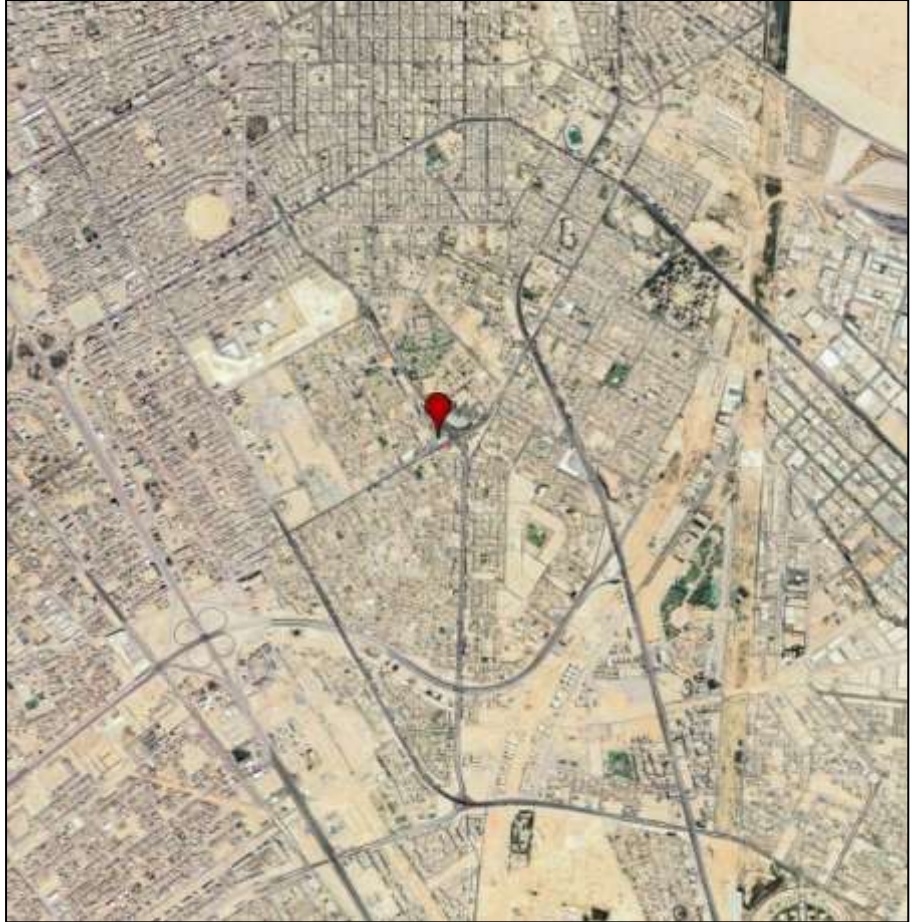
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Imam Ali Bin Abi Talib Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
26°24'13.5"N 50°06'08.2"E	
C432+GW3 الدمام	
Google Maps	

2.5 Title Deed and Ownership

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

City	Dammam	Land Area	5,191.44 Sgm
District	Al-Rayyan	Plot No.	108-110
T.D Type	Electronic	Block No.	---
T.D Number	799684003636	Layout No.	ش.د/832
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	18 meter width street	East Side	Plot No 105
South Side	Plot No 109 +110	West Side	Plot No 111

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

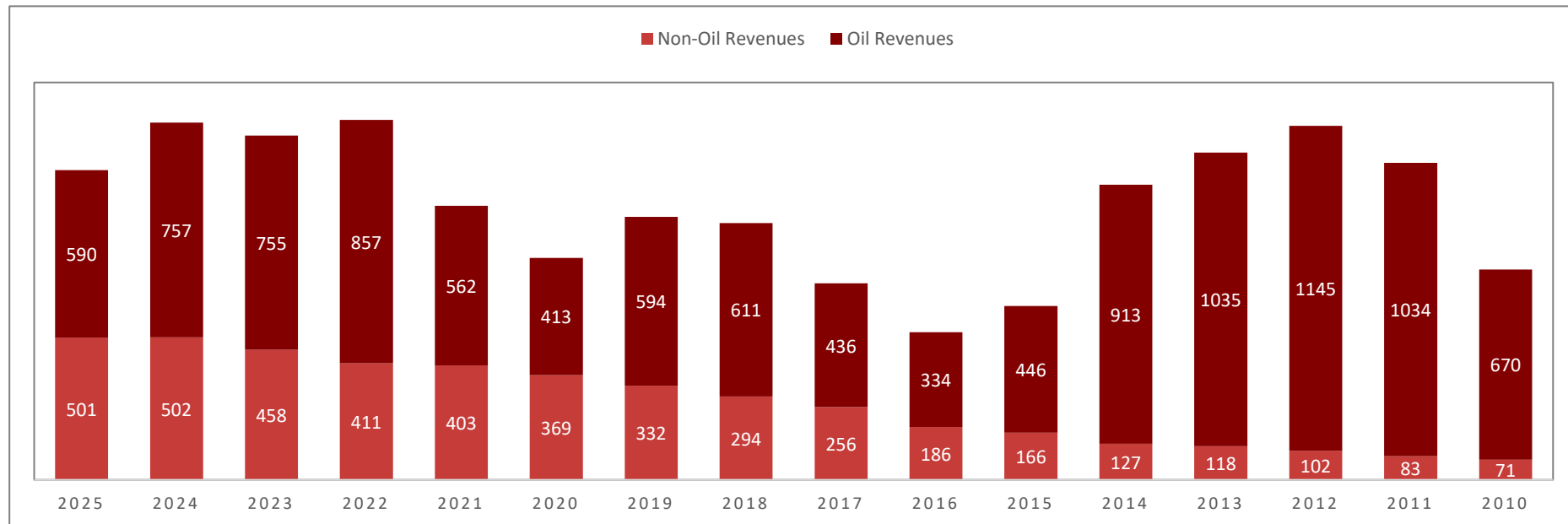
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

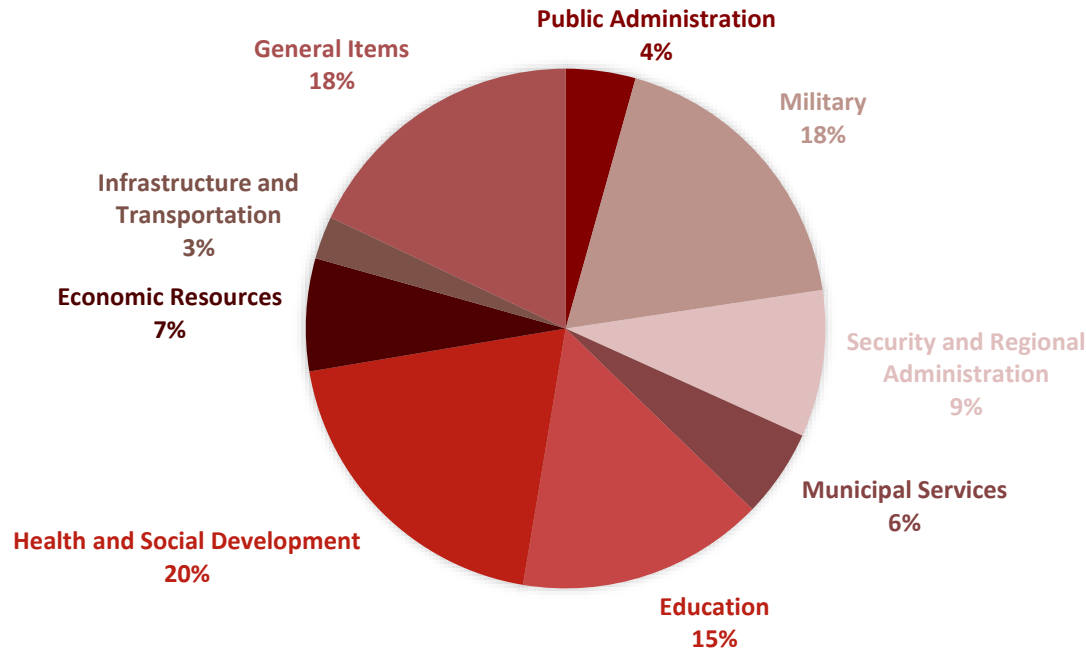
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	27,000,000.00	86,000,000.00	120,000,000.00
NOI	1,890,000	6,020,000	8,400,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.60		Team's experience.
Discount Rate%	9.10%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032
		0	1	2	3	4	5	6
Inflation		0%	0%	0%	5%	0%	0%	0%
Expected Revenue								
Commercial complex	Sqm	879	879	879	879	879	879	879
Rate (SAR)	SAR	2,389	2,389	2,389	2,503	2,503	2,503	2,503
Total	SAR	2,100,000	2,100,000	2,100,000	2,200,000	2,200,000	2,200,000	2,200,000
Overall Revenues		2,100,000	2,100,000	2,100,000	2,200,000	2,200,000	2,200,000	2,200,000
Vacancy and Credit Loss								
Commercial complex	0.0%	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0
Effective Rental Income		2,100,000	2,100,000	2,100,000	2,200,000	2,200,000	2,200,000	2,200,000
Expenses								
OpEx	0.0%	0	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0
NOI		2,100,000	2,100,000	2,100,000	2,200,000	2,200,000	2,200,000	2,200,000
Terminal Value	7.0%							31,428,571
Discount Rate	9.1%	1.00	0.92	0.84	0.77	0.71	0.65	0.59
Present Value		2,100,000	1,924,840	1,764,289	1,694,137	1,552,829	1,423,308	19,941,596
Net Present Value								30,400,000

4.3 Subject Property Value

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

Property Value: **ﷲ 30,400,000.00**
Thirty Million Four Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of (RE Valuation)
 License No. 1210002782

Reema K. Al Dhayan
 Asst. Manager



Fellow Member of (RE Valuation)
 License No. 1210004007

Fathi S. Saeed
 Inspection Officer



Fellow Member of (RE Valuation)
 License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices

5.1 Title deed

 رقم: 799484001638 التاريخ: 1443/3/9		وثيقة تملك عقار		وزارة الإسكان Ministry of Housing											
عقار 2 من 3															
رقم الهوية العقارية		نوع العقار		مساحة العقار (م ²)		نوع الاستخدام		لا يوجد							
لا يوجد		قطعة الأرض		1,861.72		لا يوجد		لا يوجد							
الترفع					نوع العقار										
لا يوجد					لا يوجد										
رقم القطعة		رقم المخطط		الحي		المدينة		رقم المخطط							
109		832 / ش.د		الريان		الدمام		رقم المخطط							
الحد		النوع		وصف الحد		الطول (م)									
شمالاً		قطعة		رقم 108		29.71									
جنوباً		شارع		عرض 30 متر		48.24									
شرقاً		قطعة		رقم 107		49.29									
غرباً		قطعة		رقم 110		45.16									
عقار 3 من 3															
رقم الهوية العقارية		نوع العقار		مساحة العقار (م ²)		نوع الاستخدام		لا يوجد							
لا يوجد		قطعة الأرض		1,638.36		لا يوجد		لا يوجد							
الترفع					نوع العقار										
لا يوجد					لا يوجد										
رقم القطعة		رقم المخطط		الحي		المدينة		رقم المخطط							
110		832 / ش.د		الريان		الدمام		رقم المخطط							
الحد		النوع		وصف الحد		الطول (م)									
شمالاً		قطعة		رقم 108		29.71									
جنوباً		شارع		عرض 30 متر		48.02									
شرقاً		قطعة		رقم 109		45.16									
غرباً		قطعة		رقم 112		40									

مصدر هذه الوثيقة من الوزارة العقارية يمكن التحقق من صحة هذه الوثيقة من المصادر الالكترونية الخاصة لوزارة العدل بوزارة الجوازات المدنية والقرارية والإسكان وقطعة المخطط - الصفحة 2 من 2



الرقم: 799684003636
التاريخ: 1443/5/9 هـ

وثيقة تملك عقار

المملكة العربية السعودية
Saudi Arabia Kingdom

البيانات الأساسية

رقم الوثيقة	799684003636	طابع الوثيقة	1445/5/9
المصدر	الموثقين برياض 9	المعلا	فعل
الساح (م)	5,191.44	القيود	مرحون
رقم الوثيقة السابقة	393010010161	طابع وثيقة السابقة	1444/11/1
نوع المسلة	مسلة تسجيل		

القيود

القيود	الجهة الراعنة	رقم السند	قصة الزمن	طابع الاستحقاق
مرحون	بنك الجزيرة	7000120712	رهن 14,990,328	

الملاك

رقم الوثيقة	الاسم	حصة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية للخدمات المالية	100 %

عقار 1 من 3

رقم الوثيقة العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستعام
لا يوجد	قطعة الأرض	1,691.36	لا يوجد
	الوضع	نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المسطحة	الحي	البلدية
108	832 / ش.د	الريان	الدمام

الحدد	النوع	وصف الحد	المساحة (م ²)
شمالاً	شارع	عرض 18 متر	28.14
جنوباً	قطعة	رقم 110+109	59.42
شرقاً	قطعة	رقم 105	38.34
غرباً	قطعة	رقم 111	40

5.2 Memberships of the Participants Involved in Preparing the Report

Logo	Logo	Logo	Logo
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الصعيان REEMA KHALID SULAIMAN ALDHAYAN	 فathi سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main Membership No: 1210000474 ID No: 1044275047 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1210002782 ID No: 1014178931 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1210004007 ID No: 1110638824 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1220001949 ID No: 2266363668 Membership Exp: 2026-12-31
QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 12047 على البرقود	QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 2782 على البرقود	QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 4007 على البرقود	QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 1949 على البرقود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund
Dar Al Bara'a School

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832141
Date: 10/08/2026

Subject: Valuation Report for Dar Al Bara'a School– Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832141
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	School.
Property Location	Al Narjes district, Riyadh City.
Title Deed No.	599684003633
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Education.
Land Area (Sqm)	15,385.2 Sqm
BUA (Sqm)	33,429 Sqm.
GLA (Sqm)	35,000 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 185,400,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	02/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.
12. The contractual years adopted in the valuation commence with the first contractual year on 20/07/2026, while the final contractual year commences on 20/07/2040 and ends on 19/07/2041.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 02/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a school located in Al Narjes district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 15,385.2 square meters.
- Total Built-Up Area (BUA): 33,429.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located near King Salman Road.

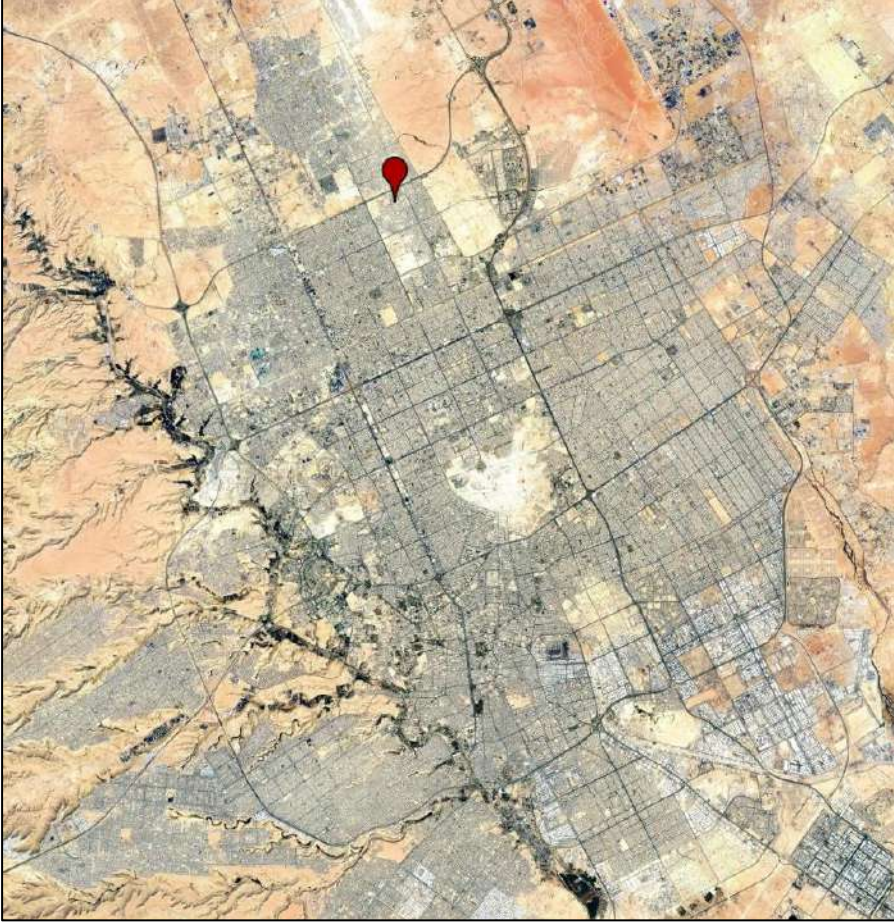
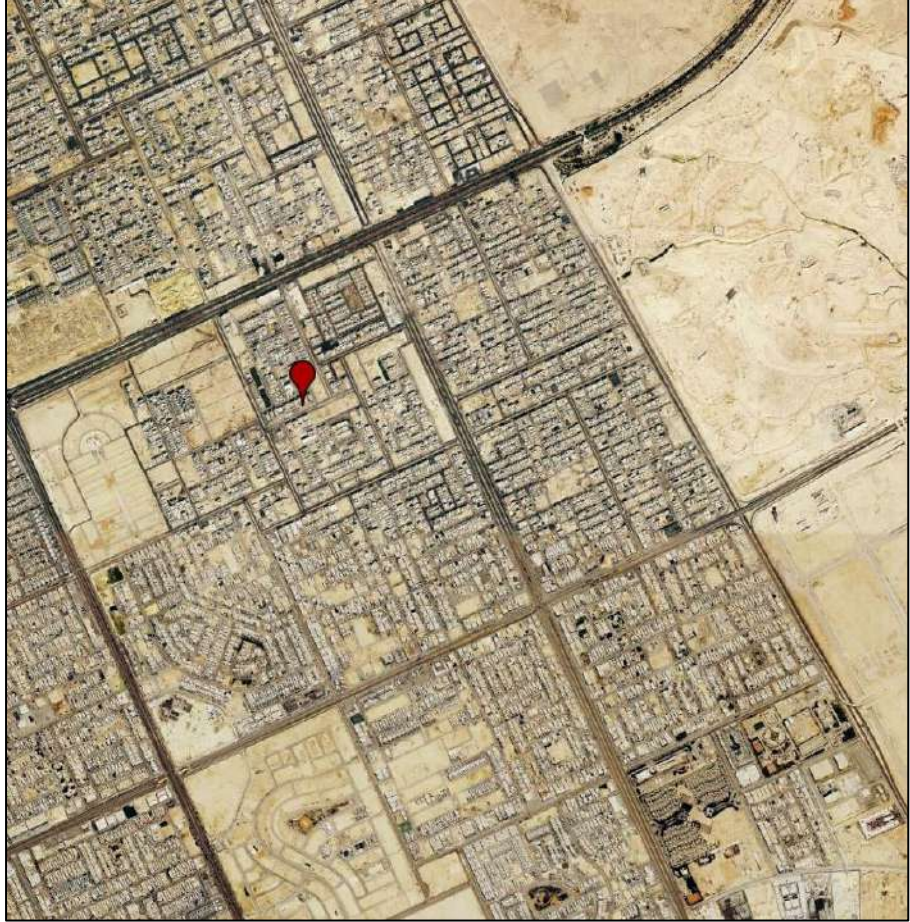
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Sunbulah Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°50'35.3"N 46°40'04.8"E	
السنبلة, An Narjis, Riyadh 13327	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	15,385.2 Sqm
District	Al Narjes	Plot No.	3416
T.D Type	Electronic	Block No.	---
T.D Number	399684003641	Layout No.	2737
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	20 meter width street	East Side	20 meter width street
South Side	30 meter width street	West Side	36 meter width street

2.6 Construction Permit

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

Construction Permit Type	Modifying building plans	Built-Up Area (BUA)	33,429
Property Type	School complex	Actual Age	9
Construction Permit No.	1435/20257	State of Property	Fully Constructed
Construction Permit Date	23/11/1435	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

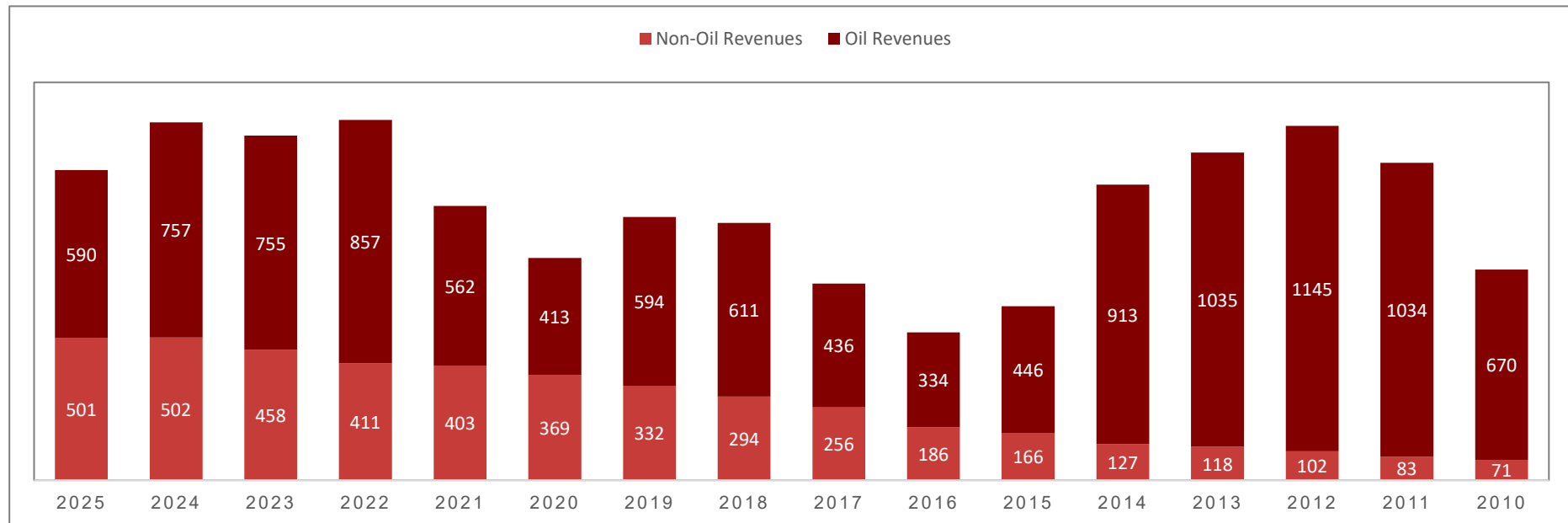
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

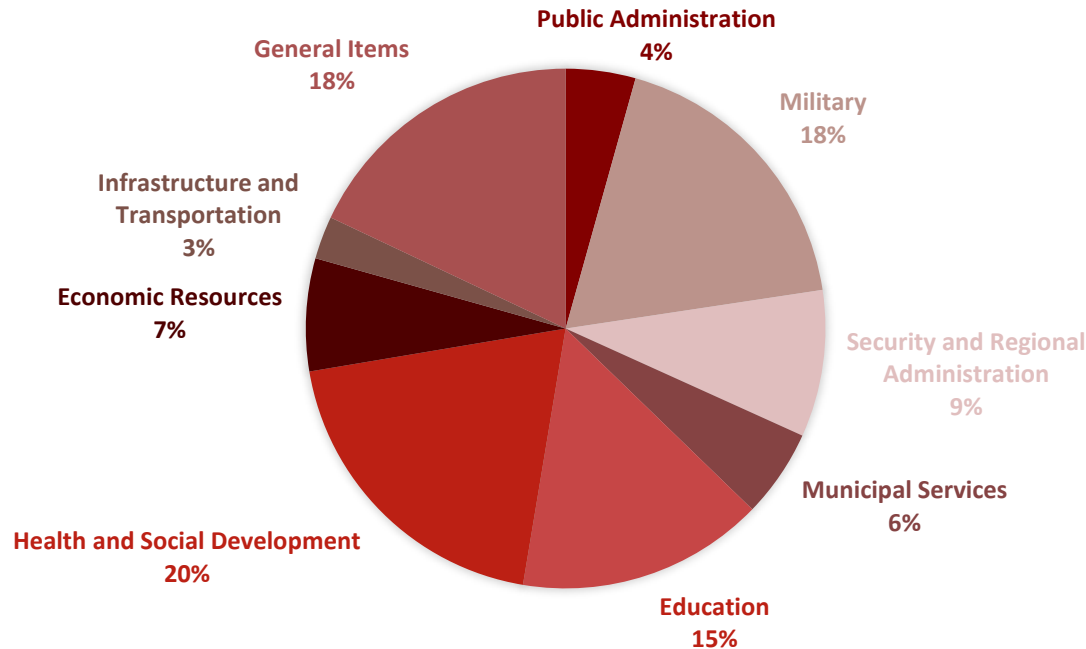
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	87,000,000.00	68,000,000.00	107,000,000.00
NOI	6,090,000	4,760,000	7,490,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		0	1	2	3	4	5	6	7
Inflation		0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%
Expected Revenue									
Educational Complex	Sqm	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385
Rate (SAR)	SAR	848	848	911	911	911	980	980	980
Total	SAR	13,044,117	13,044,117	14,022,426	14,022,426	14,022,426	15,074,108	15,074,108	15,074,108
Overall Revenues		13,044,117	13,044,117	14,022,426	14,022,426	14,022,426	15,074,108	15,074,108	15,074,108
Vacancy and Credit Loss									
Educational Complex	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		13,044,117	13,044,117	14,022,426	14,022,426	14,022,426	15,074,108	15,074,108	15,074,108
Expenses									
OpEx	0.0%	0	0	0	0	0	0	0	0
CapEx	12.5%	1,630,515	1,630,515	1,752,803	1,752,803	1,752,803	1,884,263	1,884,263	1,884,263
Overall Expenses		1,630,515	1,630,515	1,752,803	1,752,803	1,752,803	1,884,263	1,884,263	1,884,263
NOI		11,413,602	11,413,602	12,269,623	12,269,623	12,269,623	13,189,844	13,189,844	13,189,844
Terminal Value	7.0%								
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value		11,413,602	10,471,195	10,327,096	9,474,400	8,692,110	8,572,494	7,864,673	7,215,296
Net Present Value									

Discounted Cash Flows		Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
		8	9	10	11	12	13	14
Inflation		7.5%	0.0%	7.5%	0.0%	0.0%	0.0%	7.5%
Expected Revenue								
Educational Complex	Sqm	15,385	15,385	15,385	15,385	15,385	15,385	15,385
Rate (SAR)	SAR	1,053	1,053	1,132	1,132	1,132	1,132	1,217
Total	SAR	16,204,666	16,204,666	17,420,016	17,420,016	17,420,016	17,420,016	18,726,517
Overall Revenues		16,204,666	16,204,666	17,420,016	17,420,016	17,420,016	17,420,016	18,726,517
Vacancy and Credit Loss								
Educational Complex	0.0%	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0
Effective Rental Income		16,204,666	16,204,666	17,420,016	17,420,016	17,420,016	17,420,016	18,726,517
Expenses								
OpEx	0.0%	0	0	0	0	0	0	0
CapEx	12.5%	2,025,583	2,025,583	2,177,502	2,177,502	2,177,502	2,177,502	2,340,815
Overall Expenses		2,025,583	2,025,583	2,177,502	2,177,502	2,177,502	2,177,502	2,340,815
NOI		14,179,083	14,179,083	15,242,514	15,242,514	15,242,514	15,242,514	16,385,702
Terminal Value	7.0%							234,081,461
Discount Rate	9.0%	0.50	0.46	0.42	0.39	0.36	0.33	0.30
Present Value		7,116,003	6,528,444	6,438,603	5,906,975	5,419,243	4,971,783	74,951,413
Net Present Value								185,400,000

Note: The contractual years adopted in the valuation commence with the first contractual year on 20/07/2026, while the final contractual year commences on 20/07/2040 and ends on 19/07/2041.

4.3 Subject Property Value

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

Property Value: **ﷲ 185,400,000.00**
One Hundred Eighty-Five Million Four Hundred Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

رقم: 599484003633 التاريخ: 1445/5/9		وثيقة تملك عقار		 المملكة العربية السعودية Saudi Arabia - KSA	
اليانات الأساسية		رقم الوثيقة	599684003633	تاريخ الوثيقة	1445/5/9
المصدر		الموافق بتاريخ	9	المجال	طبال
المساحة (م ²)			15,385.2	القوة	مرحون
رقم الوثيقة السابقة			310122049151	تاريخ الوثيقة السابقة	1443/10/23
نوع المسلة		مسلة بتسجيل			
التقويم					
العدد	الحصة الزائدة	رقم المنشأة	رقم الزمن	تاريخ الاستحقاق	
مرحون	بنك الجزيرة	7000120712	رس 110,249,556		
الملاك					
رقم الهوية		الاسم		نسبة الملاك	
7001902681		الشركة السعودية للاقتصاد والتنمية للتمويل العقاري		100 %	
المقار					
رقم الهوية العقارية		نوع المقار	مساحة المقار (م ²)	نوع الاستخدام	
لا يوجد		قطعة الأرض	15,385.2	لا يوجد	
العزل		نموذج المقار			
لا يوجد		لا يوجد			
رقم القطعة		رقم المخطط	الحي	البلدية	
3416		2737	البرجس	الرياض	
المساحة					
المساحة	الارتفاع	وصف المبنى		المطل (م ²)	
شمالا	شارع	عرض 20م		256.42	
جنوبا	شارع	عرض 30م		256.42	
شرقا	شارع	عرض 30م		60	
غربا	شارع	عرض 36م		60	

مصدر هذه الوثيقة من البرمة العقارية يمكن التحقق من صحة هذه الوثيقة من الجهات الحكومية المختصة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للغزل . الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund

Dunecrest American School

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832155
Date: 10/08/2026

Subject: Valuation Report for Schools – Dubai, United Arab Emirates

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832155
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Schools.
Property Location	Wadi Al Safa 3, Dubai, United Arab Emirates.
Title Deed No.	645-6592
Title Deed Date	13/05/2025
Ownership Type	Freehold
Limitations	None
Owner	SEDCO CAP SPV LIMITED
Land Use	Educational.
Land Area (Sqm)	36,694.90 Sqm
BUA (Sqm)	19,510 Sqm
GLA (Sqm)	19,510 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 184,300,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	12/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 12/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is Schools located in Wadi Al Safa 3, Dubai, United Arab Emirates Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area 36,694.90 square meters.
- Building area: 19,510 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property is located near Sheikh Mohammed bin Zayed Road.

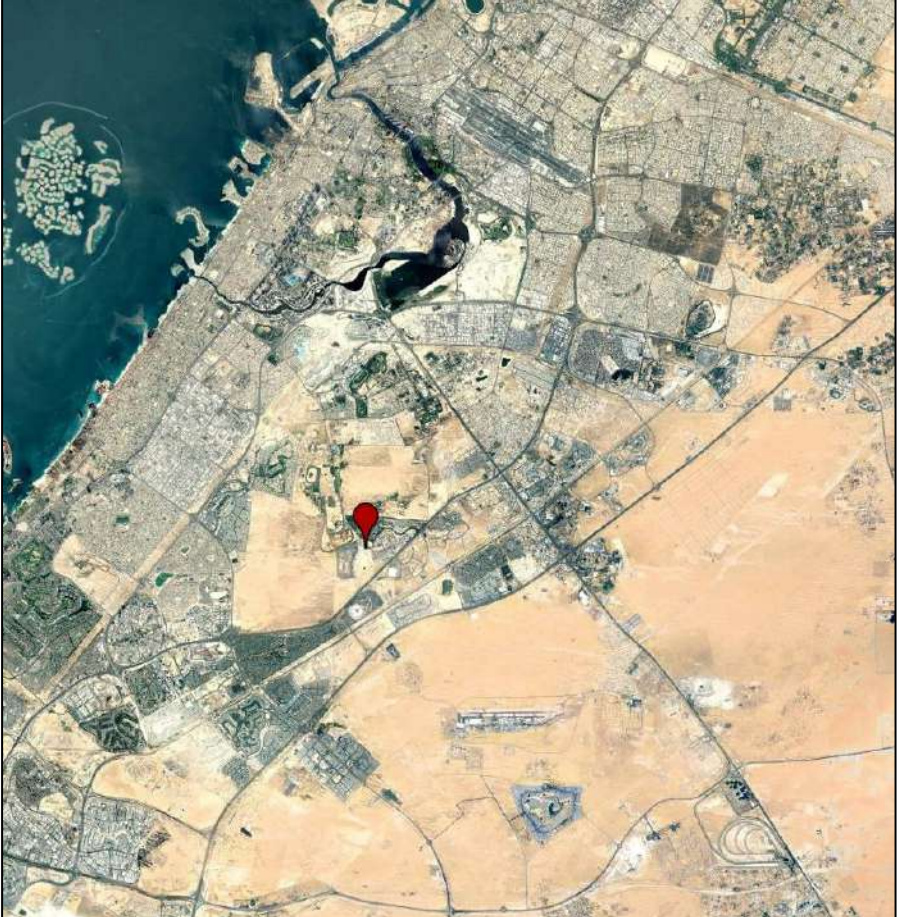
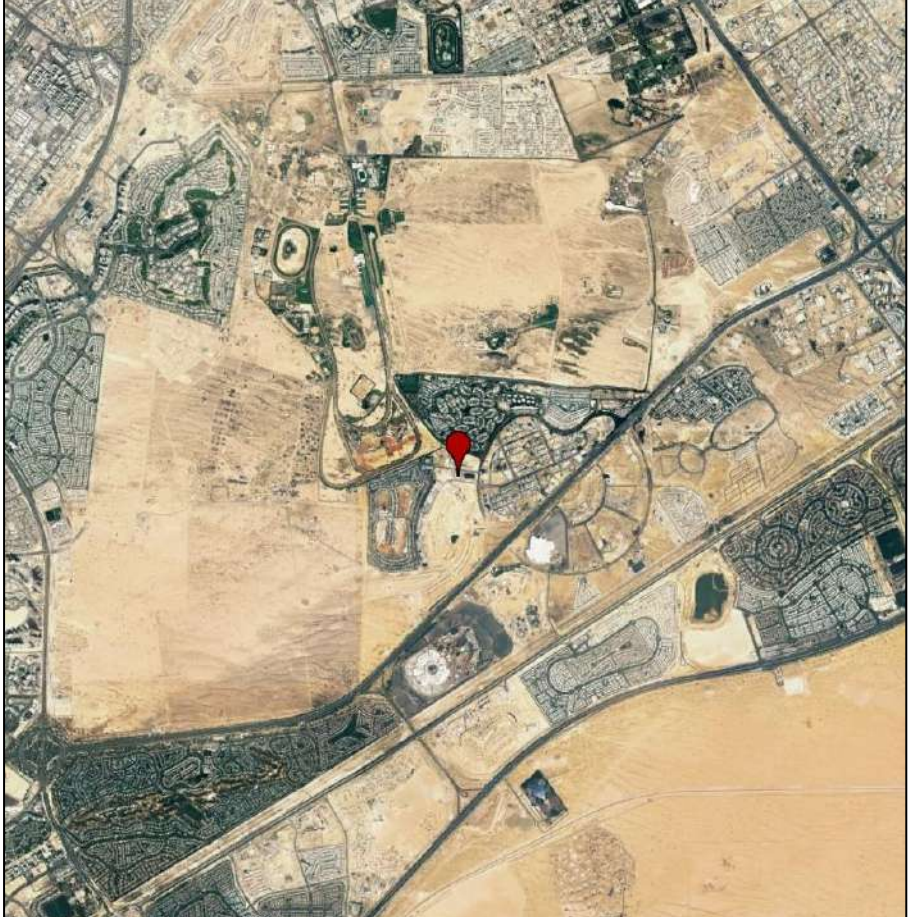
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location near to Sheikh Mohammed bin Zayed Road.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
25°05'27.5"N 55°18'23.5"E	
دبي، الامارات العربية المتحدة 3 Wadi Al Safa 3	
Google Maps	

2.5 Title Deed and Ownership

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

City	Dubai	Land Area	36,694.90
District	Wadi Al Safa 3	Plot No.	695
T.D Type	Electronic	Block No.	---
T.D Number	3292-645	Layout No.	---
T.D Date	2025/05/13	Ownership Type	Freehold
Owner	SEDCO CAP SPV LIMITED	Limitation of Document	None
Issued From	Land Department – Government of Dubai		
North Side		East Side	
South Side		West Side	

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

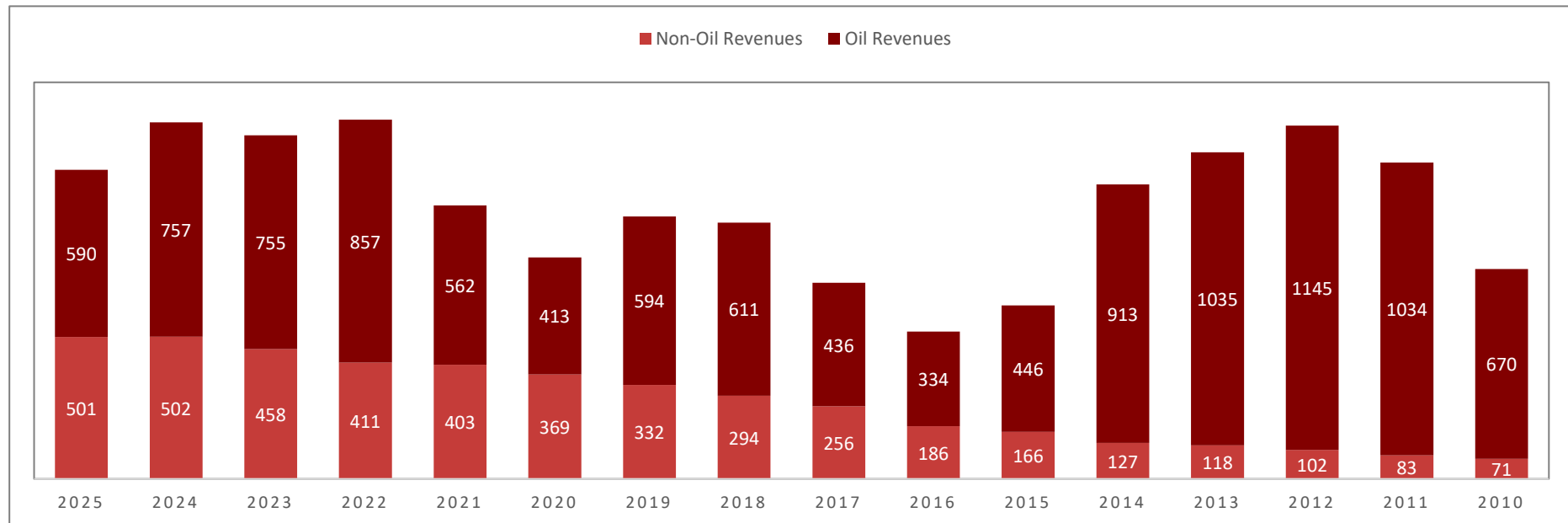
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

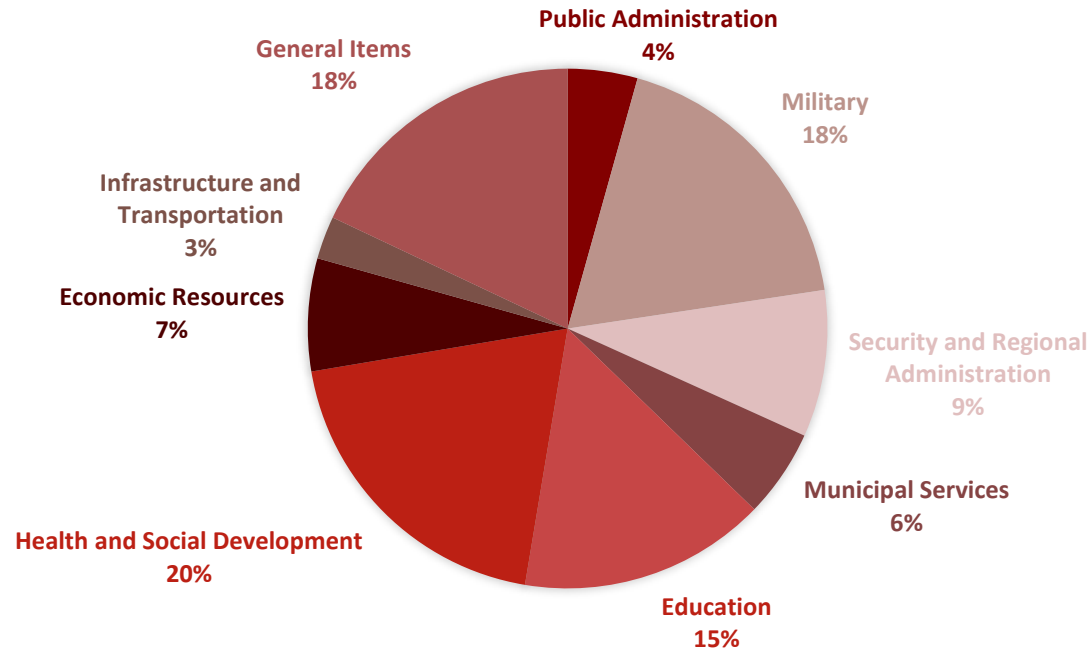
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	106,400,000.00	147,300,000.00	245,800,000.00
NOI	7,448,000	10,311,000	17,206,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%4.90	Source	SAMA
Inflation Rate%	%2.20		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.60		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		0	1	2	3	4	5	6	7	8	9
Inflation		0.0%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	0.0%
Expected Revenues											
Educational Building	Sqm	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695
Rate (SAR)	SAR	342	342	352	352	363	363	374	374	385	385
Total	SAR	12,546,000	12,546,000	12,922,380	12,922,380	13,310,051	13,310,051	13,709,353	13,709,353	14,120,634	14,120,634
Overall Revenues		12,546,000	12,546,000	12,922,380	12,922,380	13,310,051	13,310,051	13,709,353	13,709,353	14,120,634	14,120,634
Vacancy and Credit Loss											
Educational Building	0.0%	0	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0
Effective Rental Income		12,546,000	12,546,000	12,922,380	12,922,380	13,310,051	13,310,051	13,709,353	13,709,353	14,120,634	14,120,634
Expenses											
OPEX	0.0%	0	0	0	0	0	0	0	0	0	0
CAPEX	2.5%	313,650	313,650	323,060	323,060	332,751	332,751	342,734	342,734	353,016	353,016
Overall Expenses		313,650	313,650	323,060	323,060	332,751	332,751	342,734	342,734	353,016	353,016
NOI		12,232,350	12,232,350	12,599,321	12,599,321	12,977,300	12,977,300	13,366,619	13,366,619	13,767,618	13,767,618
Terminal Value	7.0%										
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50	0.46
Present Value		12,232,350	11,222,339	10,604,596	9,728,987	9,193,447	8,434,355	7,970,078	7,311,998	6,909,503	6,338,994
Net Present Value											

Discounted Cash Flows		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
		10	11	12	13	14	15	16	17	18	19
Inflation		4.0%	0.0%	5.0%	0.0%	5.0%	0.0%	5.0%	0.0%	5.0%	0.0%
Expected Revenues											
Educational Building	Sqm	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695
Rate (SAR)	SAR	400	400	420	420	441	441	463	463	486	486
Total	SAR	14,685,459	14,685,459	15,419,732	15,419,732	16,190,718	16,190,718	17,000,254	17,000,254	17,850,267	17,850,267
Overall Revenues		14,685,459	14,685,459	15,419,732	15,419,732	16,190,718	16,190,718	17,000,254	17,000,254	17,850,267	17,850,267
Vacancy and Credit Loss											
Educational Building	0.0%	0	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0
Effective Rental Income		14,685,459	14,685,459	15,419,732	15,419,732	16,190,718	16,190,718	17,000,254	17,000,254	17,850,267	17,850,267
Expenses											
OPEX	0.0%	0	0	0	0	0	0	0	0	0	0
CAPEX	2.5%	367,136	367,136	385,493	385,493	404,768	404,768	425,006	425,006	446,257	446,257
Overall Expenses		367,136	367,136	385,493	385,493	404,768	404,768	425,006	425,006	446,257	446,257
NOI		14,318,322	14,318,322	15,034,239	15,034,239	15,785,950	15,785,950	16,575,248	16,575,248	17,404,010	17,404,010
Terminal Value	7.0%										248,628,720
Discount Rate	9.0%	0.42	0.39	0.36	0.33	0.30	0.27	0.25	0.23	0.21	0.19
Present Value		6,048,214	5,548,820	5,345,194	4,903,848	4,723,890	4,333,844	4,174,804	3,830,095	3,689,541	51,740,618
Net Present Value											184,300,000

4.3 Subject Property Value

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

Property Value: **ﷲ 184,300,000.00**
One Hundred Eighty-Four Million Three Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Udi Arabia – Riyadh - WHITE CUBES Consulting Services Co., CR Number: 1010469071 Date: 20/06/1438, REV License No: 13093 Release date: 02/08/1437 Expiration date: 20/10/1452, Valuer, Essam Mohammad Al Husaini

Page 34 of 37



الجمهورية العربية السورية
الوزارة العامة للتعليم العالي والبحث العلمي

ترخيص بناء جديد

السلطة الوطنية للتأمين
National Insurance Authority

رقم الترخيص	4-4-2011	التاريخ الإصدار	04/01/2018	التاريخ القديمة	21/05/2010
قسم المسالك	قسم المسالك والمطابخ العامة الجديدة - دارم				
رقم الأرض الجديدة	6453292	قسم المنطقة الجديدة		وادي السرا	

شروط البناء:

رقم الترخيص: - عنوان المالك: - عنوان المالك:

ملاحظة:

This Approval for Shoring/Piling work only - Etilastil plant to be protected and any damage caused to ETC plant, any damages repairing and toll traffic will be charged under the customer cost. - Affected street will be indicated on client cost under Etilastil supervisor tracks and excavations required to establish the link from Etilastil room to server room disconnector. If any Etilastil direct services requested inside the building owner should provide all the additional requirements All Etilastil requirements as per 2013 Etilastil Design Guidelines for FIBER TO HOME REQUIREMENTS Etilastil will insure service up to main TEL room only. - Accommodated to be provided in Etilastil room with required DDFs and splitters Service distribution within the building will be by PADOX

ملاحظة:

THIS APPROVAL IS FOR SCHOOL NO KIDS BELOW 6 YEARS ARE ALLOWED TO BE ACCOMMODATED FLOOR OTHER THAN GROUND FLOOR STUDENTS SHALL BE EQUIPPED WITH AWARENESS OF FIRE SAFETY THE STAFF SHALL BE TRAINED WITH FIRE EXTINGUISHER USAGE, EVACUATION PROCEDURES ETC COMPLY WITH UAE CODE FOR CURTAINWALL, CLADDING, ROOFING, GLAZING, WALL SYSTEMS, BALCONIES, HANDRAILS AND APPROVAL IS ONLY FOR REVISION NO KIDS BELOW 6 YEARS ARE ALLOWED TO BE ACCOMMODATED FLOOR OTHER THAN GROUND FLOOR STUDENTS SHALL BE EQUIPPED WITH AWARENESS OF FIRE SAFETY THE STAFF SHALL BE TRAINED WITH FIRE EXTINGUISHER USAGE, EVACUATION PROCEDURES ETC COMPLY WITH UAE CODE FOR CURTAINWALL, CLADDING, ROOFING, GLAZING, WALL SYSTEMS, BALCONIES, HANDRAILS AND

General Conditions:

- Comply with Approved requirements, UAE Fire and Life Safety Code of Practice for Design, Construction, Installation of Fire and Life Safety systems including Curtnwall, Cladding, Glazing, Roofing, Wall Systems, Fire Doors, Fire Alarm System, Fire Signaling System, Smoke Control System, LFD System.
- All the material used, all the Supplies, all the Contractors implementing Fire and Life Safety Systems in this building shall be registered and approved by Dubai Civil Defence.
- Building during construction shall comply with all Fire Safety requirements of Chapter 12, UAE Fire and Life Safety Code of Practice.
- It is building owner's responsibility to make sure the proposed Consultants and Contractors follow the Rules and Regulations of Dubai Civil Defence.
- It is Consultants responsibility to make sure that no Construction work or system installation is commenced at any time without formal approval from Dubai Civil Defence.
- It is building owner's responsibility to appoint registered contractors to regularly maintain and ensure that all the Fire and Life Safety Systems in the building are functioning as intended.

[illegible]

حكومة دبي GOVERNMENT OF DUBAI		مملكة الإمارات العربية المتحدة United Emirates of Arab		
شهادة ملكية عقار				
Title Deed				
Issue Date:	12/05/2025	التاريخ الممنوح:		
Mortgage Status:	Not mortgaged	الحالة الرهن:		
Property Type:	Land	نوع العقار:		
Community:	Wadi Al Safa 3	المجتمع:		
Plot No:	695	رقم الأرض:		
Municipality No:	645 - 3252	رقم البلدية:		
Area Sq Meter:	36694.90	المساحة الكلية متر مربع :		
Area Sq Feet:	394,800.62	المساحة الكلية قدم مربع :		
Owners numbers and their change:	التمساك بالعدد والغير	أرقام وأسماء المالكين ومسجلين	(7036836) مسجل كمالك ابن بي في لندن	
Purchased from AMANA STEEL BUILDINGS CONTRACTING LLC by the Land Registration No. : 4458/2025 Date 13/05/2025 for the amount 138000000 Dirham, one Hundred Fifty Eight Million UAE Dirham only. Others:	36694.90	المشتري من شركة أمانا المباني المحدودة (ا. م. ح) بموجب العقد رقم 4458/2025 بتاريخ 13/05/2025 بمبلغ One Hundred Fifty Eight Million UAE Dirham only. Others only.	المشتري من شركة أمانا المباني المحدودة (ا. م. ح) بموجب العقد رقم 4458/2025 بتاريخ 13/05/2025 بمبلغ One Hundred Fifty Eight Million UAE Dirham only. Others only.	
This property and its ownership is subject to the terms of the jointly owned property declaration of the above mentioned community and to the regulations issued in accordance with it as may be amended from time to time				
Approved Signature موقع المسجل				
R.T. Code No. 5/1040 رقم التسجيل				

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Saudi Electronics Company Extra

10th August 2026

Report Number: 26-0682



REF: 26-0682
Code: 1832262
Date: 10/08/2026

Subject: Valuation Report for Commercial Complex– Dammam City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	16
MARKET INDICATORS	18
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	18
3.2 OIL AND NON-OIL REVENUES	19
3.3 BUDGET ALLOCATION FOR 2026	20
3.4 REAL ESTATE MARKET OVERVIEW 2025	20
3.5 RISK ANALYSIS	23
3.6 NEW REGULATORY PROVISIONS	24
PROPERTY VALUATION	26
4.1 VALUATION METHODS	26
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	28
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832262
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial complex
Property Location	Al Aziziyah, Dammam City.
Title Deed No.	499181002146 – 999181002152 - 399181002150
Title Deed Date	08/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	8,258.25 Sqm
BUA (Sqm)	4,404 Sqm
GLA (Sqm)	3,600 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 54,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

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

- Total land area: 8,258.25 square meters.
- Built-up area: 4,404 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property is located near on near Gulf Road from the northern side.

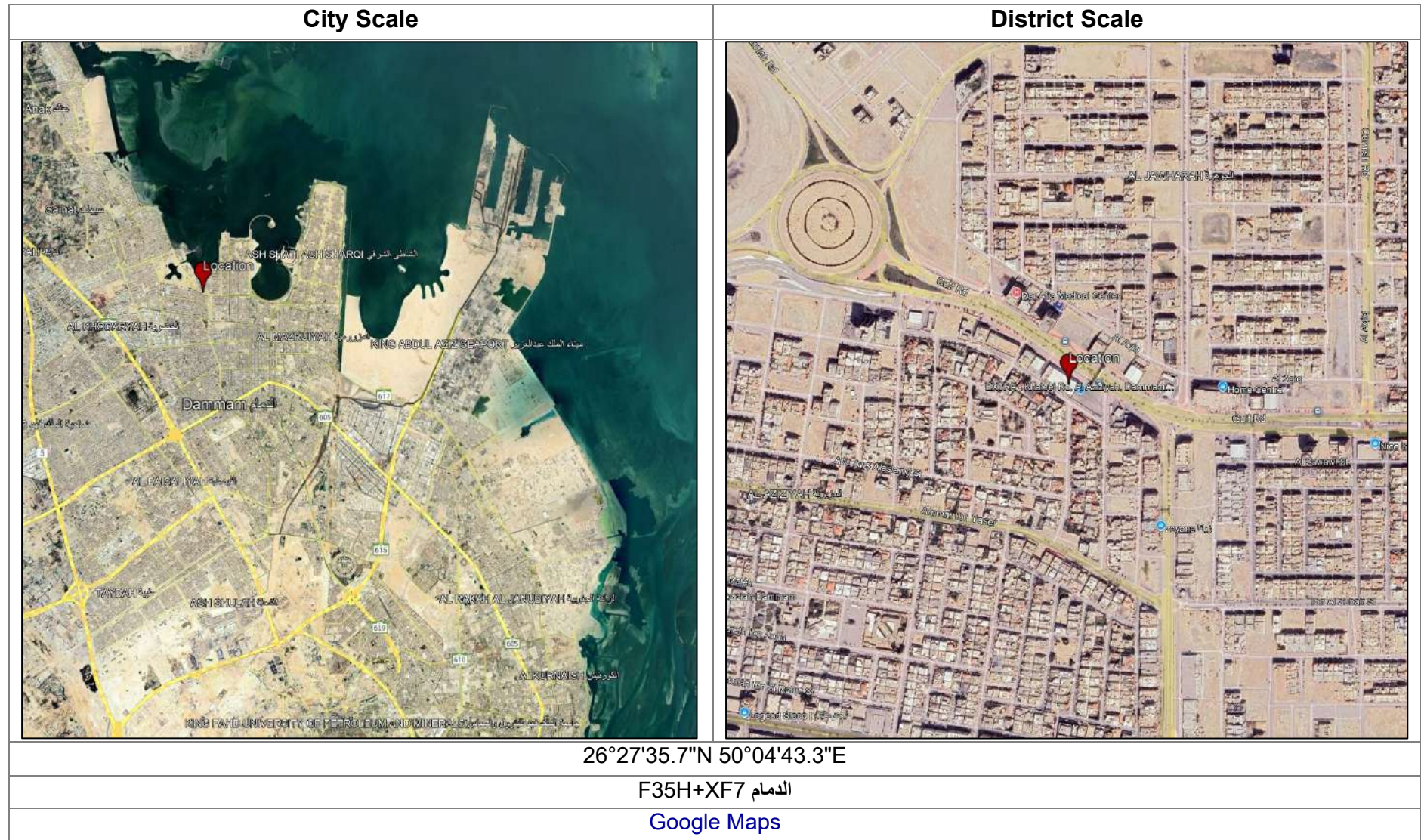
2.2 Ease of Access

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

2.3 Infrastructure

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

2.4 Location and Landmarks



2.5 Title Deed and Ownership

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

City	Dammam	Land Area	2,258.25
District	Al- Aziziyah	Plot No.	16
T.D Type	Electronic	Block No.	---
T.D Number	999181002152	Layout No.	1/418
T.D Date	1445/05/08	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	60m wide street	East Side	20m wide street
South Side	20m wide street	West Side	Plot No 15

City	Dammam	Land Area	1,500
District	Al- Aziziyah	Plot No.	15
T.D Type	Electronic	Block No.	---
T.D Number	999181002152	Layout No.	1/418
T.D Date	1445/05/08	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	60m wide street	East Side	Plot No 16
South Side	20m wide street	West Side	Plot No 14

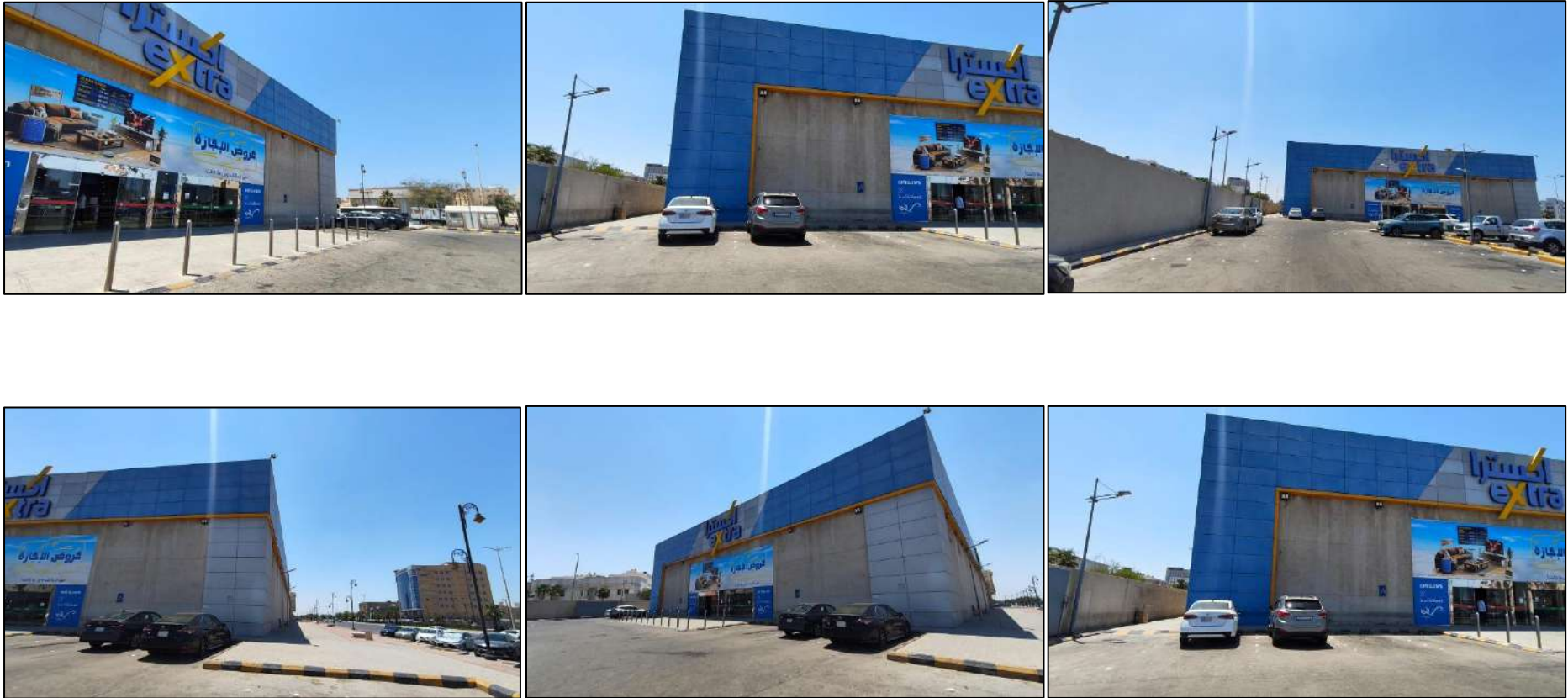
Note: The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

City	Dammam	Land Area	1,500.00
District	Al- Aziziyah	Plot No.	12
T.D Type	Electronic	Block No.	---
T.D Number	499181002146	Layout No.	1/418
T.D Date	1445/05/08	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	60m wide street	East Side	Plot No 13
South Side	20m wide street	West Side	8 wide street

City	Dammam	Land Area	1,500.00
District	Al- Aziziyah	Plot No.	13
T.D Type	Electronic	Block No.	---
T.D Number	499181002146	Layout No.	1/418
T.D Date	1445/05/08	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	60m wide street	East Side	Plot No 14
South Side	20m wide street	West Side	Plot No 12

City	Dammam	Land Area	1,500.00
District	Al- Aziziyah	Plot No.	14
T.D Type	Electronic	Block No.	---
T.D Number	399181002150	Layout No.	1/418
T.D Date	1445/05/08	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	60m wide street	East Side	Plot No 15
South Side	20m wide street	West Side	Plot No 13

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

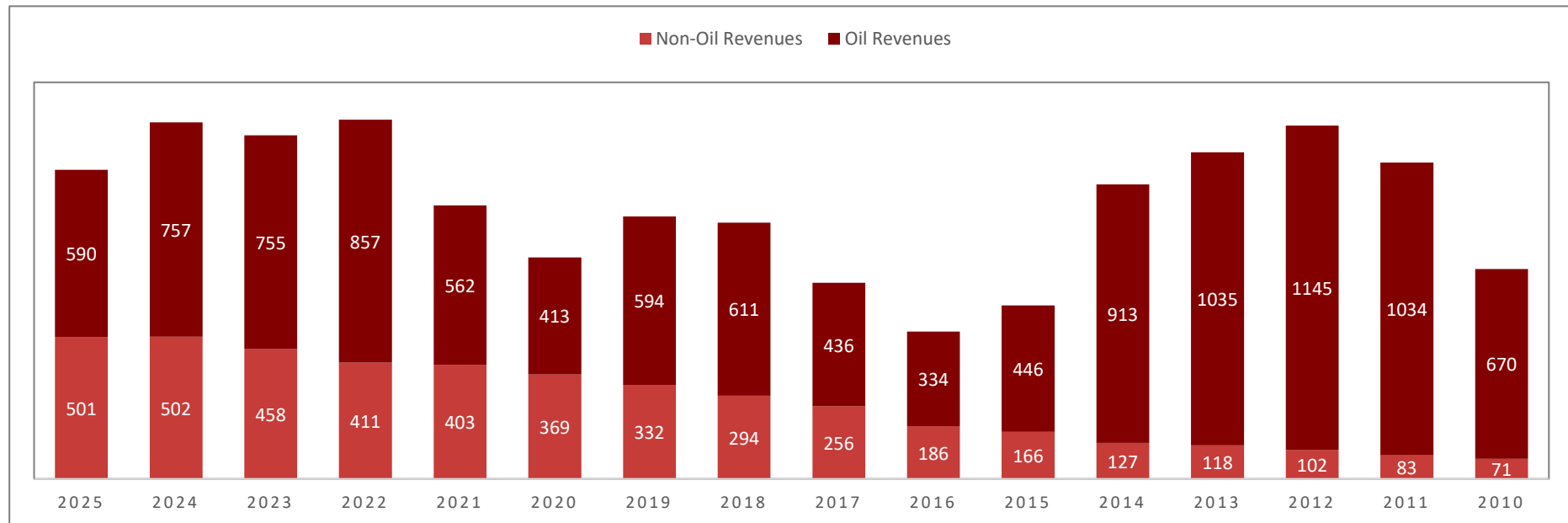
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

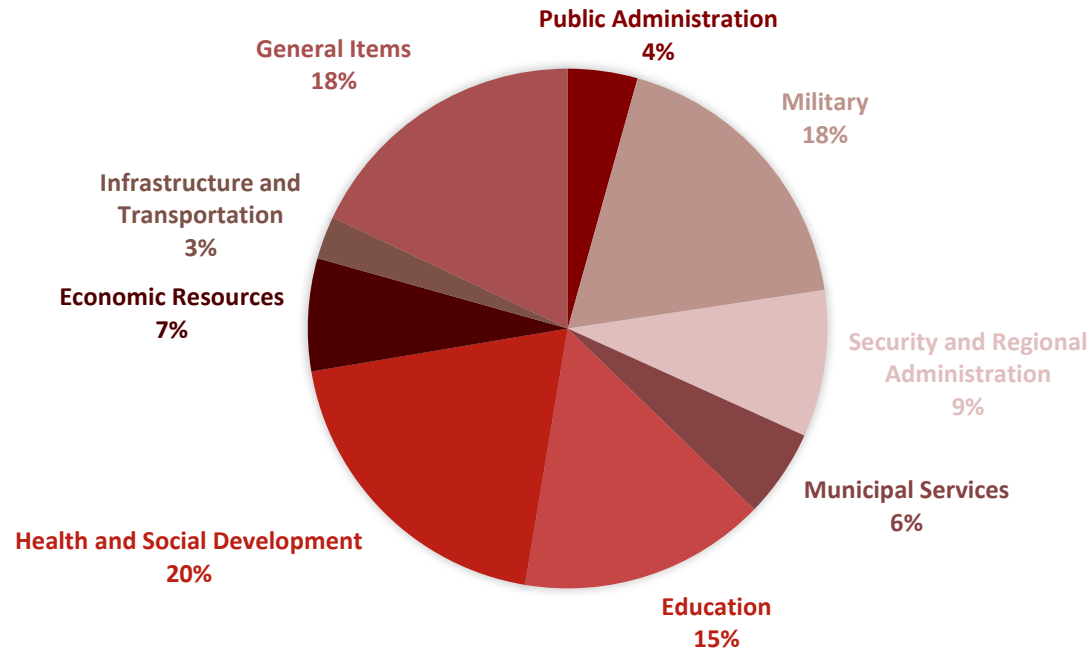
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	80,000,000.00	42,000,000.00	100,000,000.00
NOI	6,400,000	3,360,000	8,000,000
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033
		0	1	2	3	4	5	6	7
Inflation		0.0%	4.0%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%
Expected Revenues									
Commercial building	Sqm	4,404	4,404	4,404	4,404	4,404	4,404	4,404	4,404
Rate (SAR)	SAR	894	930	930	930	967	967	967	967
Total	SAR	3,937,024	4,094,505	4,094,505	4,094,505	4,258,285	4,258,285	4,258,285	4,258,285
Overall Revenues		3,937,024	4,094,505	4,094,505	4,094,505	4,258,285	4,258,285	4,258,285	4,258,285
Vacancy and Credit Loss									
Commercial building	0.0%	0	0	0	0	0	0	0	0
Parking	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		3,937,024	4,094,505	4,094,505	4,094,505	4,258,285	4,258,285	4,258,285	4,258,285
Expenses									
OPEX	0.0%	0	0	0	0	0	0	0	0
CAPEX	0.0%	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0
NOI		3,937,024	4,094,505	4,094,505	4,094,505	4,258,285	4,258,285	4,258,285	4,258,285
Terminal Value	8.0%								53,228,564
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value		3,937,024	3,756,427	3,446,263	3,161,709	3,016,677	2,767,593	2,539,076	31,447,275
Net Present Value									54,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 54,000,000.00**
Fifty-Four Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of (RE Valuation)
 License No. 1210002782

Reema K. Al Dhayan
 Asst. Manager



Fellow Member of (RE Valuation)
 License No. 1210004007

Fathi S. Saeed
 Inspection Officer



Fellow Member of (RE Valuation)
 License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Documents Received

5.1 Title deed



رقم الوثيقة
1442/1437

رقم الوثيقة
1442/1437

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز
رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز

البيانات الأساسية

رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز
رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز

البيانات الأساسية

رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز
رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز

البيانات الأساسية

رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز
رقم الوثيقة	1442/1437	رقم الوثيقة	1442/1437
الاسم	عبدالله بن عبدالعزيز	الاسم	عبدالله بن عبدالعزيز

5.2 Memberships of the Participants Involved in Preparing the Report

تقييم العقارات
Real estate Valuation

تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type: Main
فئة العضوية : أساسي

Membership No: 1210000474
رقم العضوية: 1210000474

ID No: 1044275947
رقم الهوية \ الإقامة: 1044275947

Membership Exp: 2026-12-31
تاريخ الانتهاء: 2026-12-31

حاصل على شهادة الزمعة
للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



تقييم العقارات
Real estate Valuation

تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type: Associated
فئة العضوية : مشارك

Membership No: 1210002782
رقم العضوية: 1210002782

ID No: 1014178931
رقم الهوية \ الإقامة: 1014178931

Membership Exp: 2026-12-31
تاريخ الانتهاء: 2026-12-31

للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



تقييم العقارات
Real estate Valuation

تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



ريما خالد سليمان الضحيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type: Associated
فئة العضوية : مشارك

Membership No: 1210004007
رقم العضوية: 1210004007

ID No: 1116638824
رقم الهوية \ الإقامة: 1116638824

Membership Exp: 2026-12-31
تاريخ الانتهاء: 2026-12-31

للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



تقييم العقارات
Real estate Valuation

تقييم
TAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



فathi سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type: Associated
فئة العضوية : مشارك

Membership No: 1220001949
رقم العضوية: 1220001949

ID No: 2266363668
رقم الهوية \ الإقامة: 2266363668

Membership Exp: 2026-12-31
تاريخ الانتهاء: 2026-12-31

للمزيد من التفاصيل يرجى الاطلاع
على البروفايل



رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Hayat Tower

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1831939
Date: 10/08/2026

Subject: Valuation Report for Hayat Tower – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1831939
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Hotel Tower.
Property Location	Al Maather district, Riyadh City.
Title Deed No.	499181002158
Title Deed Date	08/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial Residential.
Land Area (Sqm)	1,494.75 Sqm.
BUA (Sqm)	6,574 Sqm.
GLA (Sqm)	6,574 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 22,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	02/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.
12. The current lease agreement expires on December 31, 2026. It has been assumed that the property will be re-leased during the period from 2027 to 2031 at the market rental value and under the terms and conditions expected to prevail during that period.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 02/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a Tower located in Al Maather district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 1,494.75 square meters.
- Total Built-Up Area (BUA): 6,574.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property located near King Fahad from the western side.

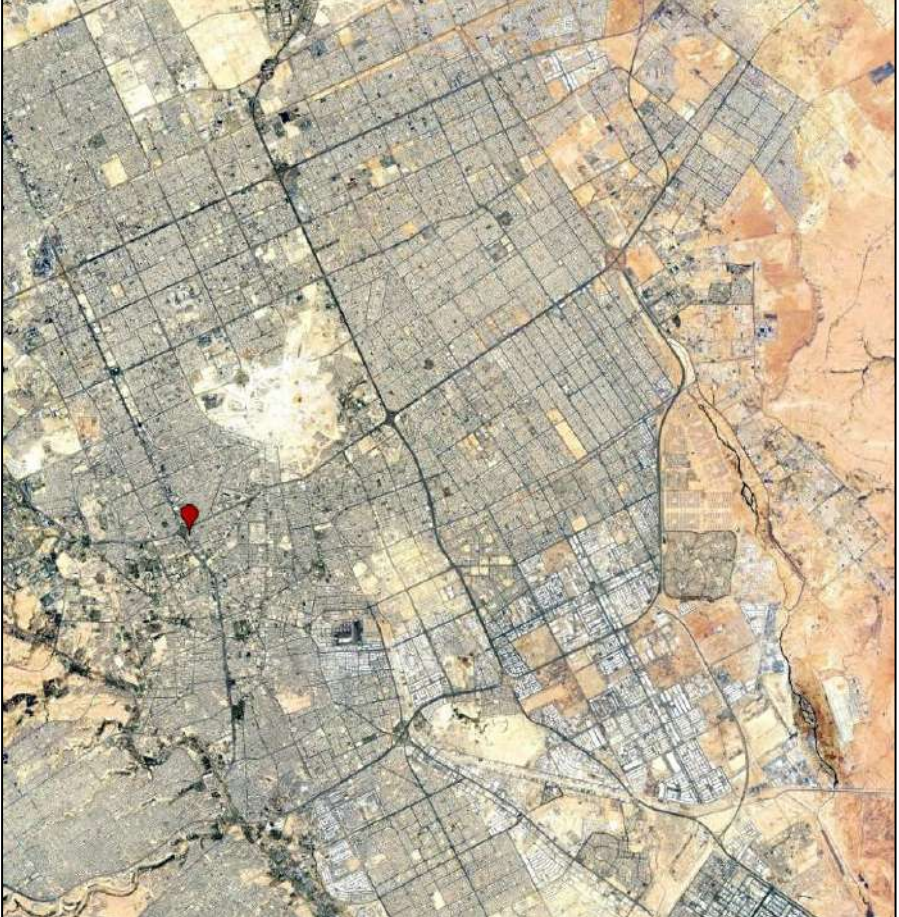
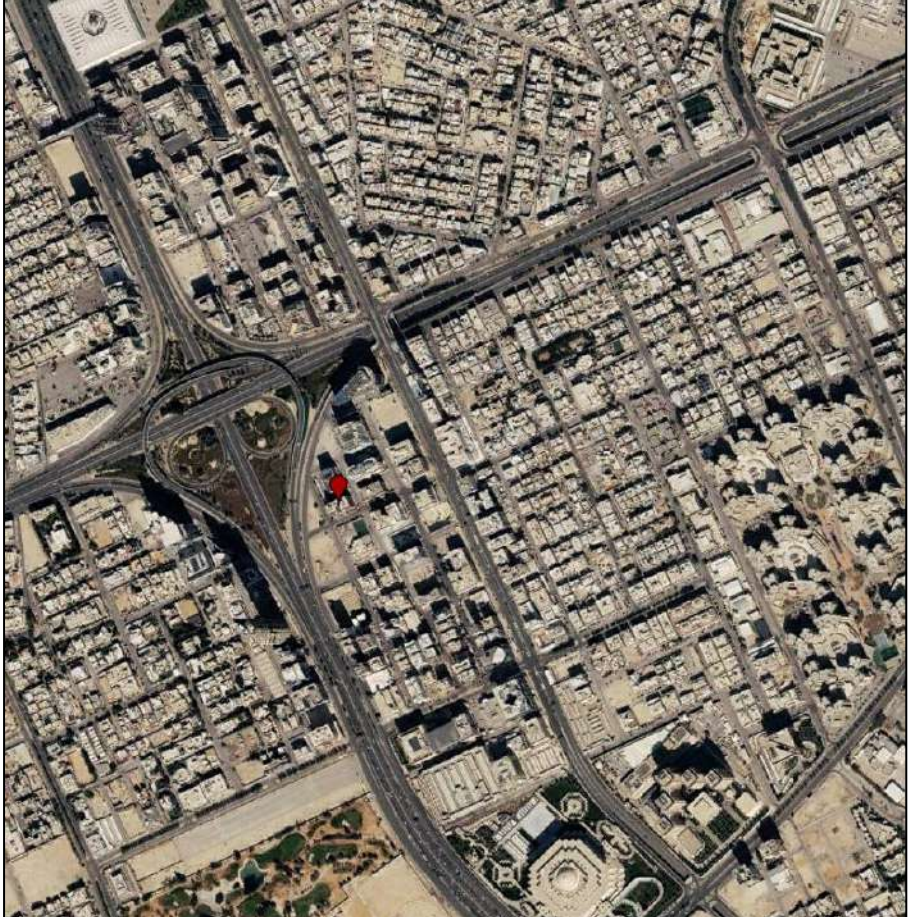
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Shadad ibn Aous.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
 A wide-angle aerial photograph of Riyadh, Saudi Arabia, showing the city's grid-like street pattern and surrounding desert landscape. A red pin marks the location of the project in the western part of the city.	 A closer aerial view of the project location in Riyadh, showing a major highway interchange and surrounding urban development. A red pin marks the specific site.
24°40'37.13"N 46°41'29.08"E	
Al Wara, Al Olaya, Riyadh 12611	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	1,494.75 Sqm
District	Al Maather	Plot No.	9
T.D Type	Electronic	Block No.	---
T.D Number	499181002158	Layout No.	1376
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Riyadh First Notary		
North Side	10 meter width street	East Side	15 meter width street
South Side	20 meter width street	West Side	Privet property

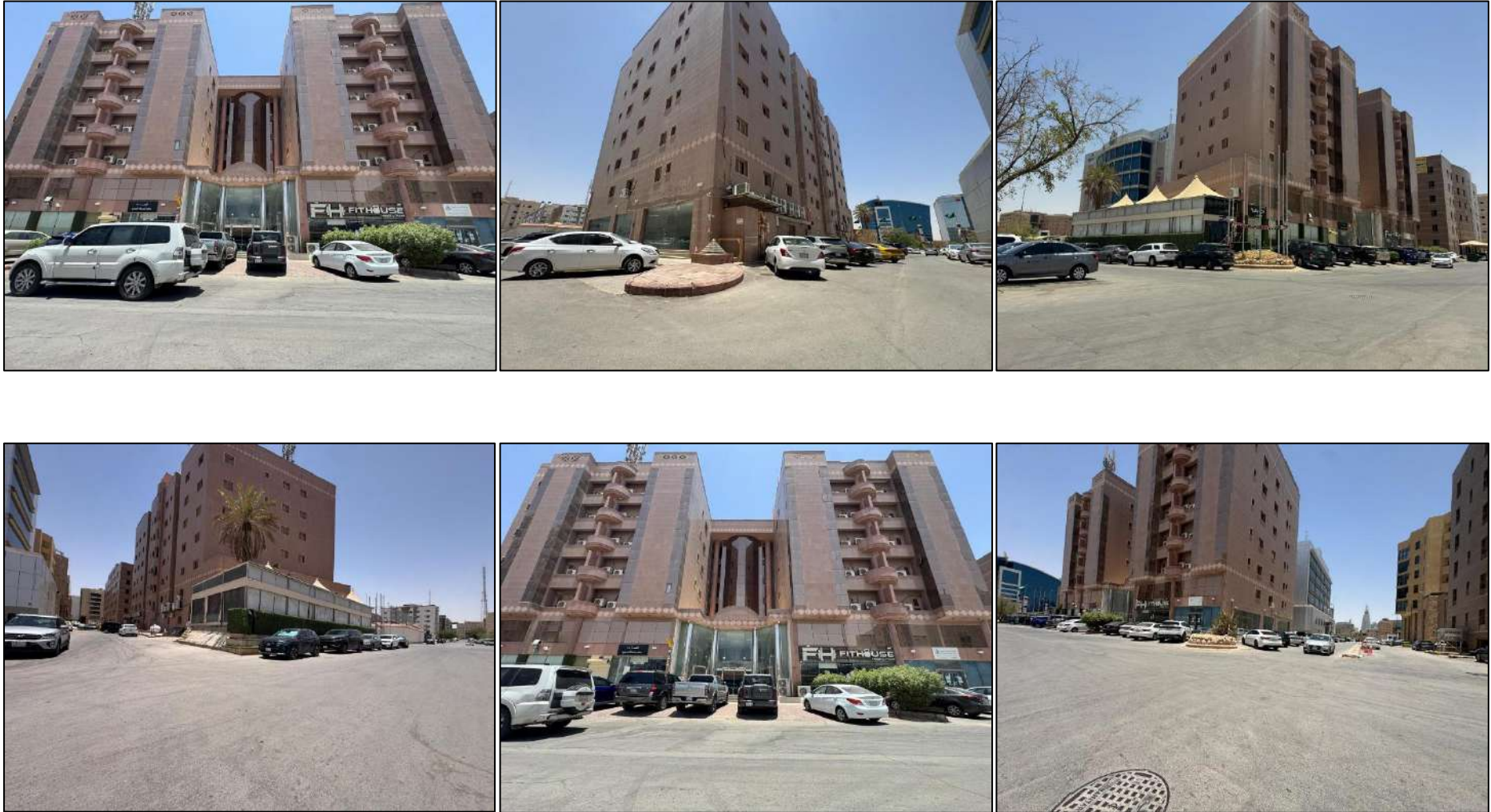
2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	6,574
Property Type	Commercial residential building	Actual Age	26
Construction Permit No.	2/2/2/27	State of Property	Fully Constructed
Construction Permit Date	13/04/1419	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

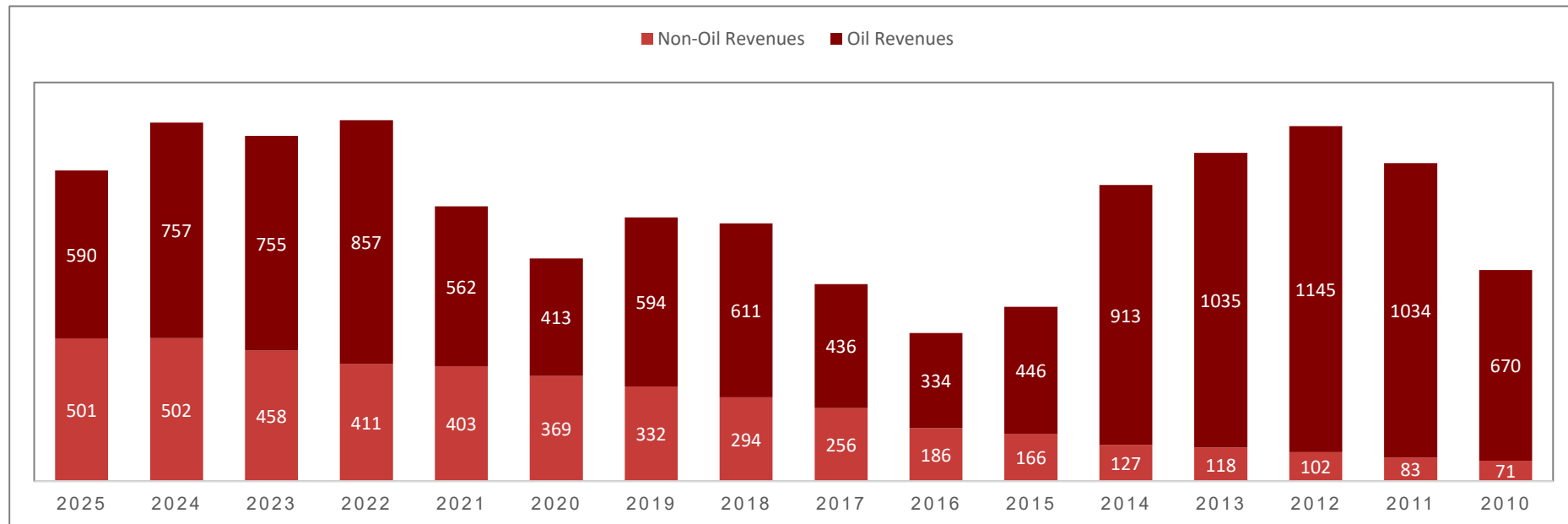
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

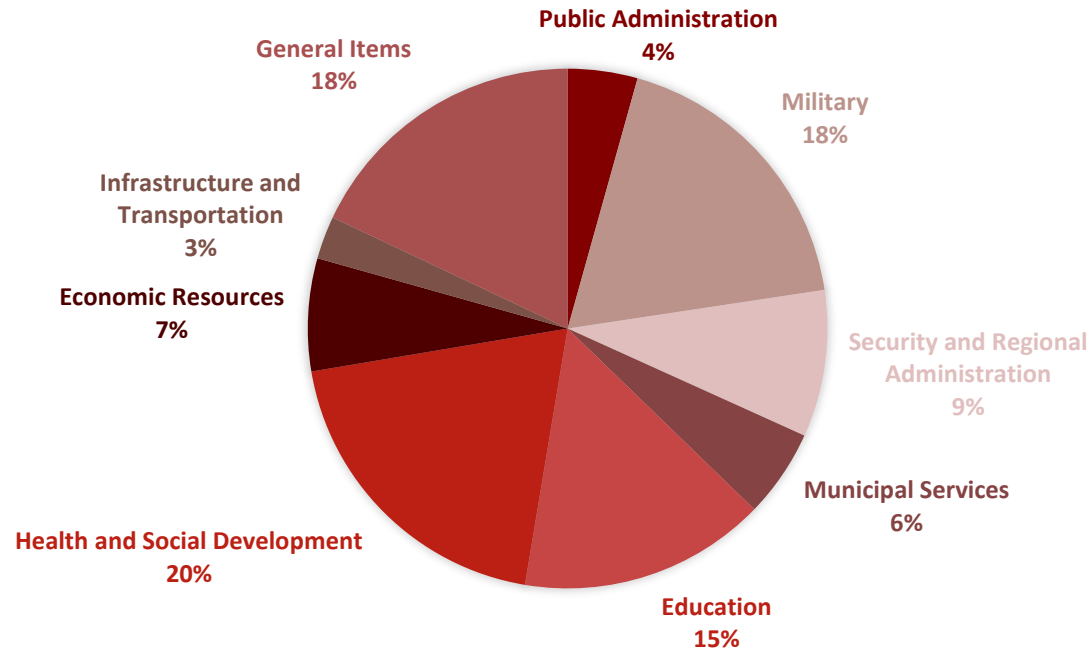
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	40,000,000.00	27,500,000.00	38,800,000.00
NOI	3,200,000	2,200,000	3,104,000
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Government Bonds rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Systematic Risk Premium%	%2.00		Trading Economic
Unsystematic Risk Premium%	%1.00		Team's Experience
Discount Rate%	8.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	0%	0%	0%	0%	0%
Expected Revenues							
Hotel Tower	Sqm	4,350	4,350	4,350	4,350	4,350	4,350
Rate (SAR)	SAR	376	376	376	376	376	376
Total	SAR	1,600,000	1,635,600	1,635,600	1,635,600	1,635,600	1,635,600
Overall Revenues		1,600,000	1,635,600	1,635,600	1,635,600	1,635,600	1,635,600
Vacancy and Credit Loss							
Hotel Tower	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		1,600,000	1,635,600	1,635,600	1,635,600	1,635,600	1,635,600
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	5.0%	0	81,780	0	0	0	0
Overall Expenses		0	81,780	0	0	0	0
NOI		1,600,000	1,553,820	1,635,600	1,635,600	1,635,600	1,635,600
Terminal Value	8.0%						20,445,000
Discount Rate	8.0%	1.00	0.93	0.86	0.79	0.74	0.68
Present Value		1,600,000	1,438,722	1,402,263	1,298,392	1,202,215	15,027,685
Net Present Value							22,000,000

Note: The current lease agreement expires on December 31, 2026; it has been assumed that the property will be re-leased for the period from 2027 to 2031 based on the market rental value and expected terms prevailing during that period.

4.3 Subject Property Value

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

Property Value: **ﷲ 22,000,000.00**
Twenty-Two Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of (RE Valuation)
 License No. 1210002782

Reema K. Al Dhayan
 Asst. Manager



Fellow Member of (RE Valuation)
 License No. 1210004007

Fathi S. Saeed
 Inspection Officer



Fellow Member of (RE Valuation)
 License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

[illegible][illegible][illegible]

5.2 Memberships of the Participants Involved in Preparing the Report



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type:

Main

Membership No:

1210000474

ID No:

1044275947

Membership Exp:

2026-12-31

فئة العضوية :

أساسي

رقم العضوية:

1210000474

رقم الهوية \ الإقامة:

1044275947

تاريخ الانتهاء:

2026-12-31



حاصل على شهادة الزمعة

لتزويد من التفاصيل يرجى الاتصال

على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type:

Associated

Membership No:

1210002782

ID No:

1014178931

Membership Exp:

2026-12-31

فئة العضوية :

مشتاق

رقم العضوية:

1210002782

رقم الهوية \ الإقامة:

1014178931

تاريخ الانتهاء:

2026-12-31



المزود من التفاصيل يرجى الاتصال

على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



ريما خالد سليمان الضحيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type:

Associated

Membership No:

1210004007

ID No:

1116638824

Membership Exp:

2026-12-31

فئة العضوية :

مشتاق

رقم العضوية:

1210004007

رقم الهوية \ الإقامة:

1116638824

تاريخ الانتهاء:

2026-12-31



المزود من التفاصيل يرجى الاتصال

على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



فثي سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type:

Associated

Membership No:

1220001949

ID No:

2266363668

Membership Exp:

2026-12-31

فئة العضوية :

مشتاق

رقم العضوية:

1220001949

رقم الهوية \ الإقامة:

2266363668

تاريخ الانتهاء:

2026-12-31



المزود من التفاصيل يرجى الاتصال

على الرقم

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Hokair Time

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832349
Date: 10/08/2026

Subject: Valuation Report for Commercial Building – Dammam City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	15
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	16
MARKET INDICATORS	18
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	18
3.2 OIL AND NON-OIL REVENUES	19
3.3 BUDGET ALLOCATION FOR 2026	20
3.4 REAL ESTATE MARKET OVERVIEW 2025	20
3.5 RISK ANALYSIS	23
3.6 NEW REGULATORY PROVISIONS	24
PROPERTY VALUATION	26
4.1 VALUATION METHODS	26
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	28
4.3 SUBJECT PROPERTY VALUE	32
4.4 ACCREDITED VALUERS	32
4.5 VALUER'S OPINION OF VALUE	33
4.6 CONCLUSION	33
DOCUMENTS RECEIVED	35
5.1 TITLE DEED	35
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	36



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832349
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial Building
Property Location	Al-Awal district, Dammam City.
Title Deed No.	399684003634
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	5,155.52 Sqm
BUA (Sqm)	3,326 Sqm
GLA (Sqm)	3,326 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 34,700,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be **7%**. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

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

- Total land area: 5,155.52 square meters.
- Built-up area: 3,326 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property located a direct view Prince Sultan Street from the southern side.

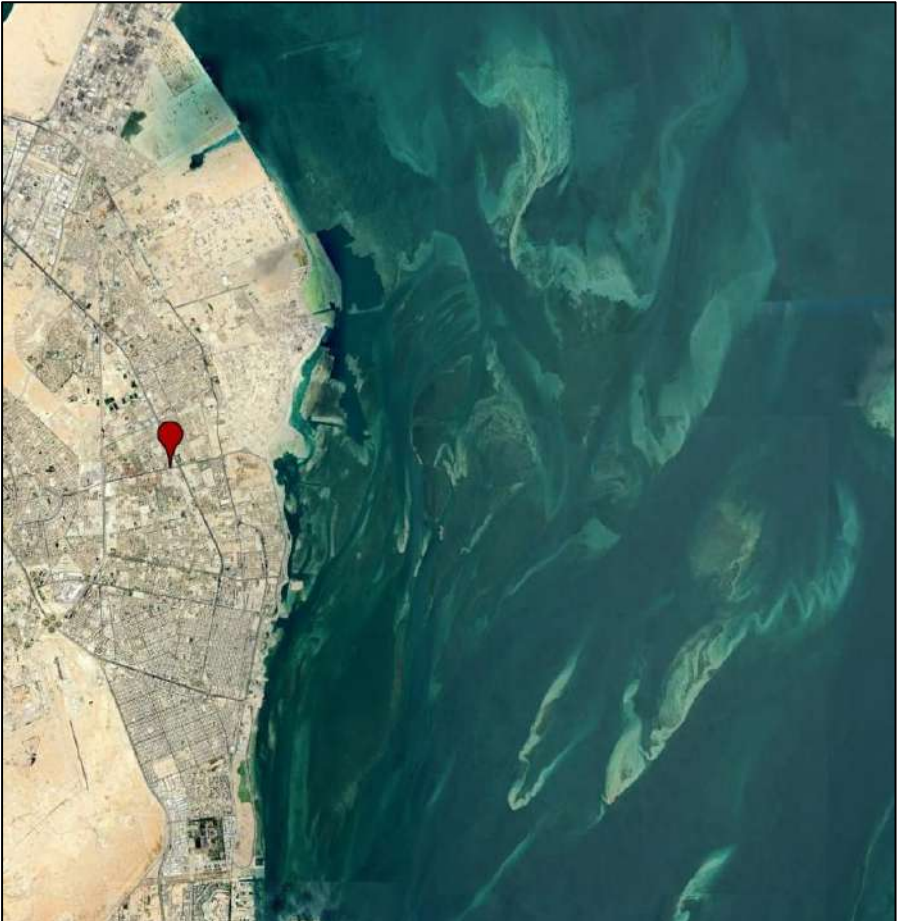
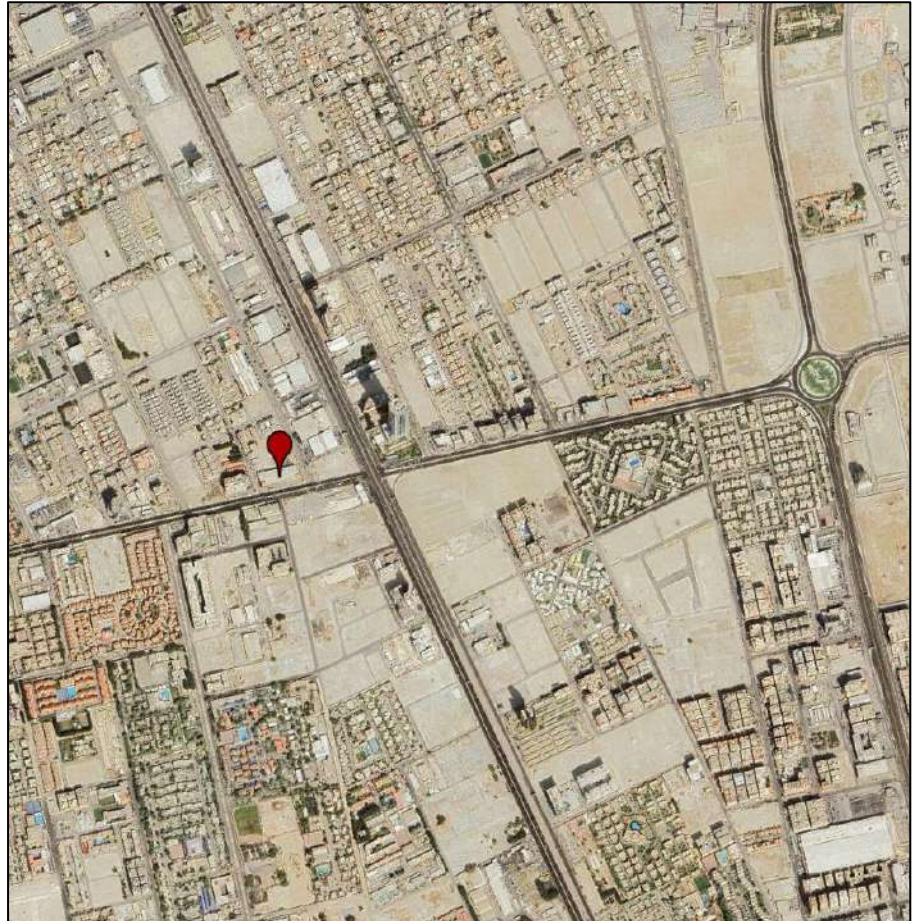
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Prince Sultan Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
26°20'11.6"N 50°11'50.7"E	
85PW+HW, Prince Sultan Road, Qurtoba, Al Khobar 34235	
Google Maps	

2.5 Title Deed and Ownership

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

City	Dammam	Land Area	2,450 sqm
District	Al-Awal	Plot No.	3
T.D Type	Electronic	Block No.	---
T.D Number	399684003634	Layout No.	1/337
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	18 meter width street	East Side	Plot No 4
South Side	60 meter width street	West Side	Plot No 2

City	Dammam	Land Area	2,705.52 sqm
District	Al-Awal	Plot No.	4
T.D Type	Electronic	Block No.	---
T.D Number	399684003634	Layout No.	1/337
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	18 meter width street	East Side	18 meter width street
South Side	60 meter width street	West Side	Plot No 3

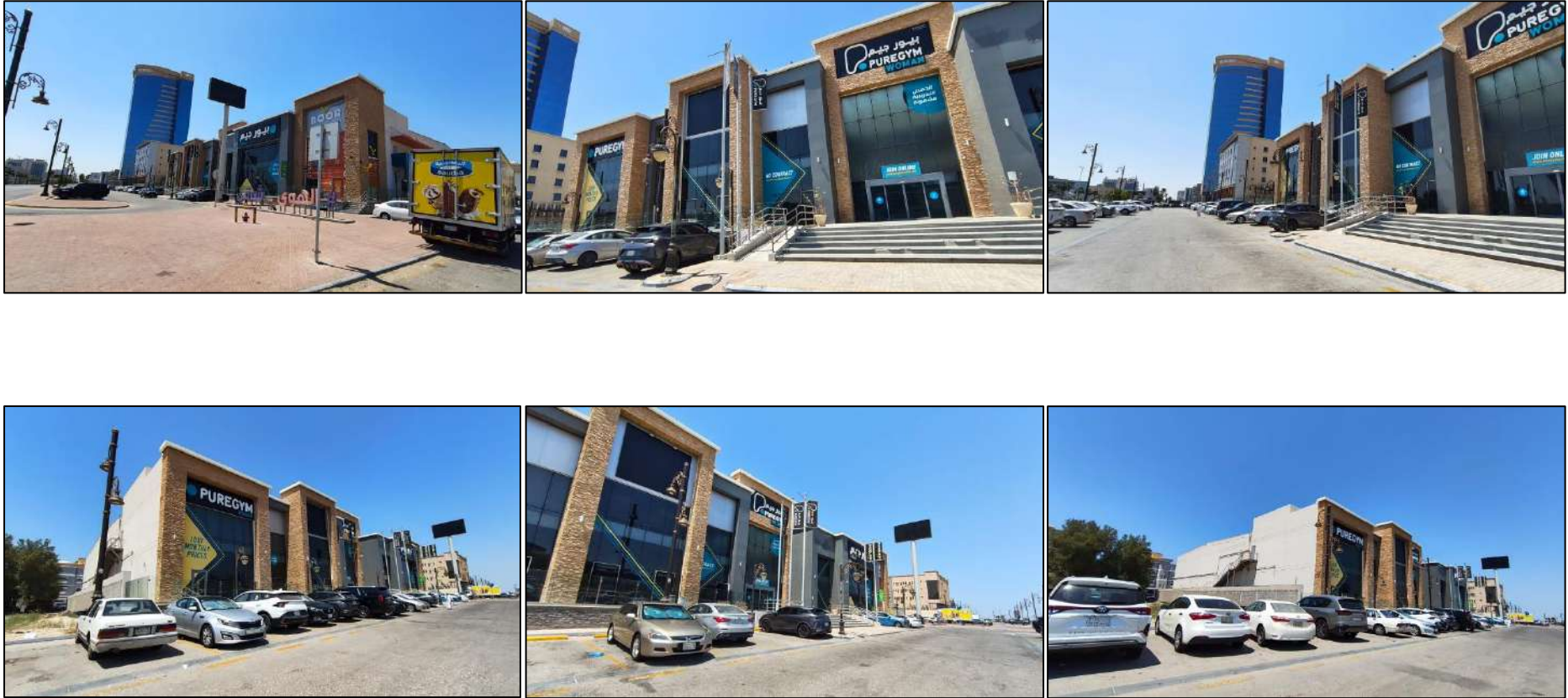
2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	6,607
Property Type	Commercial building	Actual Age	10
Construction Permit No.	----	State of Property	Fully Constructed
Construction Permit Date	-----	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

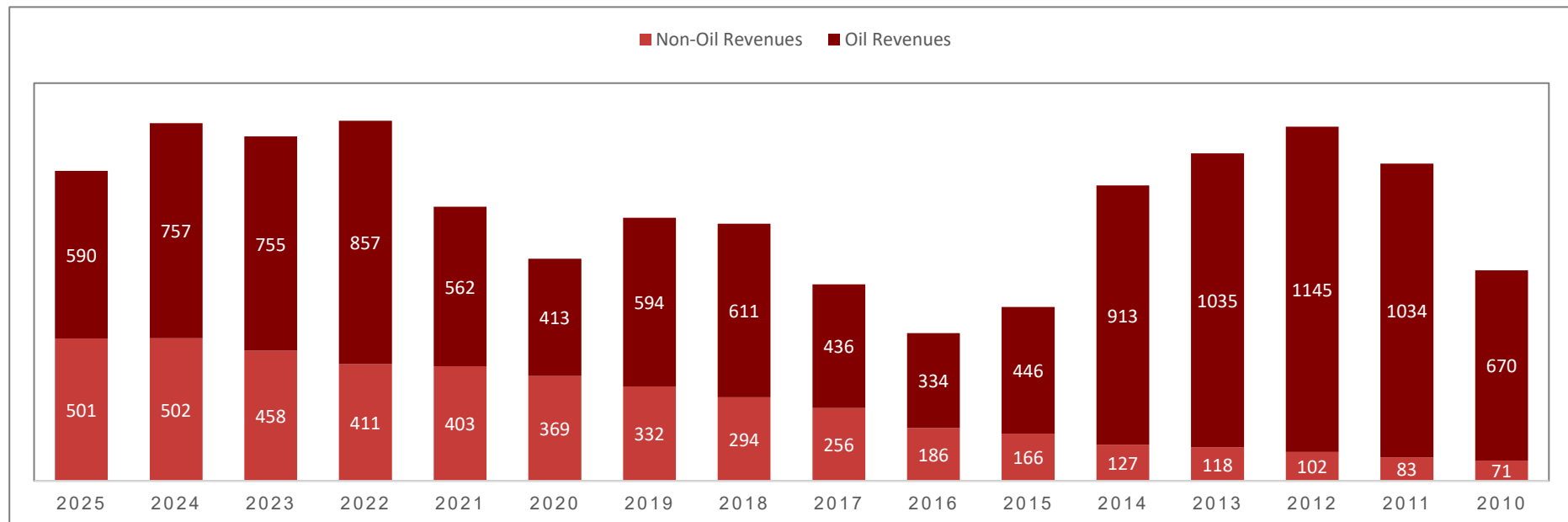
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

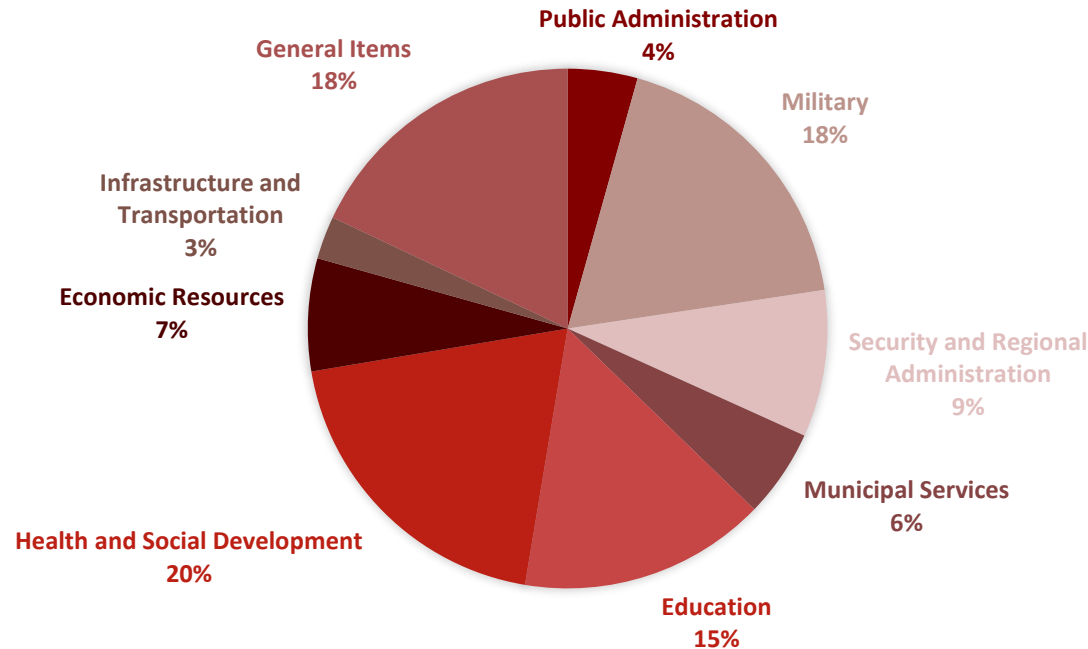
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	27,000,000.00	86,000,000.00	120,000,000.00
NOI	1,890,000	6,020,000	8,400,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.00		Trading Economics
Company-specific Risk Premium %	%1.00		Team's experience.
Discount Rate%	8.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0.0%	13.5%	0.0%	0.0%	0.0%	0.0%
Expected Revenue							
Commercial complex	Sqm	5,156	5,156	5,156	5,156	5,156	5,156
Rate (SAR)	SAR	427	485	485	485	485	485
Total	SAR	2,200,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Overall Revenues		2,200,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Vacancy and Credit Loss							
Commercial complex	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		2,200,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	2.0%	44,000	50,000	50,000	50,000	50,000	50,000
Overall Expenses		44,000	50,000	50,000	50,000	50,000	50,000
NOI		2,156,000	2,450,000	2,450,000	2,450,000	2,450,000	2,450,000
Terminal Value	7.0%						
Discount Rate	8.0%	1.00	0.93	0.86	0.79	0.74	0.68
Present Value		2,156,000	2,268,519	2,100,480	1,944,889	1,800,823	1,667,429
Net Present Value							

Discounted Cash Flows		2032	2033	2034	2035	2036	2037
		6	7	8	9	10	11
Inflation		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected Revenue							
Commercial complex	Sqm	5,156	5,156	5,156	5,156	5,156	5,156
Rate (SAR)	SAR	485	485	485	485	485	485
Total	SAR	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Overall Revenues		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Vacancy and Credit Loss							
Commercial complex	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	2.0%	50,000	50,000	50,000	50,000	50,000	50,000
Overall Expenses		50,000	50,000	50,000	50,000	50,000	50,000
NOI		2,450,000	2,450,000	2,450,000	2,450,000	2,450,000	2,450,000
Terminal Value	7.0%						35,000,000
Discount Rate	8.0%	0.63	0.58	0.54	0.50	0.46	0.43
Present Value		1,543,916	1,429,551	1,323,659	1,225,610	1,134,824	16,061,663
Net Present Value							34,700,000

4.3 Subject Property Value

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

Property Value: **ﷲ 34,700,000.00**
Thirty-Four Million Seven Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

9. <http://www.fishbase.org>



5.2 Memberships of the Participants Involved in Preparing the Report



تقييم
العقارات
Real estate
Valuation



تقييم
TAAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type:	فئة العضوية :
Main	أساسي
Membership No:	رقم العضوية:
1210000474	1210000474
ID No:	رقم الهوية \ الإقامة:
1044275947	1044275947
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



حاصل على شهادة الزمعة

لتزويد من التفاصيل يرجى الاتصال
على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1210002782	1210002782
ID No:	رقم الهوية \ الإقامة:
1014178931	1014178931
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



لتزويد من التفاصيل يرجى الاتصال
على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



ريما خالد سليمان الضعيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1210004007	1210004007
ID No:	رقم الهوية \ الإقامة:
1116638824	1116638824
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



لتزويد من التفاصيل يرجى الاتصال
على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAAQEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



فثي سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1220001949	1220001949
ID No:	رقم الهوية \ الإقامة:
2266363668	2266363668
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



لتزويد من التفاصيل يرجى الاتصال
على الرقم

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Irqah Plaza

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832193
Date: 10/08/2026

Subject: Valuation Report for Irqah Plaza – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832193
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial project.
Property Location	Irqah district, Riyadh City.
Title Deed No.	996426005399
Title Deed Date	15/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	14,268.98 Sqm
BUA (Sqm)	9,148 Sqm.
GLA (Sqm)	7,505 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 88,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	02/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 10%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 02/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Irqah district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 14,268.98 square meters.
- Total Built-Up Area (BUA): 9,148.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property located a direct view of Prince Meshaal Ibn Abd Al Aziz Street from the southern side.

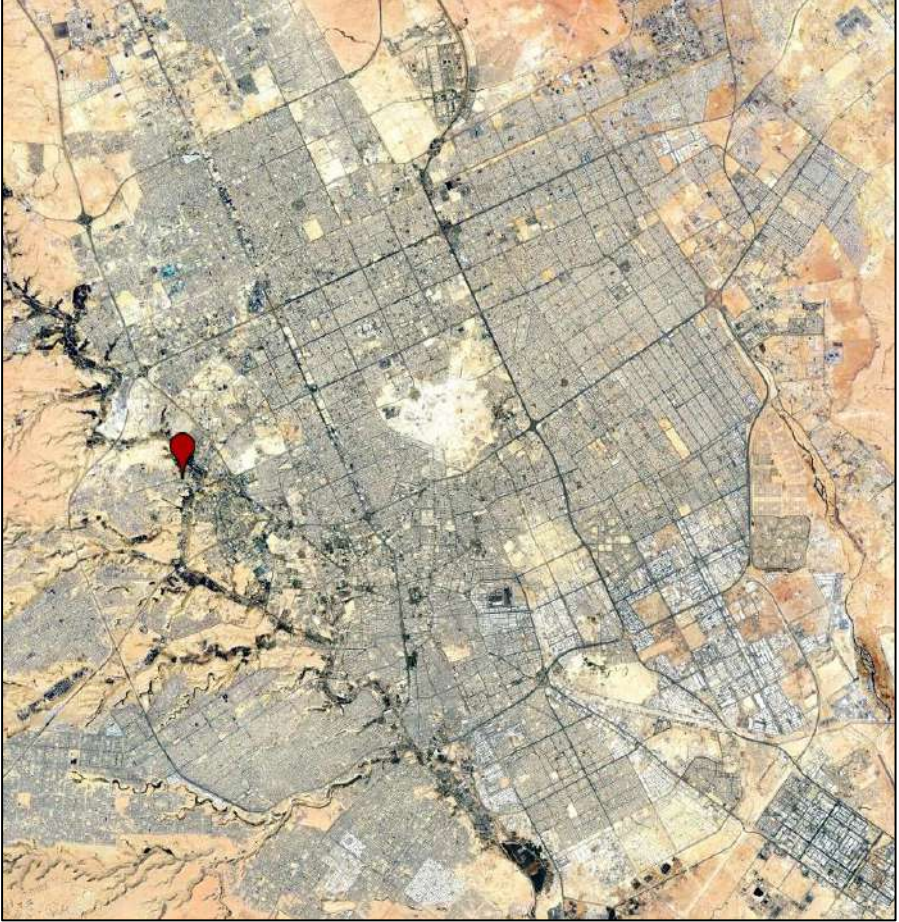
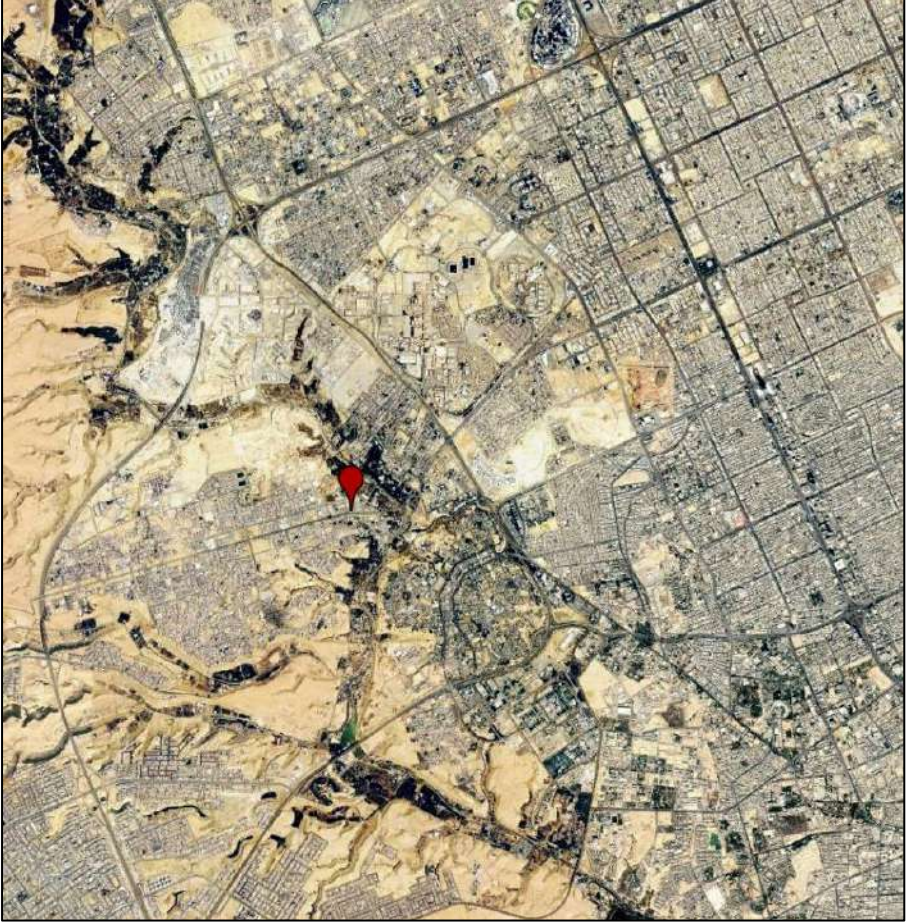
2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Prince Meshaal ibn Abd Al Aziz Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°41'36.78"N 46°36'26.54"E	
Prince Meshaal Ibn Abd Al Aziz, 'Irqah, Riyadh 12583	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	14,268.98 Sqm
District	Irqah	Plot No.	22/2
T.D Type	Electronic	Block No.	---
T.D Number	996426005399	Layout No.	1/2216
T.D Date	15/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Privet property	East Side	15 meter width street
South Side	40 meter width street	West Side	20 meter width street

2.6 Construction Permit

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

Construction Permit Type	Adding to building plans	Built-Up Area (BUA)	9,148
Property Type	Commercial complex	Actual Age	10
Construction Permit No.	1435/1750	State of Property	Fully Constructed
Construction Permit Date	05/02/1435	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

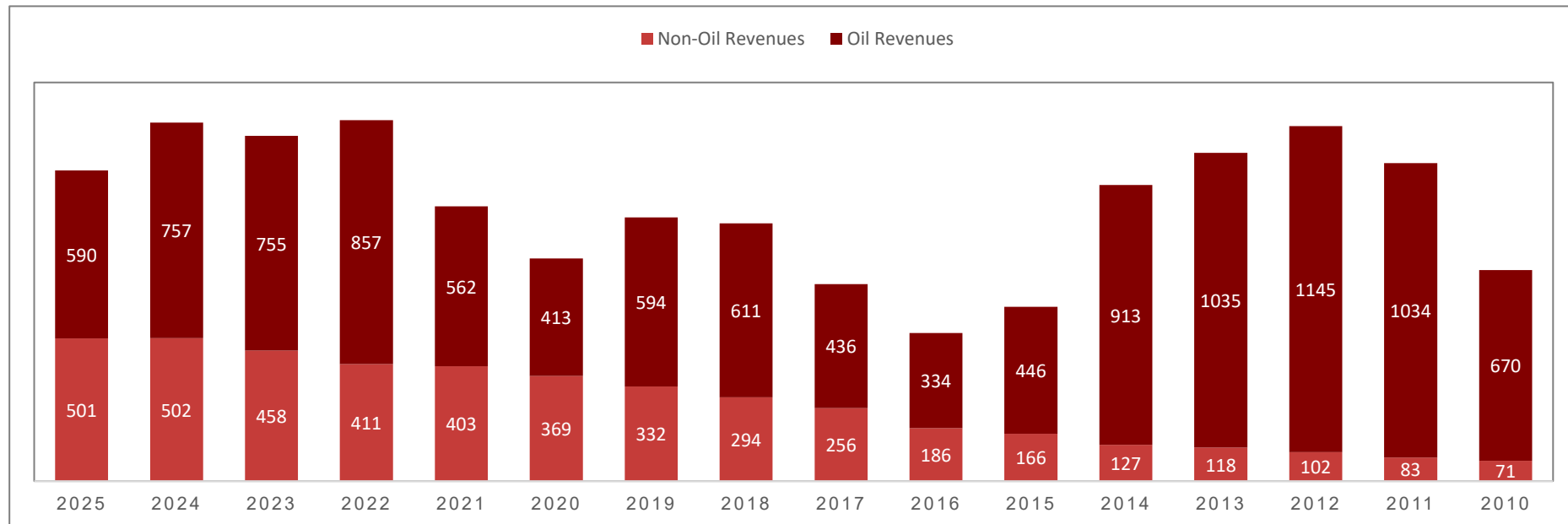
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

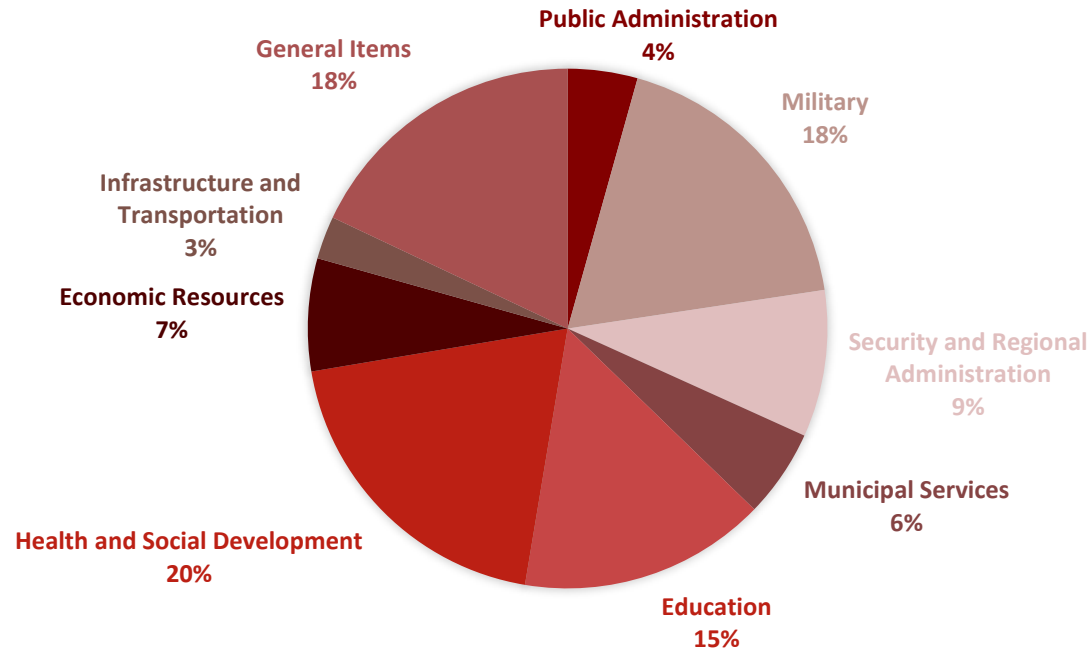
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8.5% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	117,000,000.00	27,500,000.00	92,500,000.00
NOI	9,360,000	2,337,500	8,325,000
Cap Rate	8.00%	8.50%	9.00%
Average Cap Rate	8.50%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%3.00		Trading Economics
Company-specific Risk Premium %	%2.00		Team's experience.
Discount Rate%	10.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	0%	0%	0%	0%	0%
Expected Revenue							
Commercial complex	Sqm	7,505	7,505	7,505	7,505	7,505	7,505
Rate (SAR)	SAR	985	985	985	985	985	985
Total	SAR	7,392,660	7,392,660	7,392,660	7,392,660	7,392,660	7,392,660
Overall Revenues		7,392,660	7,392,660	7,392,660	7,392,660	7,392,660	7,392,660
Vacancy and Credit Loss							
Commercial complex	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		7,392,660	7,392,660	7,392,660	7,392,660	7,392,660	7,392,660
Expenses							
OpEx	2.0%	147,853	147,853	147,853	147,853	147,853	147,853
CapEx	0.0%	0	0	0	0	0	0
Overall Expenses		147,853	147,853	147,853	147,853	147,853	147,853
NOI		7,244,807	7,244,807	7,244,807	7,244,807	7,244,807	7,244,807
Terminal Value	8.5%						85,737,359
Discount Rate	10.0%	1.00	0.91	0.83	0.75	0.68	0.62
Present Value		7,244,807	6,586,188	5,987,444	5,443,131	4,948,301	57,734,609
Net Present Value							88,000,000

4.3 Subject Property Value

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

Property Value: **88,000,000.00**
Eighty-Eight Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

[illegible]

رقم: 996426005399
التاريخ: 1445/5/15

وثيقة تملك عقار

الجمهورية الجزائرية
ROYAUME ALGERIEN




البيانات الأساسية

14-45/5/15	تاريخ الوثيقة	996426005399	رقم الوثيقة
فحال	الحالة	الترتين بسماطة الدرجة 1	المصدر
مرهون	التقيد	14.268.98	المساحة (م²)
1444/1/10	تاريخ الوثيقة السابقة	911610004834	رقم الوثيقة السابقة
	نوع الصلة	صفحة تتبادل	نوع الصلة

التقيد

تاريخ الاستحقاق	قيمة الزمن	رقم السند	الجهة الراحة
	رأس 63,277,831.29	7000120712	بنك الجزائر
			مرهون

الملاك

نسبة التملك	الاسم	رقم الهوية
100 %	الشركة السعيدة للاقتصاد والتنمية لتساقيط العقارية	7001902688

المقار

نوع الاستخدام	مساحة المقار (م²)	نوع المقار	رقم الهوية الضمنية
لا يوجد	14.268.98	قطعة الأرض	لا يوجد
نموذج المقار		الموقع	
لا يوجد		لا يوجد	
البلدية	الحي	رقم المخطط	رقم القطعة
الرياض	حرق	1 / 2216	2 / 22

وصف العقار

العدد	النوع	وصف الحد	الطول (م)
شعلا	قطعة	رقم 1 / 22	74.65
جنوبا	شارع	عرض 40م	106.55
شرقا	شارع	عرض 15م	86.97 + 58.69 + 30.18
غربا	شارع	عرض 20م، يليه شارع عرض 10م	150.68

مصدر هذه الوثيقة من البورصة العقارية يمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التالية لوزارة العدل ووزارة التكوين المهني والتربية والإسكان وهيئة ضمان العقار. - الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund

Al Khalidiyah Center

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832306
Date: 10/08/2026

Subject: Valuation Report for Commercial Center – Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832306
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial project.
Property Location	Al Khalidiyyah district, Jeddah City.
Title Deed No.	399684003642
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	7,903 Sqm
BUA (Sqm)	26,713.31 Sqm.
GLA (Sqm)	14,331 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 139,800,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Al Khalidiyyah district of Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 7,903 square meters.
- Built-up area: 26,713.31 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property located a direct view of Prince Sultan Road from the eastern side.

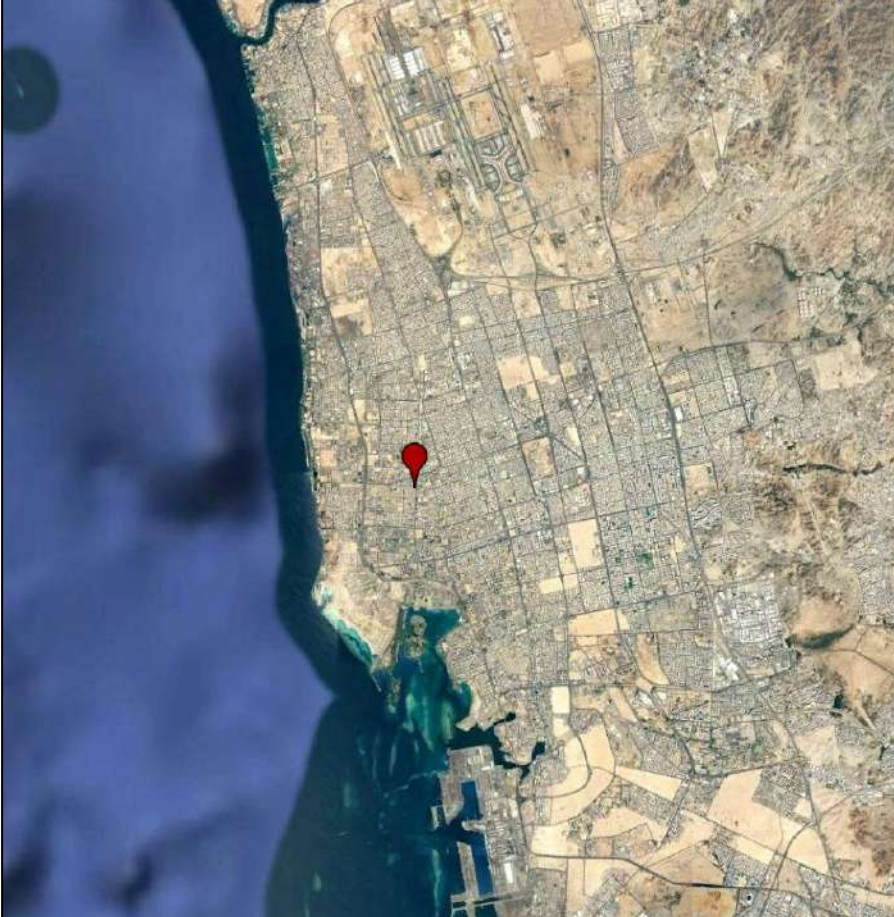
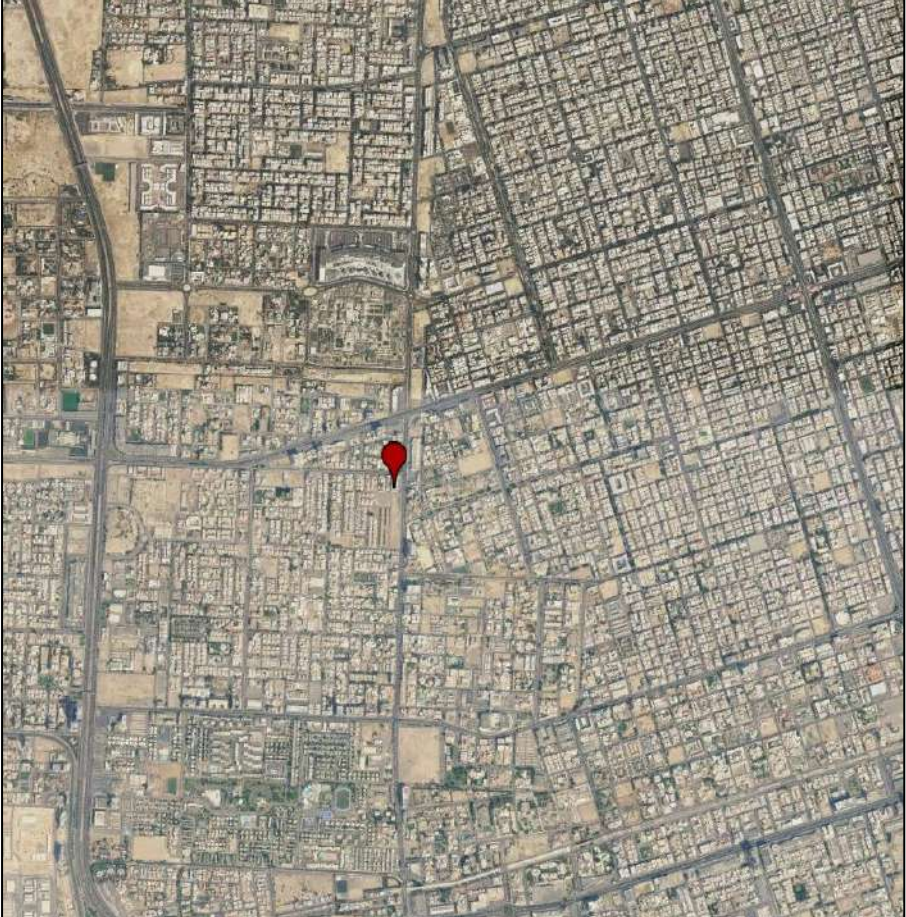
2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Prince Sultan Road.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
21°34'15.45"N 39° 8'33.31"E	
H4CR+GXH, Qaryat Miskah, Al Khalidiyyah, Jeddah 23423	
Google Maps	

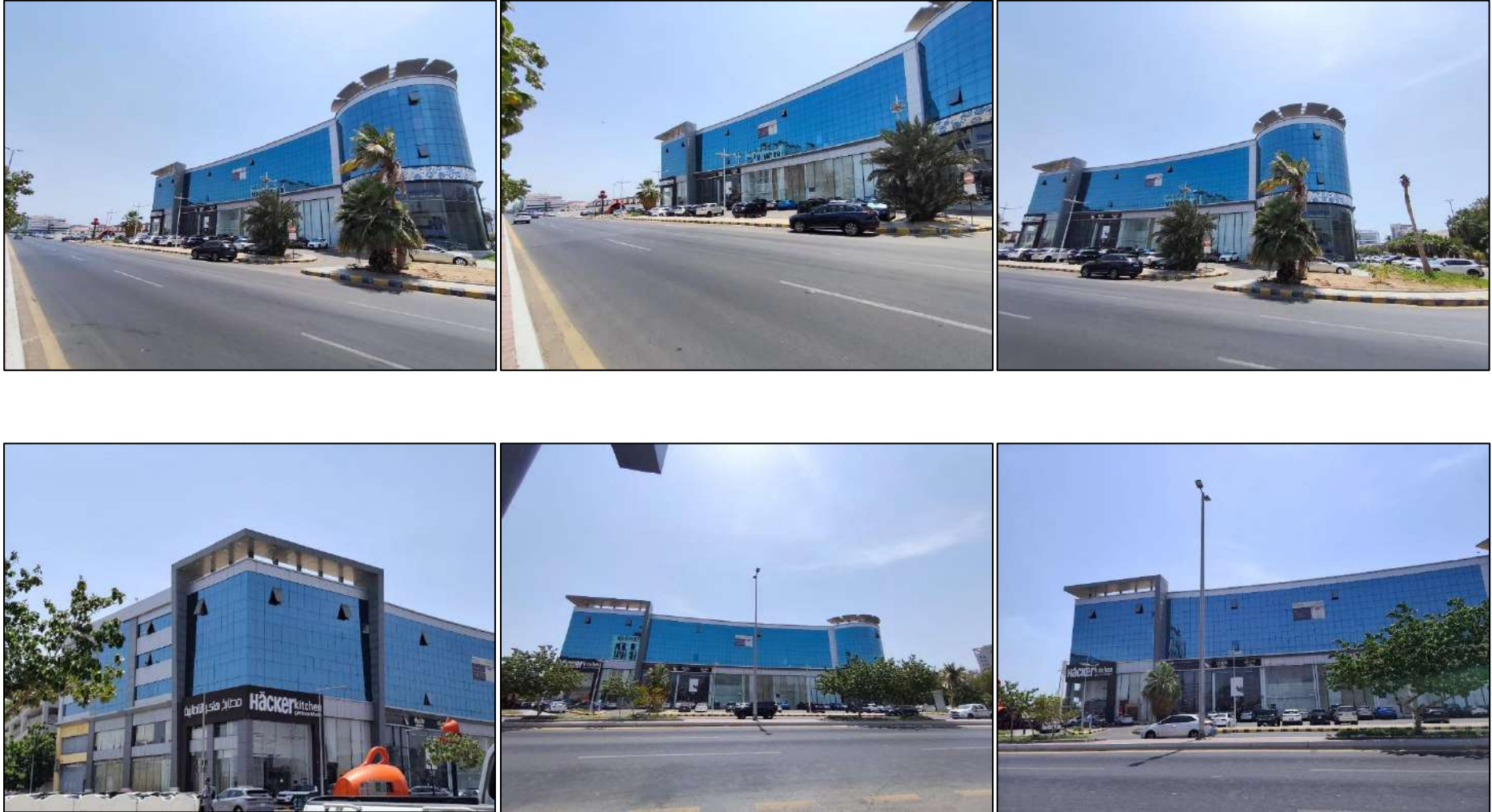
2.5 Title Deed and Ownership

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

City	Jeddah	Land Area	7,903.25 Sqm
District	Al Khalidiyyah	Plot No.	9
T.D Type	Electronic	Block No.	---
T.D Number	399684003642	Layout No.	448 / س / ت
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	32 meter width street	East Side	32 meter width street
South Side	12 meter width street	West Side	privet property

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

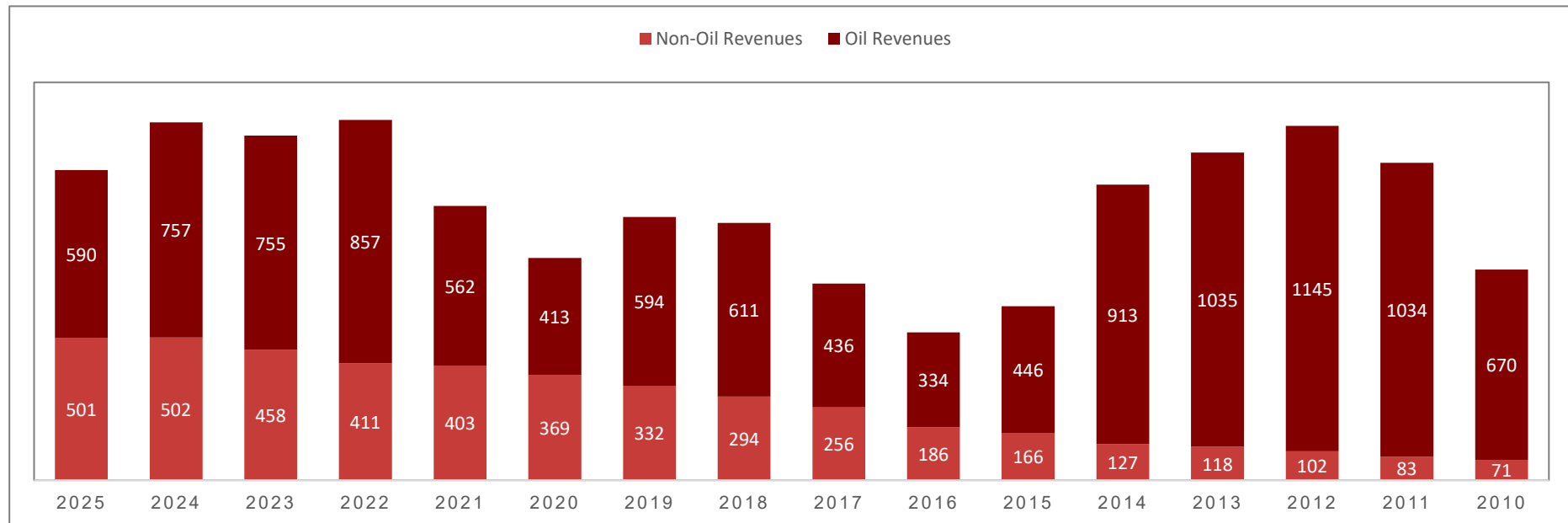
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

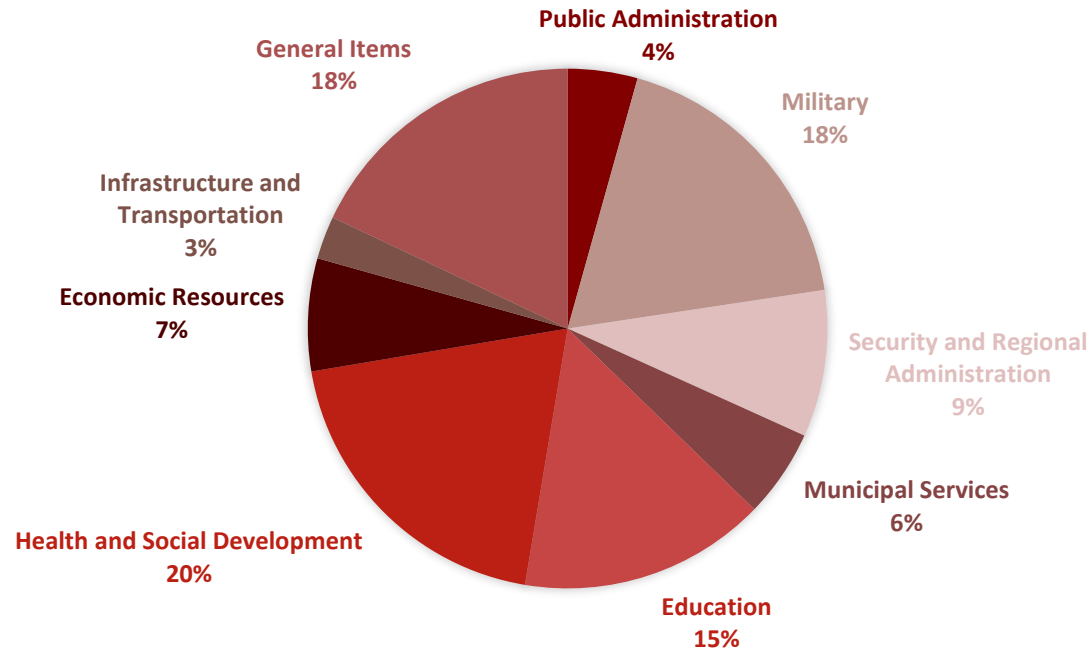
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	89,300,000.00	115,700,000.00	263,000,000.00
NOI	6,251,000	8,099,000	18,410,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0.0%	4.0%	0.0%	4.0%	0.0%	4.0%
Expected Revenue							
Offices	Sqm	8,762	8,762	8,762	8,762	8,762	8,762
Rate (SAR)	SAR	850	885	885	920	920	957
Total	SAR	7,451,989	7,750,069	7,750,069	8,060,071	8,060,071	8,382,474
Retail	Sqm	5,711	5,711	5,711	5,711	5,711	5,711
Rate (SAR)	SAR	600	624	624	649	649	675
Total	SAR	3,426,600	3,563,664	3,563,664	3,706,211	3,706,211	3,854,459
Other Income	SAR	450,000	450,000	450,000	450,000	450,000	450,000
Overall Revenues		11,328,589	11,763,733	11,763,733	12,216,282	12,216,282	12,686,933

Vacancy and Credit Loss		45%	15%	12%	8%	8%	5%
Offices	%	3,353,395	1,162,510	930,008	644,806	644,806	419,124
Retail		1,541,970	534,550	427,640	296,497	296,497	192,723
Total		4,895,365	1,697,060	1,357,648	941,303	941,303	611,847
Effective Rental Income		6,433,224	10,066,673	10,406,085	11,274,979	11,274,979	12,075,087

Expenses							
OpEx	4.3%	400,000	400,000	400,000	400,000	400,000	400,000
CapEx	7.5%	1,098,000	1,098,000	1,098,000	1,098,000	1,098,000	1,098,000
Overall Expenses		1,498,000	1,498,000	1,498,000	1,498,000	1,498,000	1,498,000

NOI		4,935,224	8,568,673	8,908,085	9,776,979	9,776,979	10,577,087
Terminal Value	7.0%						151,101,237
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		4,935,224	7,861,168	7,497,757	7,549,622	6,926,259	105,079,817
Net Present Value							139,800,000

4.3 Subject Property Value

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

Property Value: **ﷲ 139,800,000.00**
One Hundred Thirty-Nine Million Eight Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Documents Received

5.1 Title deed



الرقم: 399684003642
التاريخ: 1445/5/9

وثيقة تملك عقار

السوق العقارية
Real Estate Market



البيانات الأساسية			
رقم الوثيقة	399684003642	تاريخ الوثيقة	1445/5/9
المصدر	الموكلين بالرياض 9	الحالة	فعال
المساحة (م ²)	7,903	التقيد	مرهون
رقم الوثيقة السابقة	293010010159	تاريخ الوثيقة السابقة	1444/11/1
نوع العملية	صفقة بتحويل		

التقيد			
التقيد	الهيئة الراحة	رقم البنفأ:	قيمة الرهن
مرهون	بنك الجزيرة	7000120712	93,290,764 ر.س

الملاك		
رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية للصناديق العقارية	100 %

العقار			
رقم البركة المقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	7,903	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	البلدية
9	448 / س / ت	البحالية	جدة

الحد	الترج	وصف الحد	الطول (م ²)
شمالا	شارع	عرض 32 م	25
جنوبا	شارع	عرض 12 م	27
شرقا	شارع	الامير سلطان بعرض 32 م	80
غربا	قطعة	رقم 1 والقطعة رقم 3 والقطعة رقم 5 والقطعة رقم 7	88

صدرت هذه الوثيقة من البرصة العقارية بسكنى النطق من سعة هذه الوثيقة عبر الخدمات الإلكترونية للهيئة العامة للعقار والرياض والوزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حاصل على شهادة الزمعة لتزويد من التفاصيل يرجى الاتصال على البريكود	 لتزويد من التفاصيل يرجى الاتصال على البريكود	 لتزويد من التفاصيل يرجى الاتصال على البريكود	 لتزويد من التفاصيل يرجى الاتصال على البريكود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Manahij School

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832096
Date: 10/08/2026

Subject: Valuation Report for Manahij School– Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832096
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	School.
Property Location	Al Gadir district, Riyadh City.
Title Deed No.	299181002147
Title Deed Date	08/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Education.
Land Area (Sqm)	9,200 Sqm
BUA (Sqm)	17,058 Sqm.
GLA (Sqm)	17,058 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 62,100,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	02/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 02/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

The subject property is a school located in Al Gadir district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 9,200.00 square meters.
- Total Built-Up Area (BUA): 17,058.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located near northern Ring Road.

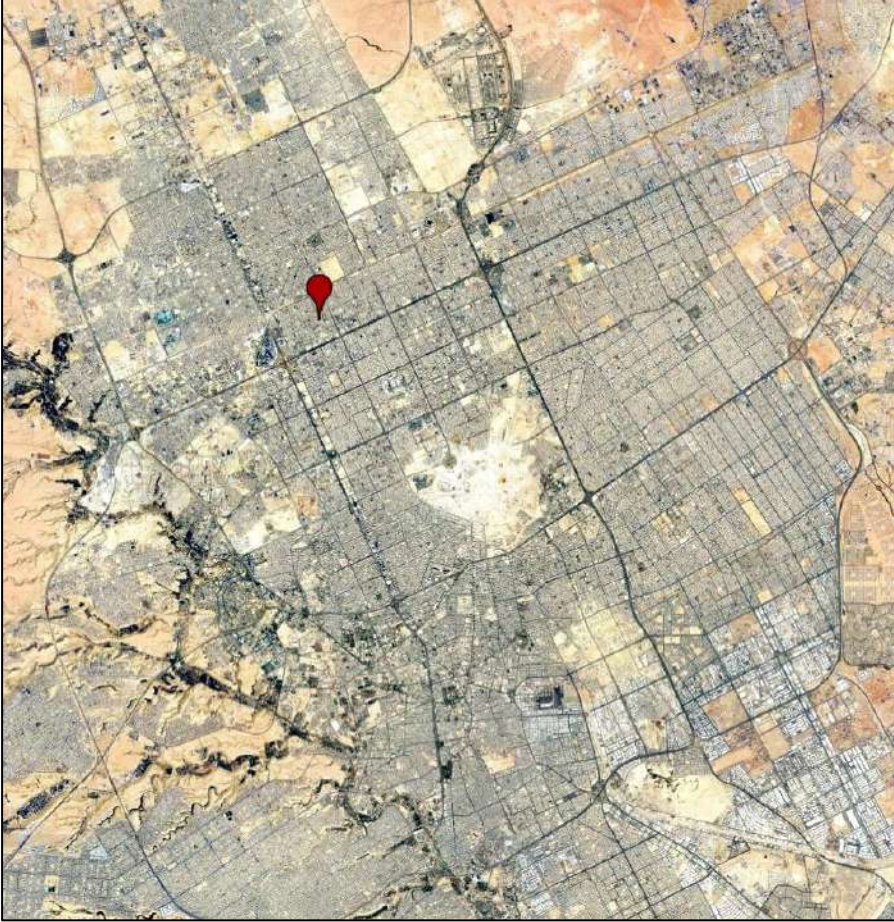
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on nahar Al Nile street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°46'34.0"N 46°39'37.6"E	
Nahr Al Nile, Al Ghadir, Riyadh 13311	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	9,200 Sqm
District	Al Gadir	Plot No.	105
T.D Type	Electronic	Block No.	---
T.D Number	299181002147	Layout No.	2726
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Parking then 15m width street	East Side	20 meter width street
South Side	20m width street	West Side	20 meter width street

2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	17,058
Property Type	School complex	Actual Age	19
Construction Permit No.	7618/1425	State of Property	Fully Constructed
Construction Permit Date	1425/11/27	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

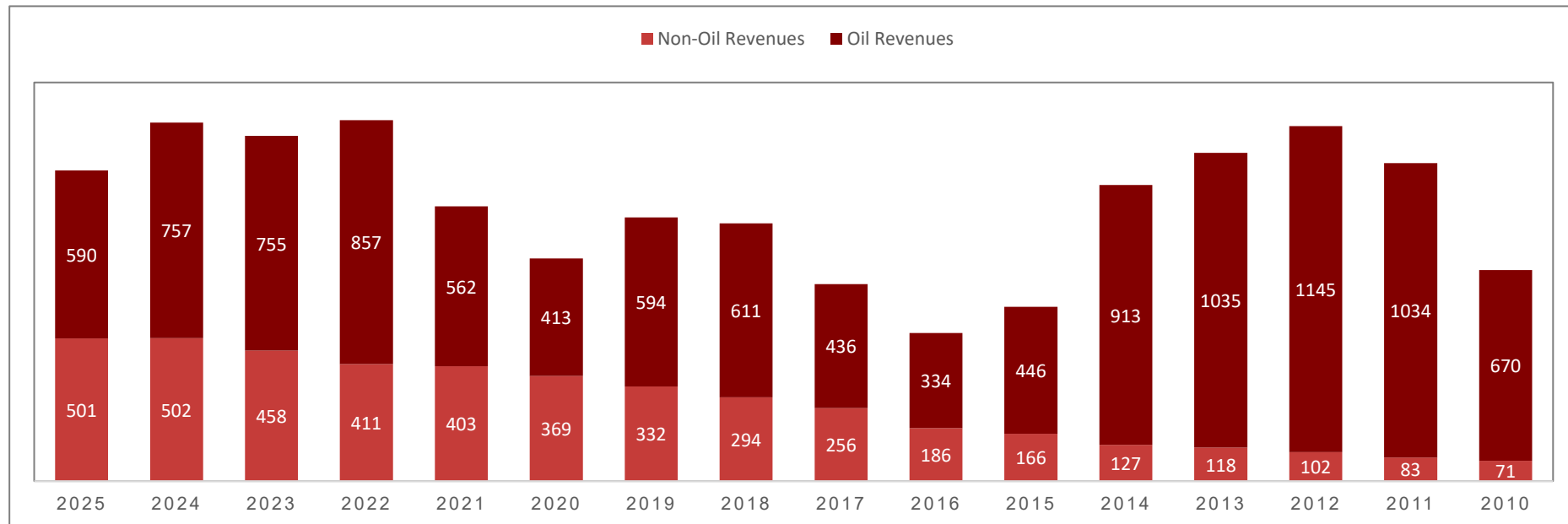
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

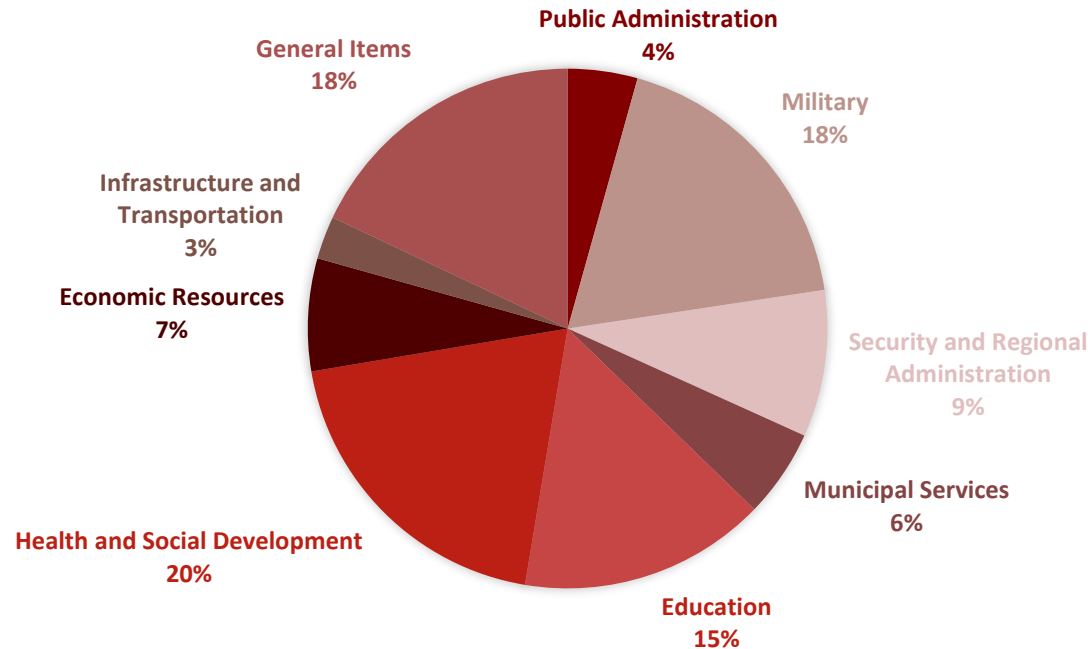
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	87,000,000.00	68,000,000.00	107,000,000.00
NOI	6,090,000	4,760,000	7,490,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8
Inflation		0%	6%	0%	0%	0%	6%	0%	0%	0%
Expected Revenue										
Educational Complex	Sqm	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200
Rate (SAR)	SAR	461	489	489	489	489	518	518	518	518
Total	SAR	4,240,000	4,494,400	4,494,400	4,494,400	4,494,400	4,764,064	4,764,064	4,764,064	4,764,064
Overall Revenues		4,240,000	4,494,400	4,494,400	4,494,400	4,494,400	4,764,064	4,764,064	4,764,064	4,764,064
Vacancy and Credit Loss										
Educational Complex	0.0%	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0
Effective Rental Income		4,240,000	4,494,400	4,494,400	4,494,400	4,494,400	4,764,064	4,764,064	4,764,064	4,764,064
Expenses										
OpEx	0.0%	0	0	0	0	0	0	0	0	0
CapEx	2.0%	84,800	89,888	89,888	89,888	89,888	95,281	95,281	95,281	95,281
Overall Expenses		84,800	89,888	89,888	89,888	89,888	95,281	95,281	95,281	95,281
NOI		4,155,200	4,404,512	4,404,512	4,404,512	4,404,512	4,668,783	4,668,783	4,668,783	4,668,783
Terminal Value	7.0%									
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50
Present Value		4,155,200	4,040,837	3,707,190	3,401,091	3,120,267	3,034,388	2,783,843	2,553,984	2,343,105
Net Present Value										

Discounted Cash Flows		2035	2036	2037	2038	2039	2040	2041	2042
		9	10	11	12	13	14	15	16
Inflation		6%	0%	0%	0%	6%	0%	0%	0%
Expected Revenue									
Educational Complex	Sqm	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200
Rate (SAR)	SAR	549	549	549	549	582	582	582	582
Total	SAR	5,049,908	5,049,908	5,049,908	5,049,908	5,352,902	5,352,902	5,352,902	5,352,902
Overall Revenues		5,049,908	5,049,908	5,049,908	5,049,908	5,352,902	5,352,902	5,352,902	5,352,902
Vacancy and Credit Loss									
Educational Complex	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		5,049,908	5,049,908	5,049,908	5,049,908	5,352,902	5,352,902	5,352,902	5,352,902
Expenses									
OpEx	0.0%	0	0	0	0	0	0	0	0
CapEx	2.0%	100,998	100,998	100,998	100,998	107,058	107,058	107,058	107,058
Overall Expenses		100,998	100,998	100,998	100,998	107,058	107,058	107,058	107,058
NOI		4,948,910	4,948,910	4,948,910	4,948,910	5,245,844	5,245,844	5,245,844	5,245,844
Terminal Value	7.0%								74,940,632
Discount Rate	9.0%	0.46	0.42	0.39	0.36	0.33	0.30	0.27	0.25
Present Value		2,278,615	2,090,473	1,917,865	1,759,509	1,711,082	1,569,800	1,440,184	20,196,549
Net Present Value									62,100,000

4.3 Subject Property Value

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

Property Value: **ﷲ 62,100,000.00**
Sixty-Two Million One Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزمعة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Office Complex

Anas Ibn Malik

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1831982
Date: 10/08/2026

Subject: Valuation Report for Office Complex – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1831982
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Office Complex.
Property Location	Al Yasmin district, Riyadh City.
Title Deed No.	8273732977000000
Title Deed Date	13/03/1446
Ownership Type	Freehold.
Limitations	None.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	3,501.5 Sqm.
BUA (Sqm)	12,461.5 Sqm.
GLA (Sqm)	5,267 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 158,500,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

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

- Total Land Area: 15,421.99 square meters.
- Total Built-Up Area (BUA): 12,461.5 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 2 sides, the property located on Anas Ibn Malik Road from the northern side.

2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Anas Ibn Malik Road.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
 Aerial map of Riyadh showing the city grid. A red pin marks the location in the western part of the city.	 Aerial map of the district showing a dense grid of residential blocks. A red pin marks the specific location within the district.
24°49'18.89"N 46°38'56.97"E	
انس بن مالك، 6349، حي الياسمين، الرياض 13326 ، RAYA34123412	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	3,501.05
District	Al Yasmin	Plot No.	71
T.D Type	Electronic	Block No.	15
T.D Number	8273732977000000	Layout No.	3229
T.D Date	09/02/2026	Ownership Type	Freehold
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	None
Issued From	Real Estate Registry		
North Side	18 meter width street	East Side	Privet property
South Side	60 meter width street	West Side	Privet property

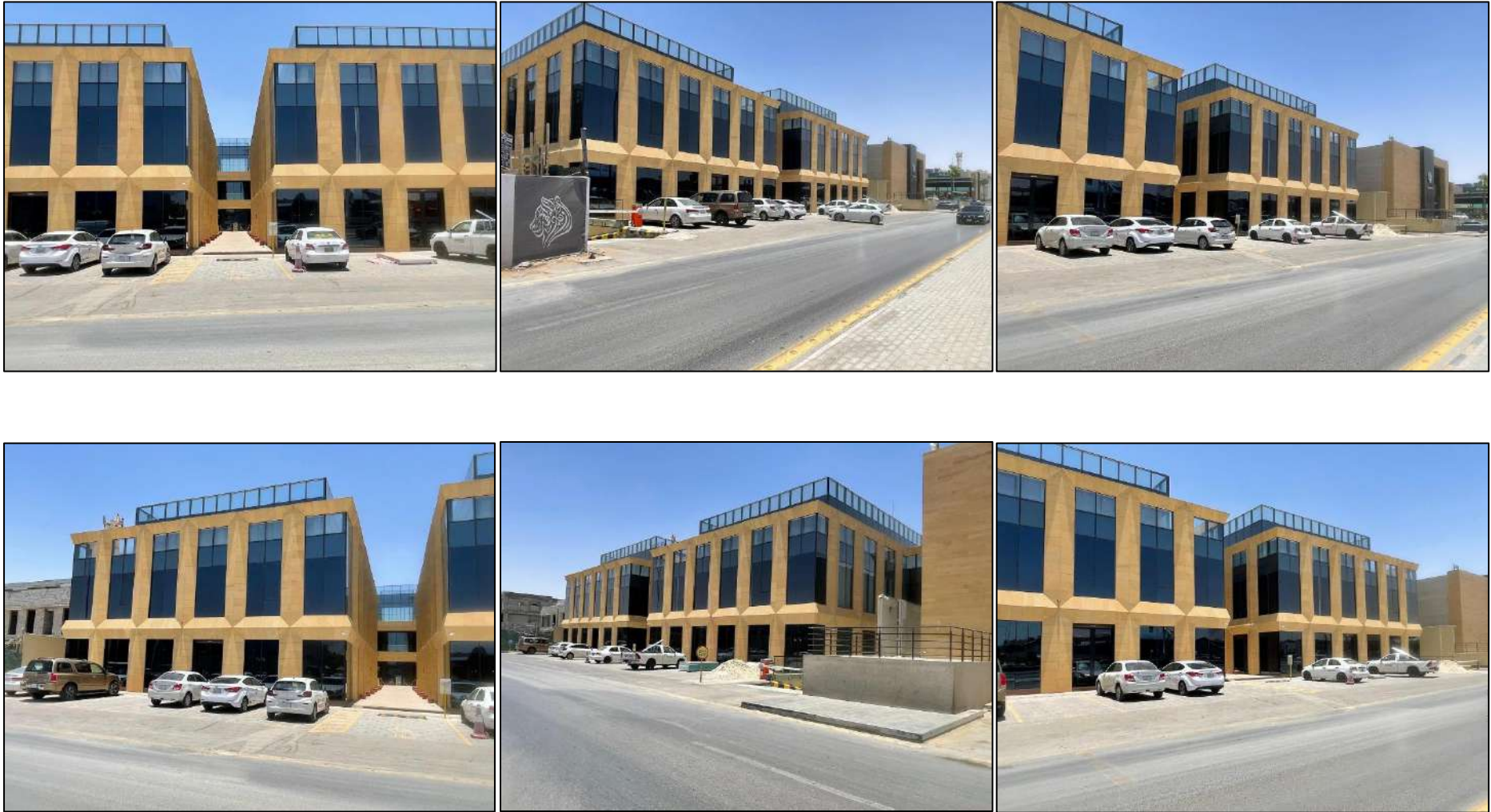
2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	12,461.5
Property Type	Commercial	Actual Age	1
Construction Permit No.	12630	State of Property	Fully Constructed
Construction Permit Date	1446/05/02	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

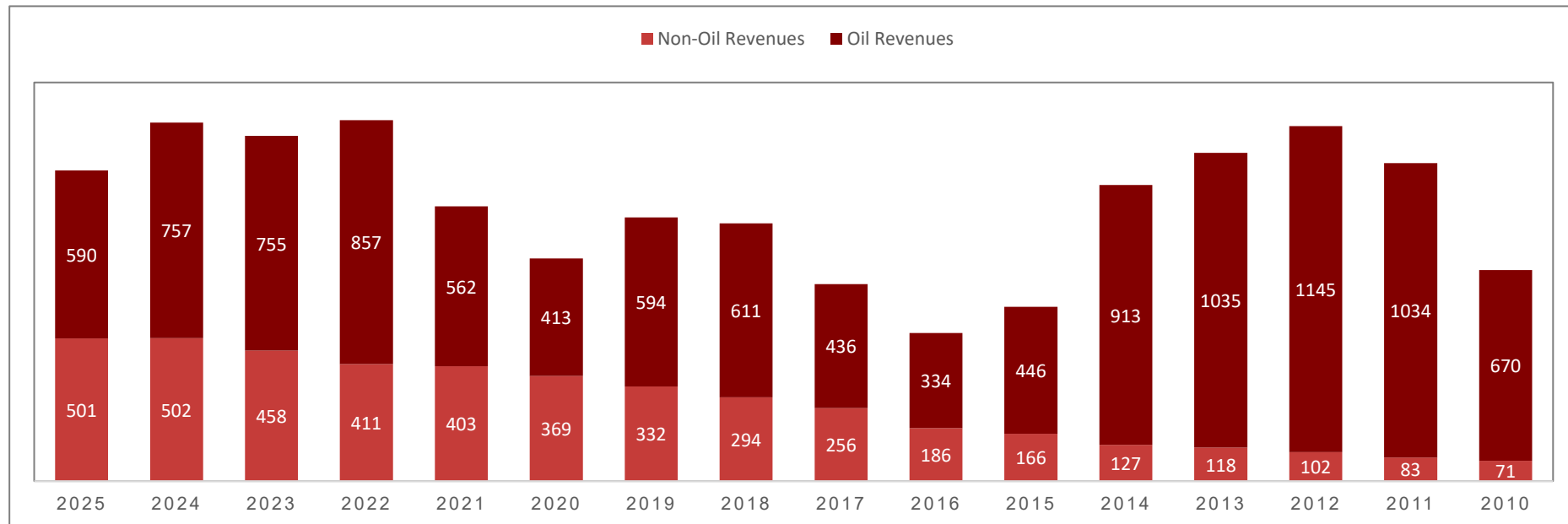
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

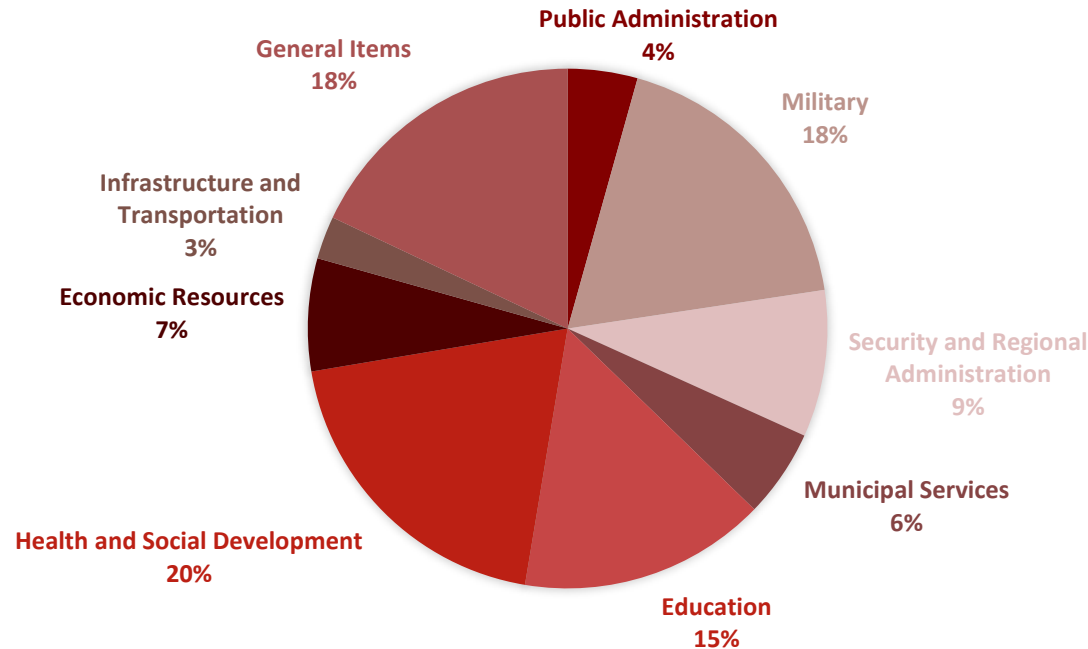
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	42,560,000.00	93,350,000.00	73,141,000.00
NOI	2,979,200	6,534,500	5,119,870
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Government Bonds rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Systematic Risk Premium%	%3.00		Trading Economic
Unsystematic Risk Premium%	%1.00		Team's Experience
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	0%	0%	0%	0%	0%
Expected Revenues							
Offices	Sqm	4,236	4,236	4,236	4,236	4,236	4,236
Rate (SAR)	SAR	2,639	2,639	2,639	2,639	2,639	2,639
Total	SAR	11,180,000	11,180,000	11,180,000	11,180,000	11,180,000	11,180,000
Overall Revenues		11,180,000	11,180,000	11,180,000	11,180,000	11,180,000	11,180,000
Vacancy and Credit Loss							
Offices	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		11,180,000	11,180,000	11,180,000	11,180,000	11,180,000	11,180,000
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0
NOI		11,180,000	11,180,000	11,180,000	11,180,000	11,180,000	11,180,000
Terminal Value	7.0%						159,714,286
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		11,180,000	10,256,881	9,409,982	8,633,011	7,920,194	111,069,560
Net Present Value							158,500,000

4.3 Subject Property Value

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

Property Value: **ﷲ 158,500,000.00**
One Hundred Fifty-Eight Million Five Hundred Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

[illegible]



السجل العقاري

صك تسجيل ملكية

رقم العقار / 8273732977000000



الهيئة العامة للعقار
REAL ESTATE GENERAL AUTHORITY

بيانات قطعة الأرض

المدينة	الحي	المخطط	البلوك	القطعة	النسبة	استعمالها
الرياض	الرياضين	3220	15	71	3501.5	إستعمال مختلط

معلومات العقار

نوع العقار	حالة العقار	قيمة انتقال الملكية	تاريخ الشراء
أرض فضاء	أرض فضاء	125775000 ريال سعودي	2026-02-09

ملاك العقار

ملاك العقار	الجنسية	نسبة المالك	نوع الوحدة	رقم الوحدة
الشركة السعودية للاستثمار والبنية التحتية		100.000 %	الزحف الموحّد للمخاضات	7001902685

رقم البنية (2)

تاريخ إصدار البنية 2026/02/09

يمكن التحقق من بيانات المالك عبر الرابط التالي <https://www.rera.gov.sa/en/real-estate/transaction>

هذه الوثيقة رسمية صادرة من السجل العقاري

العقار مملوك للمجلس البلدي لهذا المقطع، وهذا المالك ملزم بمعرفة من نظام التسجيل المبني للعقار

صفحة (3)



5.2 Memberships of the Participants Involved in Preparing the Report



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type:	فئة العضوية :
Main	أساسي
Membership No:	رقم العضوية:
1210000474	1210000474
ID No:	رقم الهوية \ الإقامة:
1044275947	1044275947
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



حاصل على شهادة الزمعة

لتزويد من التفاصيل يرجى الاتصال
على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1210002782	1210002782
ID No:	رقم الهوية \ الإقامة:
1014178931	1014178931
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



لتزويد من التفاصيل يرجى الاتصال
على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



ريما خالد سليمان الضحيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1210004007	1210004007
ID No:	رقم الهوية \ الإقامة:
1116638824	1116638824
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



لتزويد من التفاصيل يرجى الاتصال
على الرقم



تقييم
العقارات
Real estate
Valuation



تقييم
TAQEEEM
الهيئة السعودية للتقييم العقاري
Saudi Authority of Real Estate Valuers



فathi سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type:	فئة العضوية :
Associated	مشارك
Membership No:	رقم العضوية:
1220001949	1220001949
ID No:	رقم الهوية \ الإقامة:
2266363668	2266363668
Membership Exp:	تاريخ الانتهاء:
2026-12-31	2026-12-31



لتزويد من التفاصيل يرجى الاتصال
على الرقم

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Olaya School

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832114
Date: 10/08/2026

Subject: Valuation Report for Olaya School– Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832114
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	School.
Property Location	Al Mursalat district, Riyadh City.
Title Deed No.	399684003641
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Education.
Land Area (Sqm)	10,500 Sqm
BUA (Sqm)	12,314 Sqm.
GLA (Sqm)	12,314 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 82,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	02/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.
12. For valuation purposes, the contractual periods have been determined in accordance with the payment schedule stipulated in the contract. The first contractual year commences on 11/05/2026, with the contract expiring on 11/05/2033.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 02/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a school located in Al Mursalat district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 10,500.00 square meters.
- Total Built-Up Area (BUA): 12,314.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located near King Abdul Aziz Road.

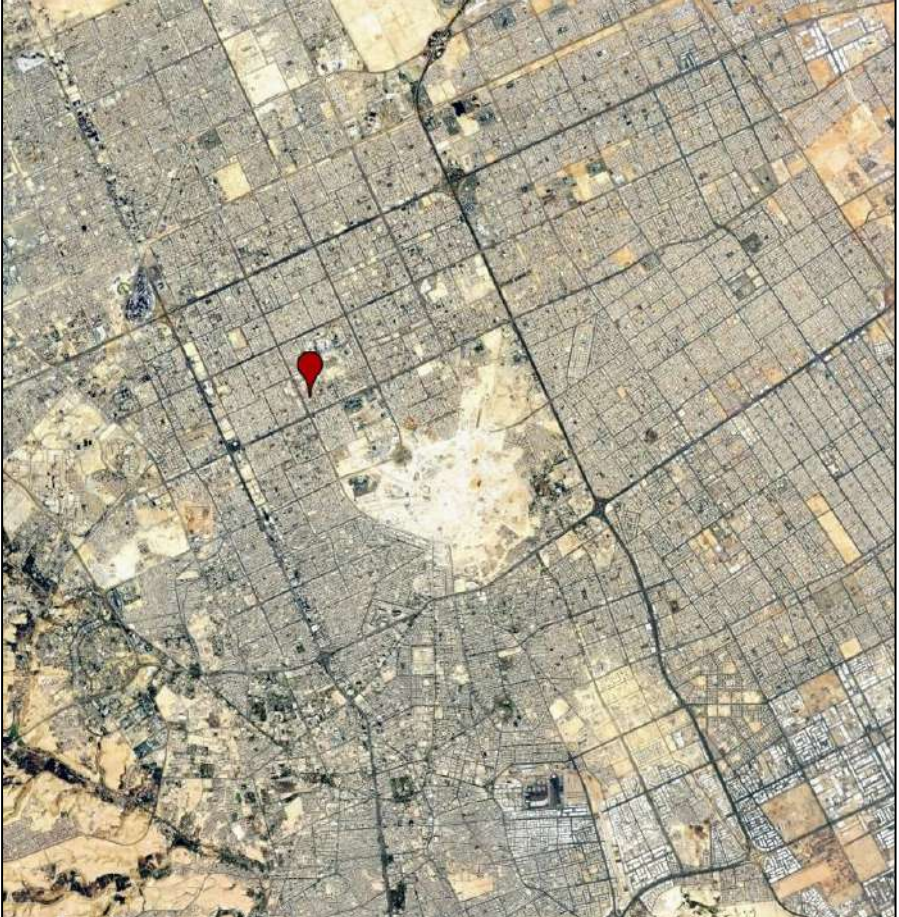
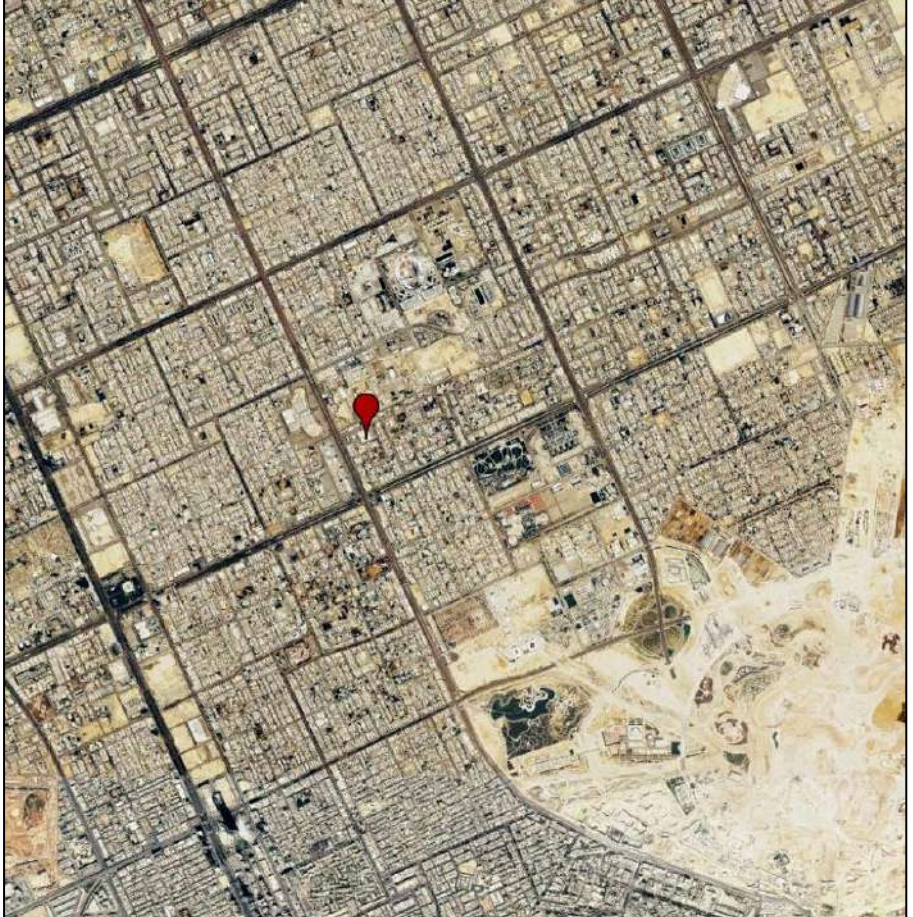
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Abdul Aziz aba Hussain Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°44'28.05"N 46°41'6.95"E	
RHMA2864, 6483 Az Zarah, 2864 ,Riyadh 12461	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	10,500 Sqm
District	Al Mursalat	Plot No.	---
T.D Type	Electronic	Block No.	---
T.D Number	399684003641	Layout No.	2128
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	30 meter width street	East Side	20 meter width street
South Side	20 meter width street	West Side	15 meter width street

2.6 Construction Permit

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

Construction Permit Type	New Permit	Built-Up Area (BUA)	12,314
Property Type	School complex	Actual Age	23
Construction Permit No.	1725/2/6/27	State of Property	Fully Constructed
Construction Permit Date	12/07/1421	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

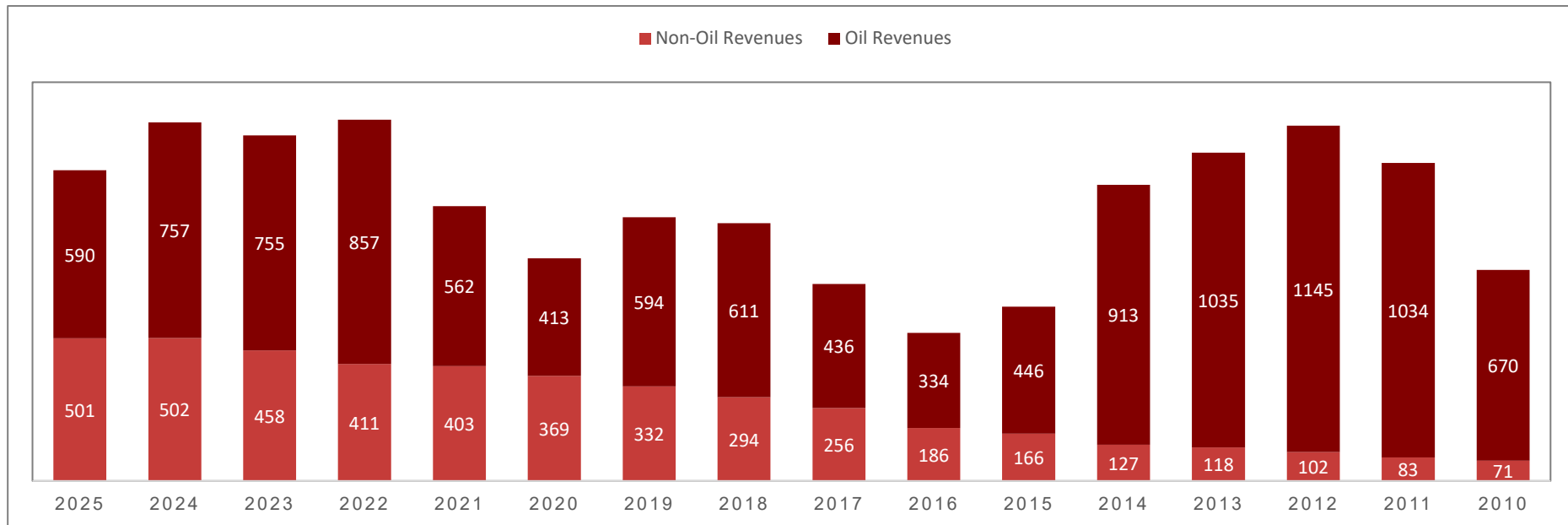
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

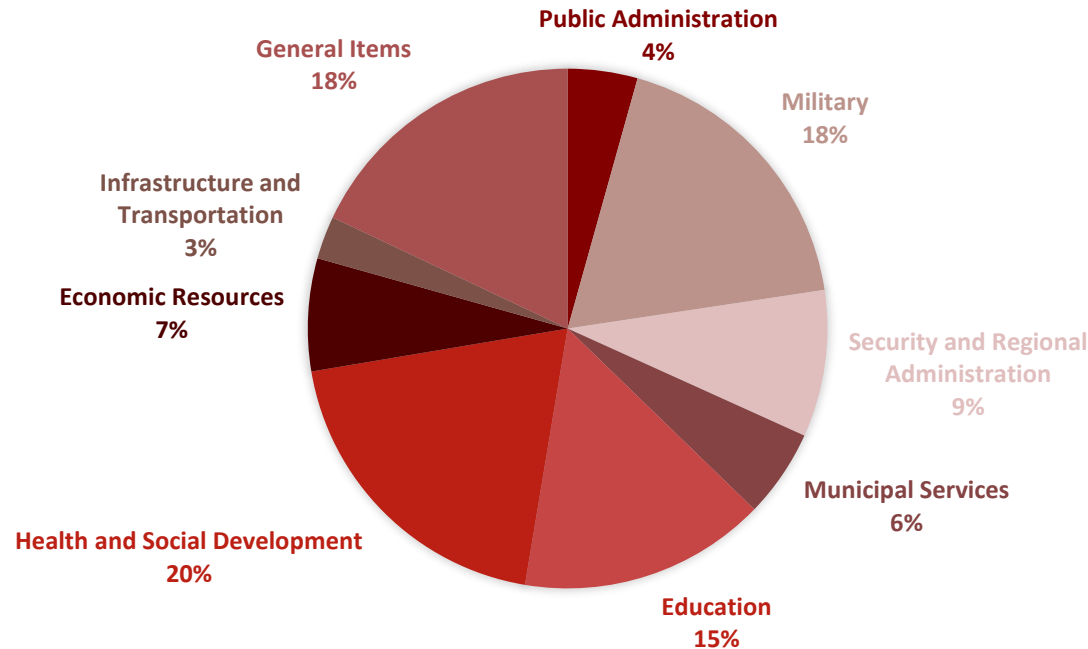
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	87,000,000.00	68,000,000.00	107,000,000.00
NOI	6,090,000	4,760,000	7,490,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		0	1	2	3	4	5	6	7
Inflation		0%	9%	0%	0%	9%	0%	0%	0%
Expected Revenue									
Educational Complex	Sqm	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Rate (SAR)	SAR	493	538	538	538	586	586	586	586
Total	SAR	5,180,116	5,646,326	5,646,326	5,646,326	6,154,496	6,154,496	6,154,496	6,154,496
Overall Revenues		5,180,116	5,646,326	5,646,326	5,646,326	6,154,496	6,154,496	6,154,496	6,154,496
Vacancy and Credit Loss									
Educational Complex	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		5,180,116	5,646,326	5,646,326	5,646,326	6,154,496	6,154,496	6,154,496	6,154,496
Expenses									
OpEx	0.0%	0	0	0	0	0	0	0	0
CapEx	1.5%	77,702	84,695	84,695	84,695	92,317	92,317	92,317	92,317
Overall Expenses		77,702	84,695	84,695	84,695	92,317	92,317	92,317	92,317
NOI		5,102,414	5,561,632	5,561,632	5,561,632	6,062,178	6,062,178	6,062,178	6,062,178
Terminal Value	7.0%								86,602,548
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value		5,102,414	5,102,414	4,681,114	4,294,600	4,294,600	3,940,000	3,614,679	50,690,779
Net Present Value									82,000,000

Note: The contractual years adopted in the valuation are based on the payment due dates stipulated in the contract. The first contractual year commences on 11/05/2026, and the contractual term ends on 11/05/2033.

4.3 Subject Property Value

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

Property Value: **ﷲ 82,000,000.00**
Eighty-Two Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices

5.1 Title deed



الرقم: 399684003641
التاريخ: 1445/5/9

وثيقة تملك عقار



الجمهورية العراقية
Basil State of Iraq

البيانات الأساسية

رقم الوثيقة	399684003641	تاريخ الوثيقة	1445/5/9
المصدر	المولدين بالرياس 9	الحالة	فعال
الساحة (م ²)	10,500	التحديد	مربعون
رقم الوثيقة السابقة	310124045246	تاريخ الوثيقة السابقة	1444/1/16
نوع المسيلة	مفتحة تتدبرل		

التحديد

القيود	رقم المنشأة	فترة الزمن	تاريخ الاستحقاق
مربعون	7000126712	رسم 44,784,633.87	

الملاك

رقم الهوية	الاسم	نسبة المالك	نسبة المالك
7001902688	الشركة السعودية للاقتصاد والتنمية للصناديق العقارية		100 %

العقار

رقم الهوية الشارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	مربعين مملوئين بات	10,500	لا يوجد
	المربع	تموزج العقار	
	لا يوجد	لا يوجد	

رقم القطعة

رقم القطعة	رقم المخطط	الحي	البلدية
بدون	2128	المرصلات	الرياح

الحدد

الحدد	وصف الحد	الطول (م)	المساحة
شمالا	عرض 30م	100	
جنوبا	عرض 15م	100	
شرقا	يليه شارع عرض 20م	105	
غربا	عرض 15م	105	

ملاحظات

معدت هذه الوثيقة من الدوسمة العقارية بمسكن العقار من مسحة هذه الوثيقة من المعدلات الحكومية لقيمة اوراق الشراء واوراق التحويل الفدية والقيمة والقيمة العامة للعقار. الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund

Palm View

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832131
Date: 10/08/2026

Subject: Valuation Report for Administrative Complex – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary

Executive Summary

Reference No.	26-0682
Dep. Code	1832131
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Administrative complex.
Property Location	Capital District, Ad Diriyah City, Kingdom of Saudi Arabia.
Title Deed No.	460002496016
Title Deed Date	03/07/1447
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Administrative.
Land Area (Sqm)	10,325.82 Sqm
BUA (Sqm)	48,180.80 Sqm
GLA (Sqm)	20,838.00 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 738,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	02/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be **7.5%**. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 02/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is an administrative complex located in Capital district, Diriyah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 10,325.82 square meters.
- Built-up area: 48,180.80 square meters.
- Gross Leasable Area (GLA): 20,838.00 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located with direct view of Al Imam Suad ibn Faisal Road and near King Khalid Road.

2.2 Ease of Access

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

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°46'17.75"N 46°33'56.25"E	
تقاطع طريق الإمام سعود بن فيصل مع شارع الملك، الرياض، الدرعية 13714	
Google Maps	

2.5 Title Deed and Ownership

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

City	Diriyah	Land Area	10,325.82 Sqm
District	Al-Asimah	Plot No.	327
T.D Type	Electronic	Block No.	---
T.D Number	460002496016	Layout No.	136
T.D Date	03/07/1447	Ownership Type	Freehold
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	None
Issued From	Ministry of Justice		
North Side	80 meter width street	East Side	18 meter width street
South Side	18 meter width street	West Side	36 meter width street

2.6 Construction Permit

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

Construction Permit Type	Construction Permit	Built-Up Area (BUA)	48,180.80
Property Type	Administrative complex	Actual Age	0
Construction Permit No.	15883	State of Property	under construction
Construction Permit Date	1445/07/24	Completion Rate	80%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

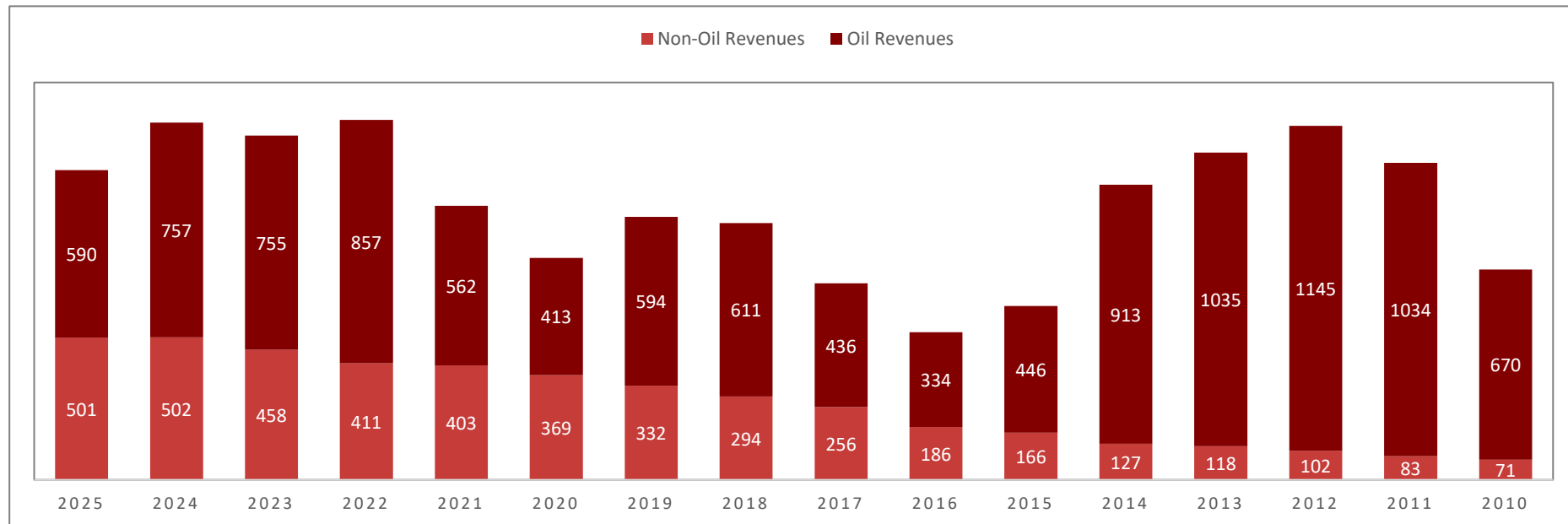
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

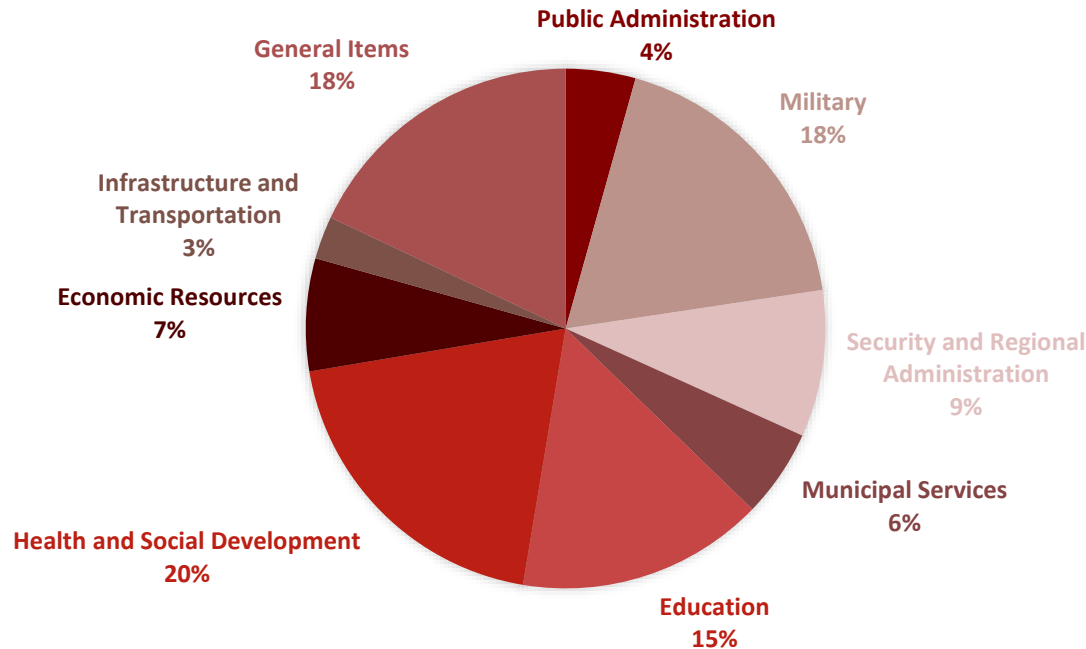
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.5% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	232,000,000.00	629,400,000.00	358,600,000.00
NOI	18,560,000	44,058,000	26,895,000
Cap Rate	8.00%	7.00%	7.50%
Average Cap Rate	7.50%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033
		0	1	2	3	4	5	6	7
Inflation		0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Expected Revenues									
office building	Sqm	20,838	20,838	20,838	20,838	20,838	20,838	20,838	20,838
Rate (SAR)	SAR	2,666	2,666	2,666	2,666	2,932	2,932	2,932	2,932
Total	SAR	55,550,660	55,550,660	55,550,660	55,550,660	61,105,726	61,105,726	61,105,726	61,105,726
Overall Revenues		55,550,660	55,550,660	55,550,660	55,550,660	61,105,726	61,105,726	61,105,726	61,105,726
Vacancy and Credit Loss									
office building	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		55,550,660	55,550,660	55,550,660	55,550,660	61,105,726	61,105,726	61,105,726	61,105,726
Expenses									
OPEX	5.0%	2,777,533	2,777,533	2,777,533	2,777,533	2,777,533	2,777,533	2,777,533	2,777,533
CAPEX	2.5%	1,388,767	1,388,767	1,388,767	1,388,767	1,527,643	1,527,643	1,527,643	1,527,643
Overall Expenses		4,166,299	4,166,299	4,166,299	4,166,299	4,305,176	4,305,176	4,305,176	4,305,176
NOI		51,384,360	51,384,360	51,384,360	51,384,360	56,800,550	56,800,550	56,800,550	56,800,550
Terminal Value	7.5%								757,340,665
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value		51,384,360	47,141,615	43,249,188	39,678,154	40,238,942	36,916,460	33,868,312	445,363,124
Net Present Value									738,000,000

4.3 Subject Property Value

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

Property Value: **738,000,000.00**
Seven Hundred Thirty-Eight Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices

5.1 Title deed

[illegible][illegible]

5.2 Memberships of the Participants Involved in Preparing the Report

Logo	Logo	Logo	Logo
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الصعيان REEMA KHALID SULAIMAN ALDHAYAN	 فathi سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main Membership No: 1210000474 ID No: 1044275047 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1210002782 ID No: 1014178931 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1210004007 ID No: 1110638824 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1220001949 ID No: 2266363668 Membership Exp: 2026-12-31
QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 12047 على البرقود	QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 2782 على البرقود	QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 4007 على البرقود	QR Code حاصل على شهادة الزيادة شهادة من التفصيل برقم الزيادة 1949 على البرقود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Panda - Al Rayyan

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832234
Date: 10/08/2026

Subject: Valuation Report for Commercial Complex– Dammam City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832234
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial complex
Property Location	Al Rayyan district, Dammam City.
Title Deed No.	994091001585
Title Deed Date	08/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	18,144.8 Sqm
BUA (Sqm)	9,800 Sqm
GLA (Sqm)	9,800 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 72,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

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

- Total land area: 18,144.8 square meters.
- Built-up area: 9,800 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property is located near on near Imam Ali bin Abi Talib Road.

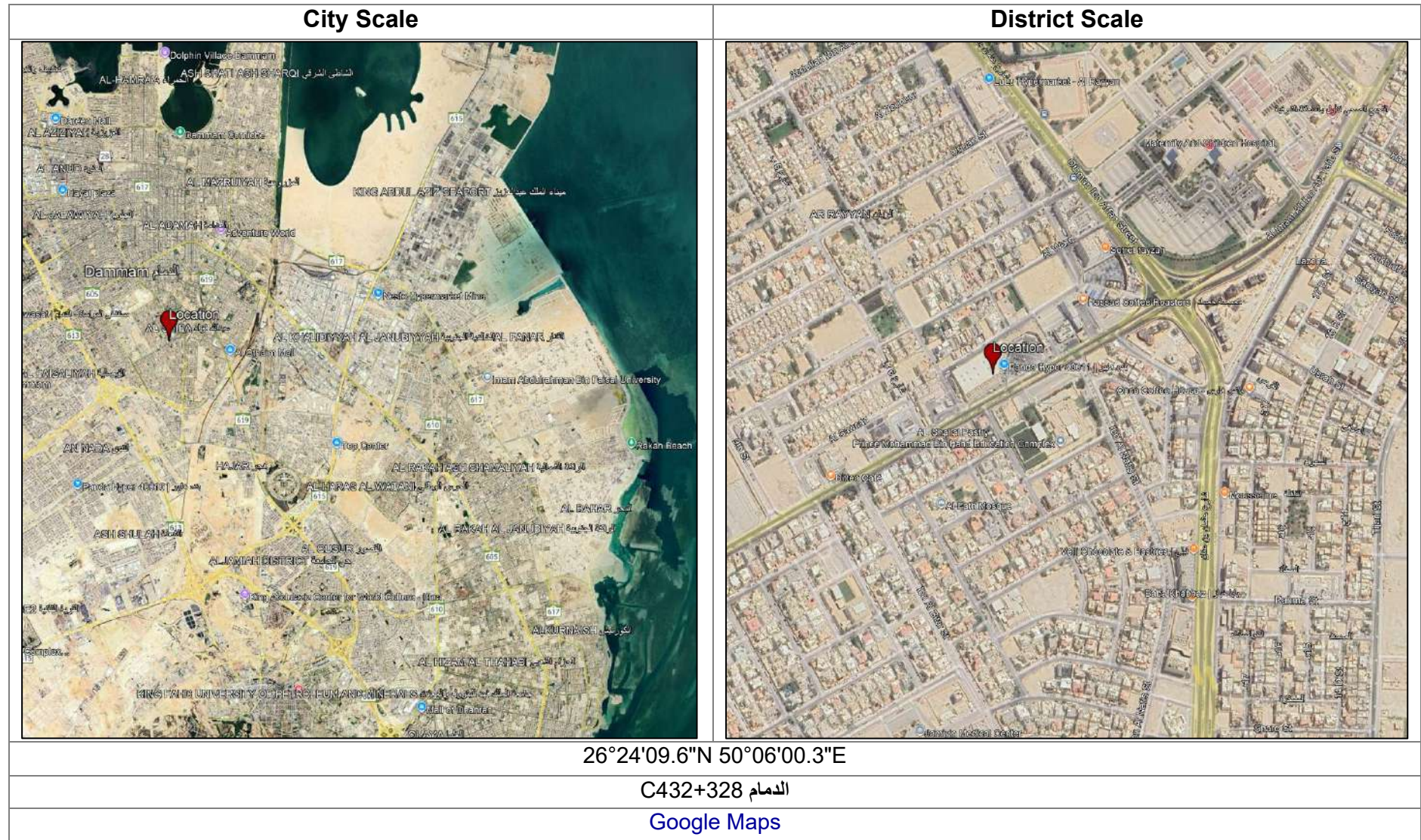
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location near Imam Ali bin Abi Talib Road.

2.3 Infrastructure

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

2.4 Location and Landmarks



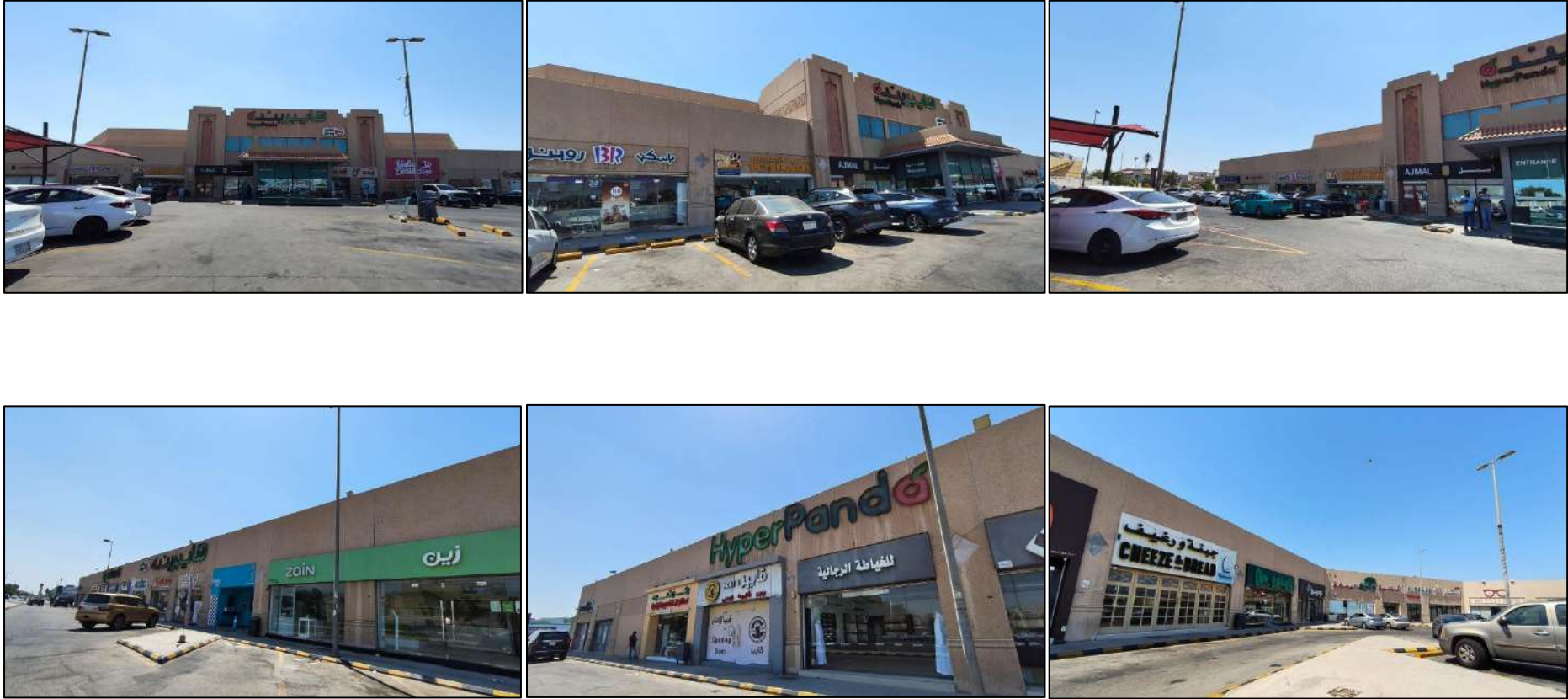
2.5 Title Deed and Ownership

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

City	Dammam	Land Area	18,144.8
District	Al Rayyan	Plot No.	119-136
T.D Type	Electronic	Block No.	---
T.D Number	994091001585	Layout No.	ش.د / 832
T.D Date	1445/05/13	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Plot No 135	East Side	Plot No 134
South Side	30m wide street	West Side	20m wide street

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

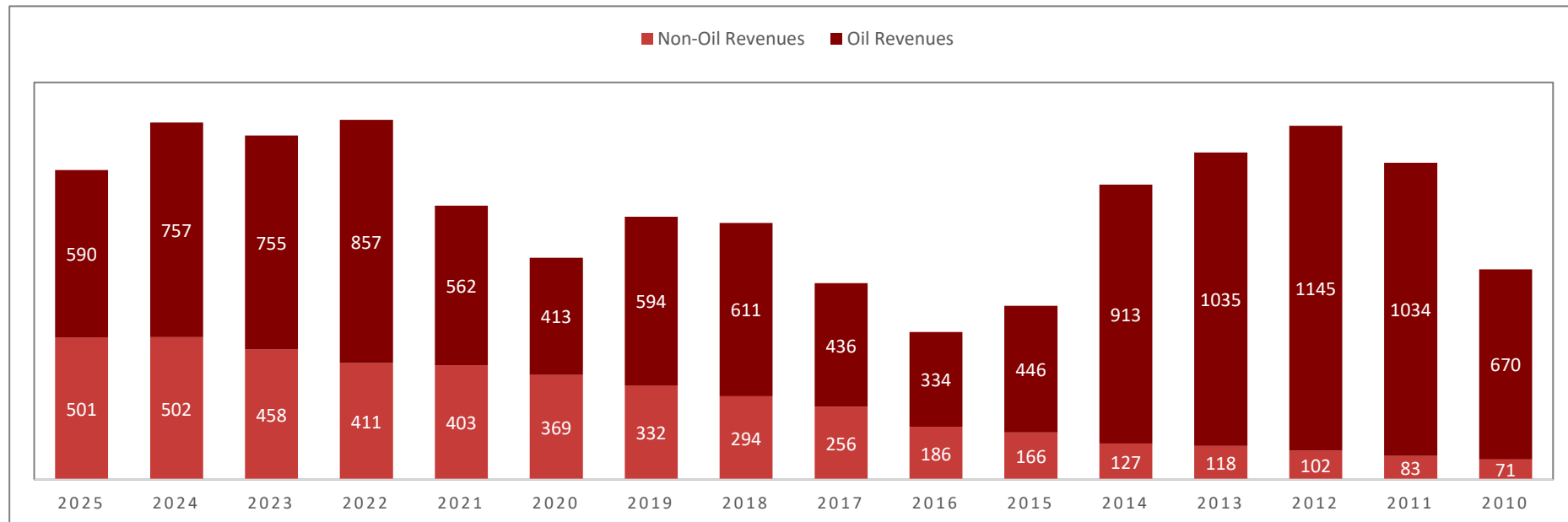
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

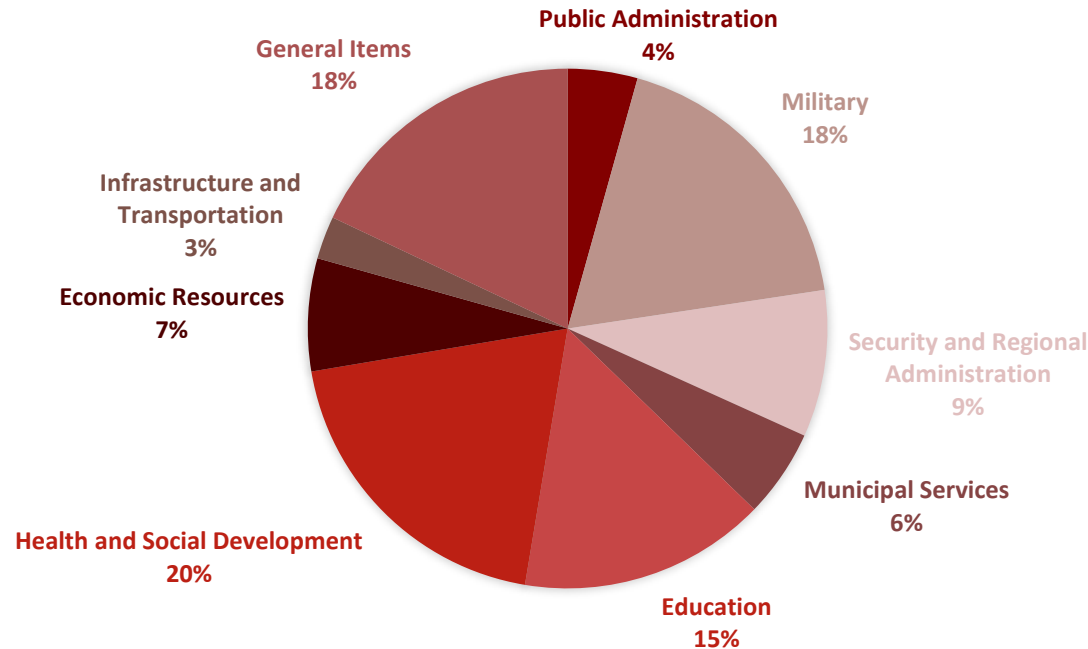
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	27,500,000.00	49,800,000.00	31,655,000.00
NOI	2,200,000	3,984,000	2,532,400
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029
		0	1	2	3
Inflation		0.0%	0.0%	0.0%	0.0%
Expected Revenues					
Commercial building	Sqm	18,145	18,145	18,145	18,145
Rate (SAR)	SAR	303	303	303	303
Total	SAR	5,490,000	5,490,000	5,490,000	5,490,000
Overall Revenues		5,490,000	5,490,000	5,490,000	5,490,000
Vacancy and Credit Loss					
Commercial building	0.0%	0	0	0	0
Parking	0.0%	0	0	0	0
Total		0	0	0	0
Effective Rental Income		5,490,000	5,490,000	5,490,000	5,490,000
Expenses					
OPEX	0.0%	0	0	0	0
CAPEX	0.0%	0	0	0	0
Overall Expenses		0	0	0	0
NOI		5,490,000	5,490,000	5,490,000	5,490,000
Terminal Value	8.0%				68,625,000
Discount Rate	9.0%	1.00	0.92	0.84	0.77
Present Value		5,490,000	5,036,697	4,620,823	57,230,379
Net Present Value					72,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 72,000,000.00**
Seventy-Two Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices

5.2 Memberships of the Participants Involved in Preparing the Report






عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type: Main
 فئة العضوية: أساسي

Membership No: 1210000474
 رقم العضوية: 1210000474

ID No: 1044275947
 رقم الهوية \ الإقامة: 1044275947

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




حصل على شهادة الزيادة
 للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210002782
 رقم العضوية: 1210002782

ID No: 1014178931
 رقم الهوية \ الإقامة: 1014178931

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






ريما خالد سليمان الضعيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210004007
 رقم العضوية: 1210004007

ID No: 1116638824
 رقم الهوية \ الإقامة: 1116638824

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






فثي سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1220001949
 رقم العضوية: 1220001949

ID No: 2266363668
 رقم الهوية \ الإقامة: 2266363668

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Panda - Al Noor

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832205
Date: 10/08/2026

Subject: Valuation Report for Commercial Complex– Dammam City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 PHOTOGRAPHS OF THE SUBJECT PROPERTY	16
MARKET INDICATORS	18
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	18
3.2 OIL AND NON-OIL REVENUES	19
3.3 BUDGET ALLOCATION FOR 2026	20
3.4 REAL ESTATE MARKET OVERVIEW 2025	20
3.5 RISK ANALYSIS	23
3.6 NEW REGULATORY PROVISIONS	24
PROPERTY VALUATION	26
4.1 VALUATION METHODS	26
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	28
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832205
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial complex
Property Location	Al Noor district, Dammam City.
Title Deed No.	799684003632 - 494091001583
Title Deed Date	09/05/1445 -13/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	13,806 Sqm
BUA (Sqm)	5,348 Sqm
GLA (Sqm)	5,248 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 70,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

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

- Total Land Area 13,806.17 square meters.
- Building area: 5,348 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property is located direct view of King Saud bin Abdulaziz Road.

2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location King Saud bin Abdulaziz Road.

2.3 Infrastructure

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

2.5 Title Deed and Ownership

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

City	Dammam	Land Area	2,058.22
District	Al Noor	Plot No.	ب/198
T.D Type	Electronic	Block No.	---
T.D Number	799684003632	Layout No.	ش.د / 742
T.D Date	1445/05/09	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Plot No 197	East Side	Plot No 200
South Side	60m wide street	West Side	Plot No 196

City	Dammam	Land Area	1,320
District	Al Noor	Plot No.	ب/197
T.D Type	Electronic	Block No.	---
T.D Number	799684003632	Layout No.	ش.د / 742
T.D Date	1445/05/09	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	25m wide street	East Side	Plot No 199
South Side	Plot No 198	West Side	Plot No 195

City	Dammam	Land Area	10,427.95
District	Al Noor	Plot No.	ب/191
T.D Type	Electronic	Block No.	---
T.D Number	494091001583	Layout No.	ش.د / 742
T.D Date	1445/05/09	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	25m wide street	East Side	Plot No 197-198
South Side	60m wide street	West Side	Plot No 198-190

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

2.6 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

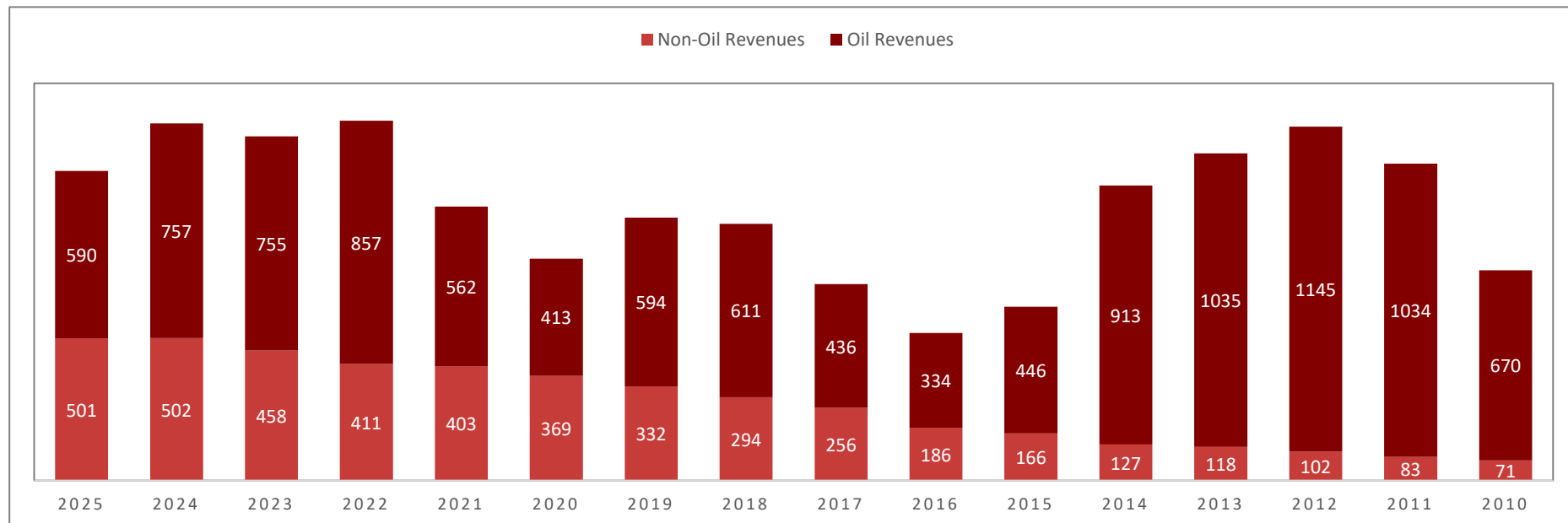
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

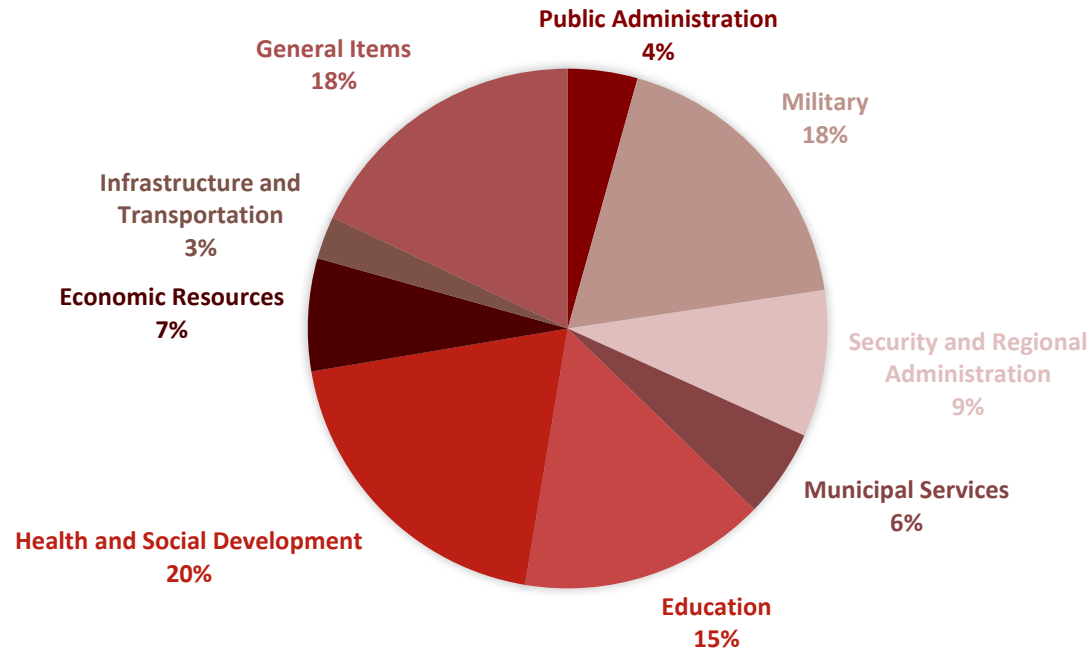
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	37,230,000.00	52,000,000.00	26,580,000.00
NOI	2,978,400	4,160,000	2,126,400
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8
Inflation		0.0%	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%	0.0%	0.0%
Expected Revenues										
Commercial building	Sqm	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Rate (SAR)	SAR	717	717	717	717	717	756	756	756	756
Total	SAR	3,869,776	3,869,776	3,869,776	3,869,776	3,869,776	4,082,614	4,082,614	4,082,614	4,082,614
Parking	Sqm	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378
Rate (SAR)	SAR	411	411	411	411	411	433	433	433	433
Total	SAR	1,388,000	1,388,000	1,388,000	1,388,000	1,388,000	1,464,340	1,464,340	1,464,340	1,464,340
Overall Revenues		5,257,776	5,257,776	5,257,776	5,257,776	5,257,776	5,546,954	5,546,954	5,546,954	5,546,954

Vacancy and Credit Loss										
Commercial building	0.0%	0	0	0	0	0	0	0	0	0
Parking	0.0%	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0
Effective Rental Income		5,257,776	5,257,776	5,257,776	5,257,776	5,257,776	5,546,954	5,546,954	5,546,954	5,546,954

Expenses										
OPEX	0.0%	0	0	0	0	0	0	0	0	0
CAPEX	0.0%	0	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0	0

NOI		5,257,776	5,257,776	5,257,776	5,257,776	5,257,776	5,546,954	5,546,954	5,546,954	5,546,954
Terminal Value	8.0%									69,336,921
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50
Present Value		5,257,776	4,823,648	4,425,365	4,059,968	3,724,741	3,605,139	3,307,467	3,034,374	37,581,692
Net Present Value										70,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 70,000,000.00**
Seventy Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of (RE Valuation)
 License No. 1210002782

Reema K. Al Dhayan
 Asst. Manager



Fellow Member of (RE Valuation)
 License No. 1210004007

Fathi S. Saeed
 Inspection Officer



Fellow Member of (RE Valuation)
 License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Documents Received

5.1 Title deed

[illegible][illegible][illegible]

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزمعة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report

SEDCO Capital
SEDCO REIT Fund
Panda Riyadh

10th August 2026
Report Number: 26-0682



REF: 26-0682
Code: 1832244
Date: 10/08/2026

Subject: Valuation Report for Panda – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	31
4.4 ACCREDITED VALUERS	31
4.5 VALUER'S OPINION OF VALUE	32
4.6 CONCLUSION	32
DOCUMENTS RECEIVED	34
5.1 TITLE DEED	34
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	35



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832244
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial complex.
Property Location	Ishbilyah district, Riyadh City.
Title Deed No.	499684003637
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	23,604 Sqm
BUA (Sqm)	10,784 Sqm.
GLA (Sqm)	10,784 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 74,000,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	05/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).

Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 05/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Ishbiliyah district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 23,604 square meters.
- Built-up area: 10,784 square meters.
- Gross Leasable Area (GLA): 10,784 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located a direct view of on Sheikh Jaber Al-Ahmad Al-Sabah Street on the eastern side.

2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Sheikh Jaber Al-Ahmad Al-Sabah Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°36'14.06"N 46°43'58.47"E	
Shaikh Jabir Road end of King Abdullah Road exit 10, Riyadh	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	23,604 Sqm
District	Ishbilyah	Plot No.	3/1/1/ج/4
T.D Type	Electronic	Block No.	---
T.D Number	499684003637	Layout No.	2303
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	36m wide street	East Side	30m wide street
South Side	20m wide street	West Side	15m wide street

2.6 Construction Permit

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

Construction Permit Type	Renovating	Built-Up Area (BUA)	10,784
Property Type	Commercial complex	Actual Age	8
Construction Permit No.	1432/129920	State of Property	Fully Constructed
Construction Permit Date	1437/11/05	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

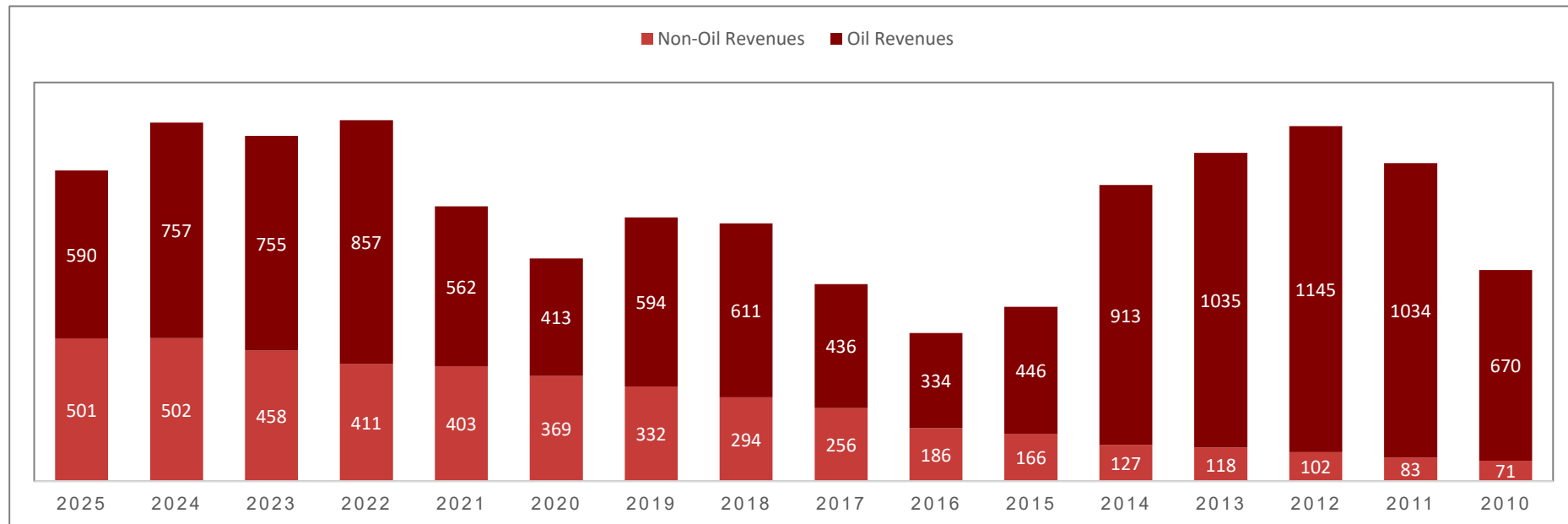
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

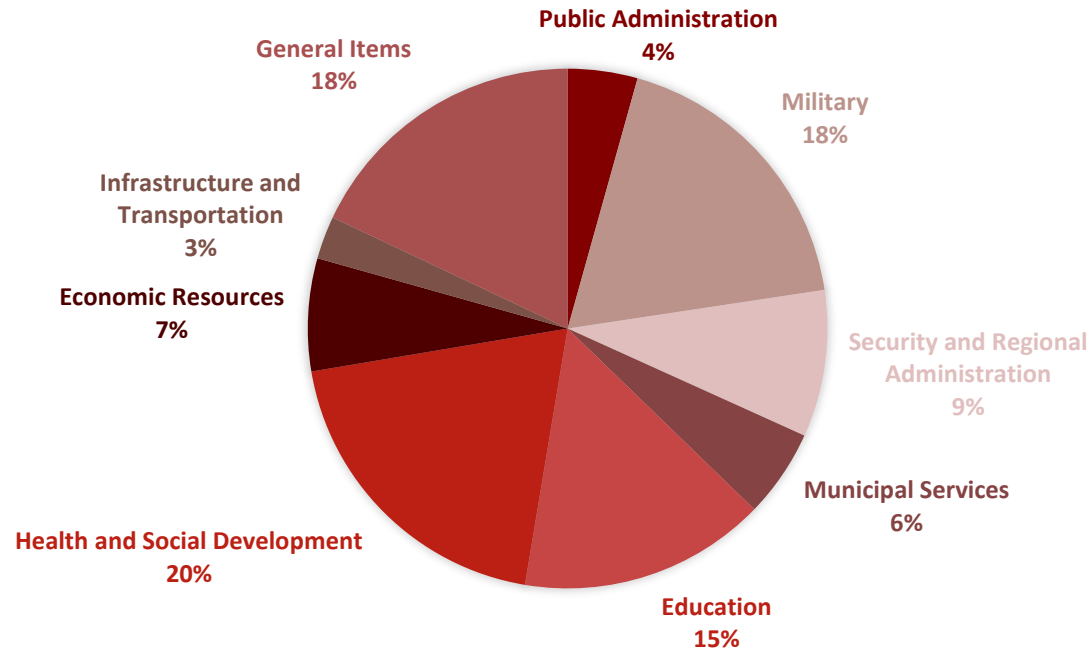
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 8.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	120,000,000.00	30,000,000.00	96,200,000.00
NOI	9,600,000	2,400,000	7,696,000
Cap Rate	8.00%	8.00%	8.00%
Average Cap Rate	8.00%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%3.00		Trading Economics
Company-specific Risk Premium %	%1.00		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031	2032	2033
		0	1	2	3	4	5	6	7
Inflation		0%	0%	0%	0%	0%	5%	0%	0%
Expected Revenue									
commercial complex	Sqm	23,604	23,604	23,604	23,604	23,604	23,604	23,604	23,604
Rate (SAR)	SAR	234	234	234	234	234	245	245	245
Total	SAR	5,516,251	5,516,251	5,516,251	5,516,251	5,516,251	5,792,064	5,792,064	5,792,064
Overall Revenues		5,516,251	5,516,251	5,516,251	5,516,251	5,516,251	5,792,064	5,792,064	5,792,064
Vacancy and Credit Loss									
commercial complex	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		5,516,251	5,516,251	5,516,251	5,516,251	5,516,251	5,792,064	5,792,064	5,792,064
Expenses									
OpEx	0.0%	0	0	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0
NOI		5,516,251	5,516,251	5,516,251	5,516,251	5,516,251	5,792,064	5,792,064	5,792,064
Terminal Value	8.0%								
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value		5,516,251	5,060,781	4,642,918	4,259,558	3,907,851	3,764,444	3,453,618	3,168,457
Net Present Value									

Discounted Cash Flows		2034	2035	2036	2037	2038	2039	2040	2041
		8	9	10	11	12	13	14	15
Inflation		0%	0%	5%	0%	0%	0%	0%	5%
Expected Revenue									
commercial complex	Sqm	23,604	23,604	23,604	23,604	23,604	23,604	23,604	23,604
Rate (SAR)	SAR	245	245	258	258	258	258	258	271
Total	SAR	5,792,064	5,792,064	6,081,667	6,081,667	6,081,667	6,081,667	6,081,667	6,385,750
Overall Revenues		5,792,064	5,792,064	6,081,667	6,081,667	6,081,667	6,081,667	6,081,667	6,385,750
Vacancy and Credit Loss									
commercial complex	0.0%	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Effective Rental Income		5,792,064	5,792,064	6,081,667	6,081,667	6,081,667	6,081,667	6,081,667	6,385,750
Expenses									
OpEx	0.0%	0	0	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0
NOI		5,792,064	5,792,064	6,081,667	6,081,667	6,081,667	6,081,667	6,081,667	6,385,750
Terminal Value	8.0%								79,821,876
Discount Rate	9.0%	0.50	0.46	0.42	0.39	0.36	0.33	0.30	0.27
Present Value		2,906,841	2,666,827	2,568,962	2,356,846	2,162,244	1,983,710	1,819,917	23,667,273
Net Present Value									74,000,000

4.3 Subject Property Value

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

Property Value: **ﷲ 74,000,000.00**
Seventy-Four Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of (RE Valuation)
 License No. 1210002782

Reema K. Al Dhayan
 Asst. Manager



Fellow Member of (RE Valuation)
 License No. 1210004007

Fathi S. Saeed
 Inspection Officer



Fellow Member of (RE Valuation)
 License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



Documents Received

5.1 Title deed

إدارة رخص البناء
رقم الرخصة: ١٤٣٢/١٢٢٢٠
تاريخ الرخصة: ١٤٣٢/١٢/٢٠
تاريخ الانتهاء: ١٤٤٠/١٢/٢٠
نوع الرخصة: تجديد

رخصة بناء مركز تجاري (تطوير شامل)

اسم المستفيد: شركة السعودية للتطوير والتشييد والتجارة العامة
رقم التسجيل: ٤٠٢٠٢٩١٧٧٧
رقم المخطط: ١٤٣٤٠١٨٠٤
رقم المخطط التنظيمي: ١٤٣٤٠١٨٠٤
رقم المخطط: ١٤٣٤٠١٨٠٤
رقم المخطط: ١٤٣٤٠١٨٠٤
نوع البناء: سكني
مساحة الأرض: ٢٢٣٠٠ م^٢

الحدود:
شمال: شارع عرض ٣٠ م
شرق: شارع عرض ٣٠ م
جنوب: شارع عرض ٣٠ م
غرب: شارع عرض ٣٠ م

الارتفاع: ٩ م
العمق: ٩ م

الاستخدام: سكني

مكونات البناء:
مبنى سكني
مبنى تجاري

الملاحظات:
١- تم تعديل مساحة الأرض من ٢٢٣٠٠ م^٢ إلى ٢٢٣٠٠ م^٢ وذلك بزيادة مساحة المبنى السكني من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات السكنية من ١٠ وحدة إلى ٢٠ وحدة.
٢- تم تعديل مساحة المبنى التجاري من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات التجارية من ١٠ وحدة إلى ٢٠ وحدة.
٣- تم تعديل مساحة المبنى السكني من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات السكنية من ١٠ وحدة إلى ٢٠ وحدة.
٤- تم تعديل مساحة المبنى التجاري من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات التجارية من ١٠ وحدة إلى ٢٠ وحدة.
٥- تم تعديل مساحة المبنى السكني من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات السكنية من ١٠ وحدة إلى ٢٠ وحدة.
٦- تم تعديل مساحة المبنى التجاري من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات التجارية من ١٠ وحدة إلى ٢٠ وحدة.
٧- تم تعديل مساحة المبنى السكني من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات السكنية من ١٠ وحدة إلى ٢٠ وحدة.
٨- تم تعديل مساحة المبنى التجاري من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات التجارية من ١٠ وحدة إلى ٢٠ وحدة.
٩- تم تعديل مساحة المبنى السكني من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات السكنية من ١٠ وحدة إلى ٢٠ وحدة.
١٠- تم تعديل مساحة المبنى التجاري من ١٠٠ م^٢ إلى ٢٠٠ م^٢ وذلك بزيادة عدد الوحدات التجارية من ١٠ وحدة إلى ٢٠ وحدة.

الختم الرسمي

رقم: 499684003637
التاريخ: 1445/5/9

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	رقم البناء	أربع الوثيقة	المصدر
1445/5/9	499684003637	الحالة	التمكين باليأس 0
المساحة (م ^٢)	23,604	القيود	مرهون
رقم الوثيقة السابقة	993010010252	تاريخ الوثيقة السابقة	1444/11/16
نوع المساحة	مفتحة بتسجيل		

التقيد

القيود	الحصة الراصة	رقم المساحة	قيمة الرهن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120711	ر.س 60,835,520	

الملاك

رقم الوثيقة	الاسم	نسبة التملك
7001902682	الشركة السعودية للاستثمار والتجارة العامة	100 %

المقار

رقم الوثيقة المقابلة	نوع المقار	مساحة المقار (م ^٢)	نوع الاستخدام
لا يوجد	قاعة الأرض	23,604	لا يوجد
لا يوجد	المرق	لا يوجد	لا يوجد
لا يوجد	رقم القطعة	لا يوجد	لا يوجد
لا يوجد	رقم المخطط	لا يوجد	لا يوجد
لا يوجد	الحي	لا يوجد	لا يوجد
لا يوجد	المدينة	لا يوجد	لا يوجد

الحد	العرض	وصف الحد	الطول (م)
شمالاً	شارع	عرض 30 م	92.04
جنوباً	شارع	عرض 20 م	125.64
شرقاً	شارع	عرض 30 م	219.43
غرباً	شارع	عرض 15 م	216.9

ملاحظات: لا يوجد أي قيد على هذه الوثيقة.

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund
Panda

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832358
Date: 10/08/2026

Subject: Valuation Report for Panda – Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832358
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial project.
Property Location	Al Hamadaniyyah district, Jeddah City.
Title Deed No.	399181002206
Title Deed Date	15/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	13,685.85 Sqm
BUA (Sqm)	5,858 Sqm.
GLA (Sqm)	5,858 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 42,300,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.25%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.
12. The current lease agreement expires in 2028, and it has been assumed that the lease will be renewed until 2031, with a 2.5% growth rate applied upon renewal.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

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

1.12 Legal Notes

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



Subject Property Details

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Al Hamadaniyyah district of Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 13,685.85 square meters.
- Total Built-Up Area (BUA): 5,858 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property located a direct view of Al Hamadaniyyah Street from the eastern side.

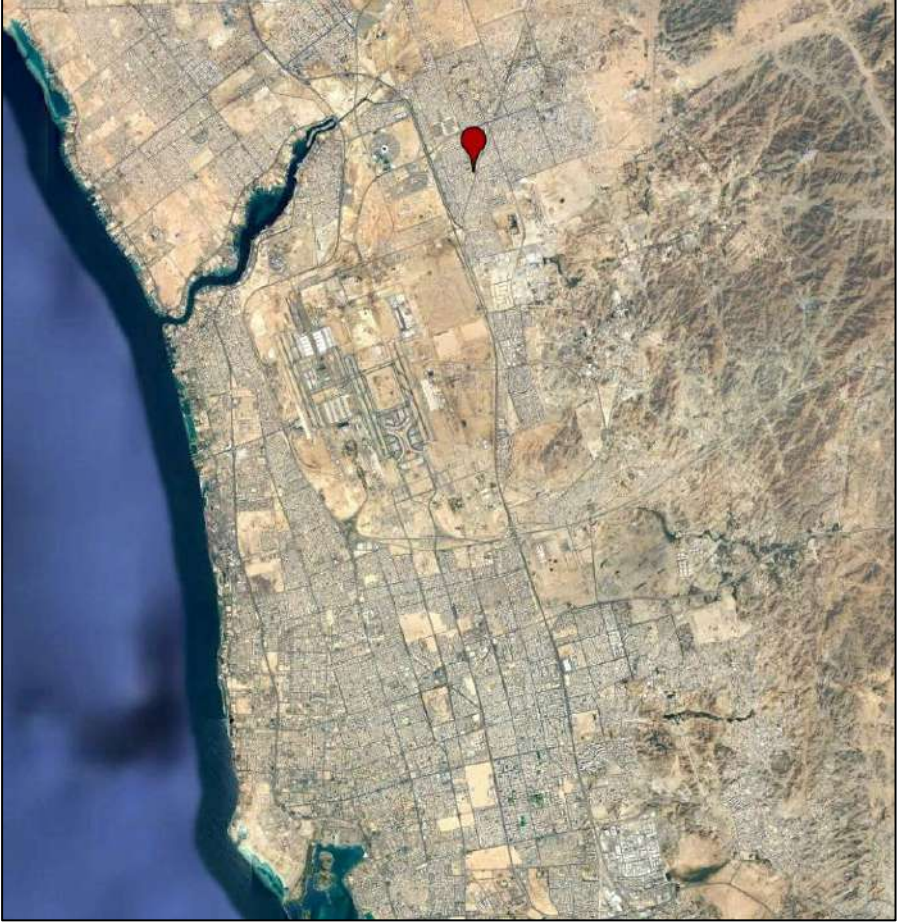
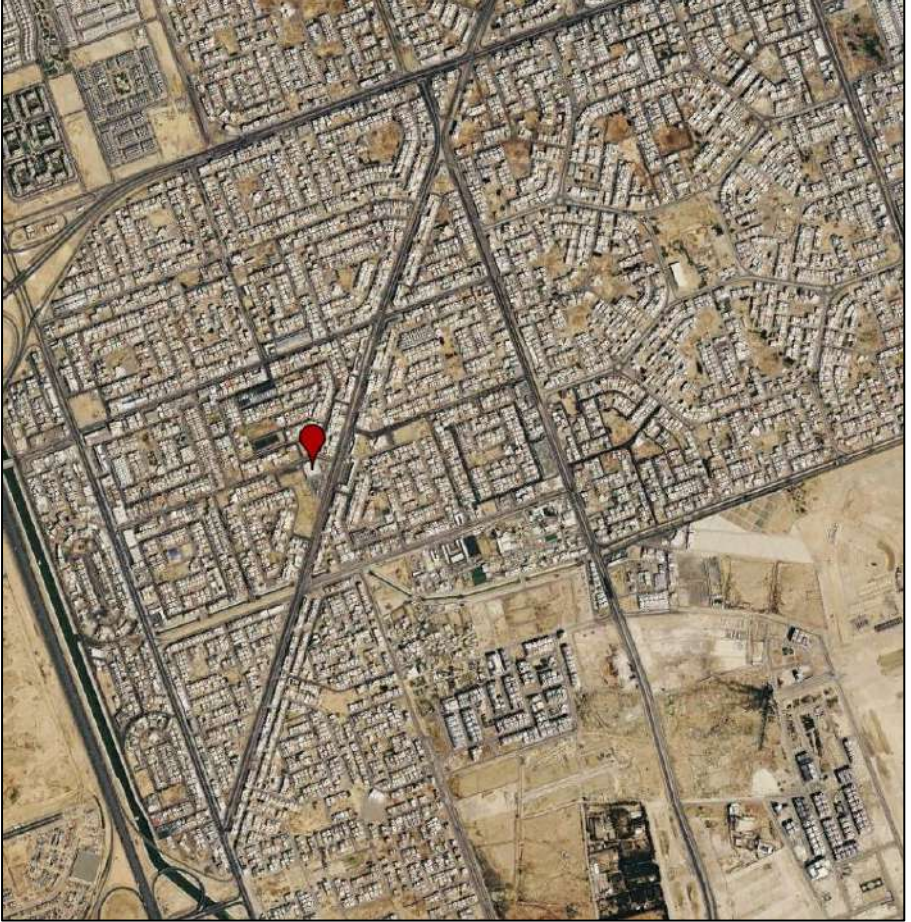
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Al Hamadaniyyah Street.

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
21°45'19.7"N 39°11'45.0"E	
H577+7MQ الحمدانية, جدة	
Google Maps	

2.5 Title Deed and Ownership

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

City	Jeddah	Land Area	13,685.85 Sqm
District	Al Hamadaniyyah,	Plot No.	أب/2
T.D Type	Electronic	Block No.	---
T.D Number	399181002206	Layout No.	ج/385
T.D Date	15/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	30 meter width street	East Side	Parking lot
South Side	Pedestrian path	West Side	Pedestrian path

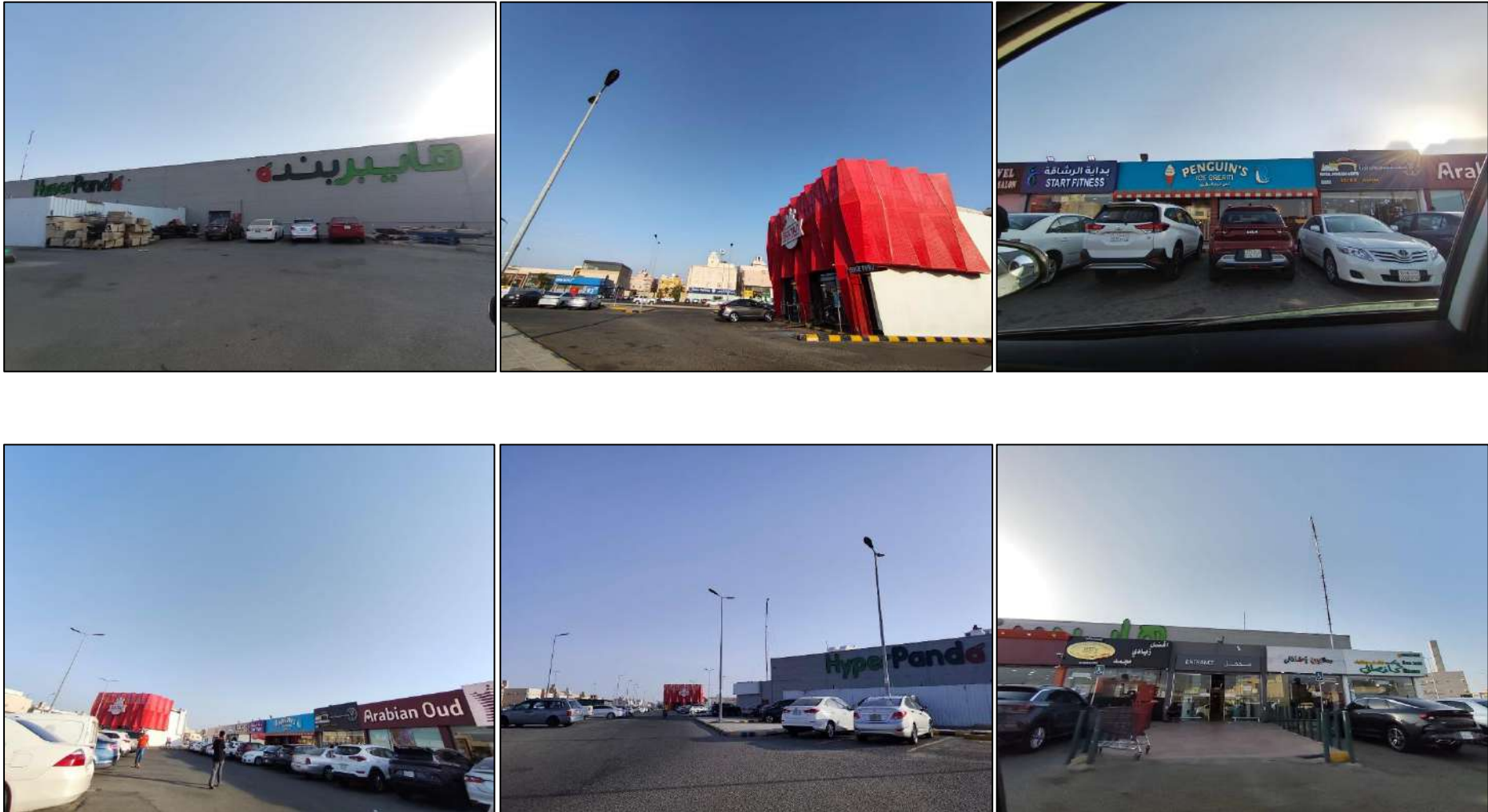
2.6 Construction Permit

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

Construction Permit Type	Construction Permit	Built-Up Area (BUA)	5,858
Property Type	Commercial building	Actual Age	15
Construction Permit No.	3300416699	State of Property	Fully Constructed
Construction Permit Date	28/06/1433	Completion Rate	100%

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

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

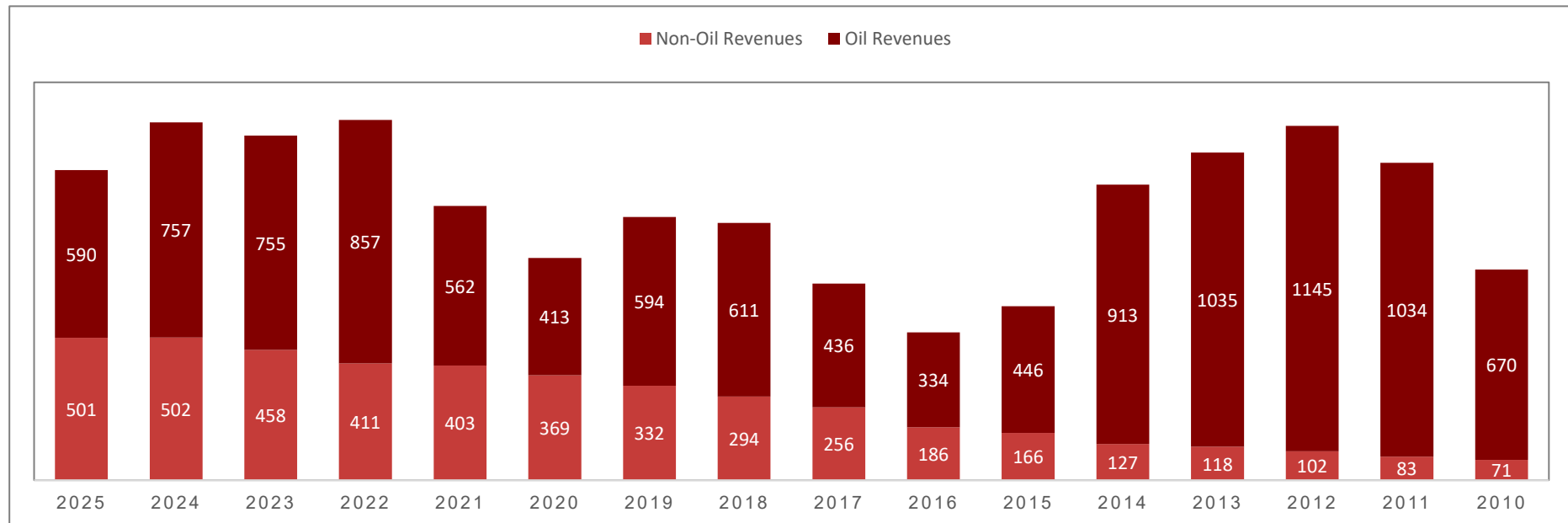
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

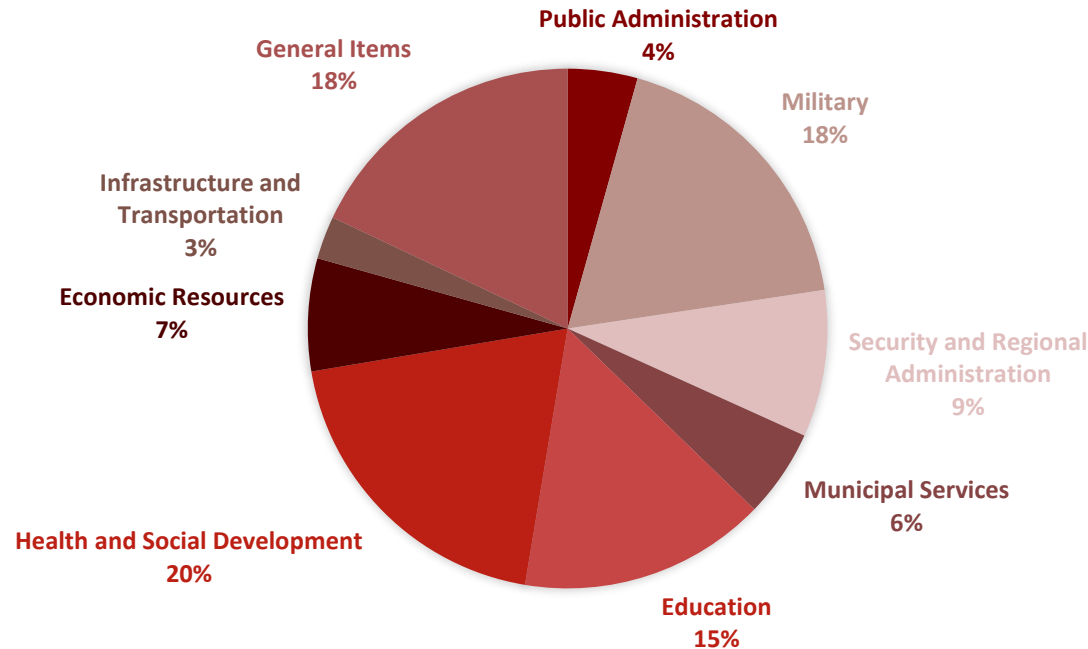
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

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

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

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

Second: Income Approach

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

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

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

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

General Considerations When Selecting a Valuation Approach

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

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.25% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	120,000,000.00	34,700,000.00	83,700,000.00
NOI	8,400,000	2,515,750	6,277,500
Cap Rate	7.00%	7.25%	7.50%
Average Cap Rate	7.25%		

Discount Rate of Cash Flows

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

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	0.0%	2.5%	0.0%	0.0%	0.0%
Expected Revenue							
commercial complex	Sqm	13,686	13,686	13,686	13,686	13,686	13,686
Rate (SAR)	SAR	218	218	224	224	224	224
Total	SAR	2,988,844	2,988,844	3,063,565	3,063,565	3,063,565	3,063,565
Overall Revenues		2,988,844	2,988,844	3,063,565	3,063,565	3,063,565	3,063,565
Vacancy and Credit Loss							
commercial complex	0.00%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		2,988,844	2,988,844	3,063,565	3,063,565	3,063,565	3,063,565
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0
NOI		2,988,844	2,988,844	3,063,565	3,063,565	3,063,565	3,063,565
Terminal Value	7.25%						42,256,070
Discount Rate	9.00%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		2,988,844	2,742,059	2,578,541	2,365,634	2,170,307	29,454,653
Net Present Value							42,300,000

Note: The current lease agreement expires in 2028, and it has been assumed that the lease will be renewed until 2031, with a 2.5% growth rate applied upon renewal.

4.3 Subject Property Value

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

Property Value: **ﷲ 42,300,000.00**
Forty-Two Million Three Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

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

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

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

4.6 Conclusion

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

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



Appendices



5.1 Title deed

[illegible]



الجمهورية الجزائرية الديمقراطية الشعبية
République Algérienne Démocratique et Populaire

وثيقة تملك عقار



الوزارة
Ministère

الرقم: 399181002206
التاريخ: 1445/5/15

البيانات الأساسية

رقم الوثيقة	399181002206	تاريخ الوثيقة	1445/5/15
المصدر	الموثرين بجهة 6	الحالة	فعال
المساحة (م ²)	13,685.85	التبويب	مروءون
رقم الوثيقة السابقة	220266006345	تاريخ الوثيقة السابقة	1434/3/14
نوع العملية	صفقة تبويل		

التبويب

القيود	الجهة الراعية	رقم البنفاة	قيمة الزمن	تاريخ الاستحقاق
مروءون	بنك الجزائر	7600120712	رأس 29,055,120.09	

الملاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة العمومية للاتحاد والتنمية لصناديق العقارية	100 %

المقار

رقم الهوية المقاربة	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	(مرفق) تجاري	13,685.85	لا يوجد
الوقوف		توزيع المقار	
لا يوجد			لا يوجد
رقم التغطية		رقم المخطط	الحي
2 / أ / ب	385 / ج / س	الحي	الحي

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 30م	74.97
جنوبا	ممر	مشاء عرض 6م ثم قفلة رقم 1277 ، 1278	31.28
شرقا	مواقف سيارات	عرض 6م ثم شارع عرض 52م	165.54
غربا	ممر	مشاء 6م	153.65

صدرت هذه الوثيقة من الوزارة المقابلة. يمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية المتاحة لوزارة العدل (www.legislation.dj) أو لدى المصالح المختصة بالوزارة. الوثيقة الصادرة عن الوزارة هي الأصل.

5.2 Memberships of the Participants Involved in Preparing the Report






عصام محمد عبدالله الحسيني
ESSAM MOHAMED ABDULLAH ALHOSAINI

Membership Type: Main
 فئة العضوية: أساسي

Membership No: 1210000474
 رقم العضوية: 1210000474

ID No: 1044275947
 رقم الهوية \ الإقامة: 1044275947

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




حصل على شهادة الزيادة
 للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






نبيل محمد عبدالله الحسيني
NABEEL MOHAMMED A ALHUSSAINI

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210002782
 رقم العضوية: 1210002782

ID No: 1014178931
 رقم الهوية \ الإقامة: 1014178931

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






ريما خالد سليمان الضحيان
REEMA KHALID SULAIMAN ALDHAYAN

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1210004007
 رقم العضوية: 1210004007

ID No: 1116638824
 رقم الهوية \ الإقامة: 1116638824

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود






فathi سلطان محمد سعيد
FATHI SULTAN MOHAMMED SAEED

Membership Type: Associated
 فئة العضوية: مشارك

Membership No: 1220001949
 رقم العضوية: 1220001949

ID No: 2266363668
 رقم الهوية \ الإقامة: 2266363668

Membership Exp: 2026-12-31
 تاريخ الانتهاء: 2026-12-31




للمزيد من التفاصيل يرجى الاطلاع
 على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital

SEDCO REIT Fund

Jeddah Public

Prosecution

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832278
Date: 10/08/2026

Subject: Valuation Report for Office Tower – Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary



Executive Summary

Reference No.	26-0682
Dep. Code	1832278
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Office tower.
Property Location	Al Rayyan district, Jeddah, Saudi Arabia.
Title Deed No.	499684003639
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	4,767.25 Sqm
BUA (Sqm)	19,342.10 Sqm
GLA (Sqm)	14,575 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 65,900,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

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

1.2 Purpose of valuation

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

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

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

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (ﷲ) unless otherwise noted.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.12 Legal Notes

To the best of our knowledge and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is an office tower located in Al Rayyan district of Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 4,767.25 square meters.
- Built-up area: 19,342.10 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 2 sides, the property located a direct view of Al-Rahmaniya Road on the eastern side.

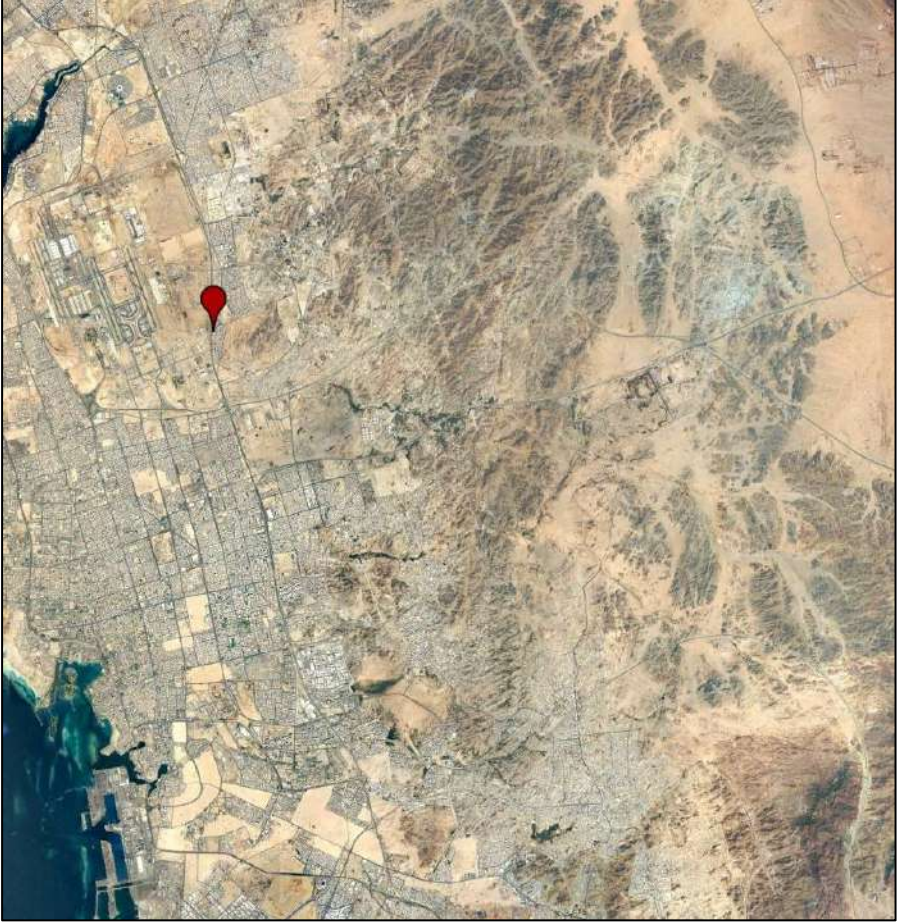
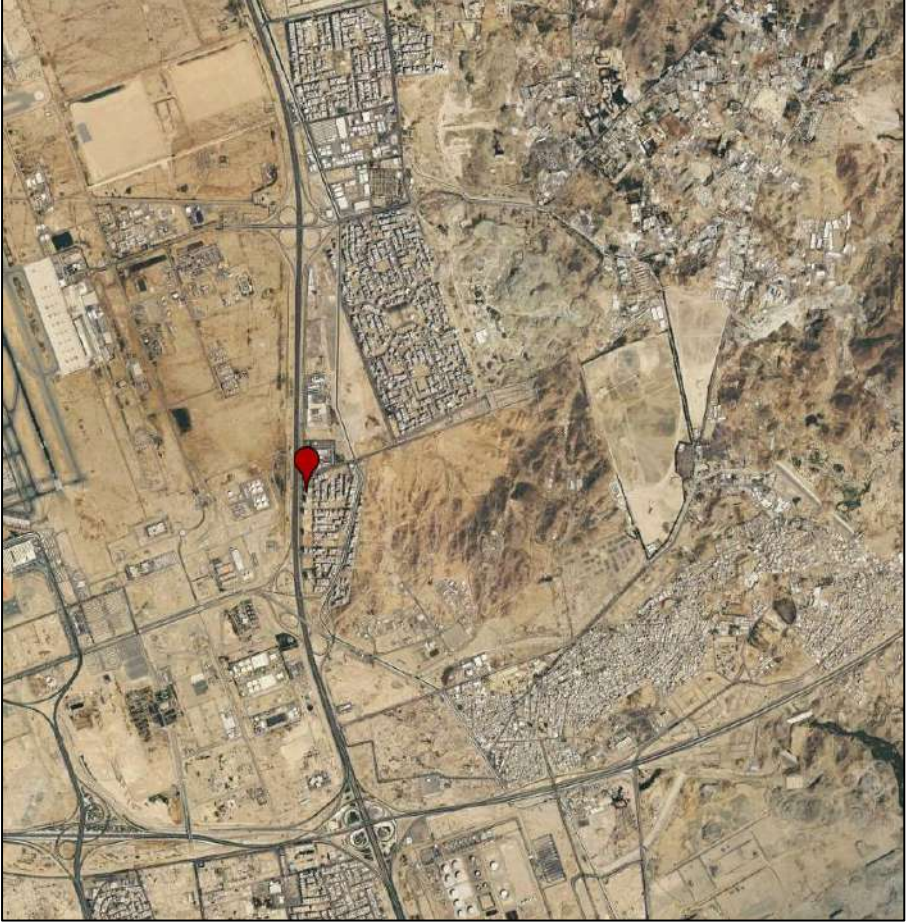
2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Al-Rahmaniya Road.

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
	
21°39'58.64"N 39°12'16.87"E	
M683+HVX طريق الرحمانية, Bryman, Jeddah 23642	
Google Maps	

2.5 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deed. Here are the details of the subject property:

City	Jeddah	Land Area	4,767.25 Sqm
District	Al Rayyan	Plot No.	625 /624 /623
T.D Type	Electronic	Block No.	---
T.D Number	499684003639	Layout No.	س / ج / 416
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Vacant Land	East Side	16 meter width street
South Side	Vacant Land	West Side	25 meter width street

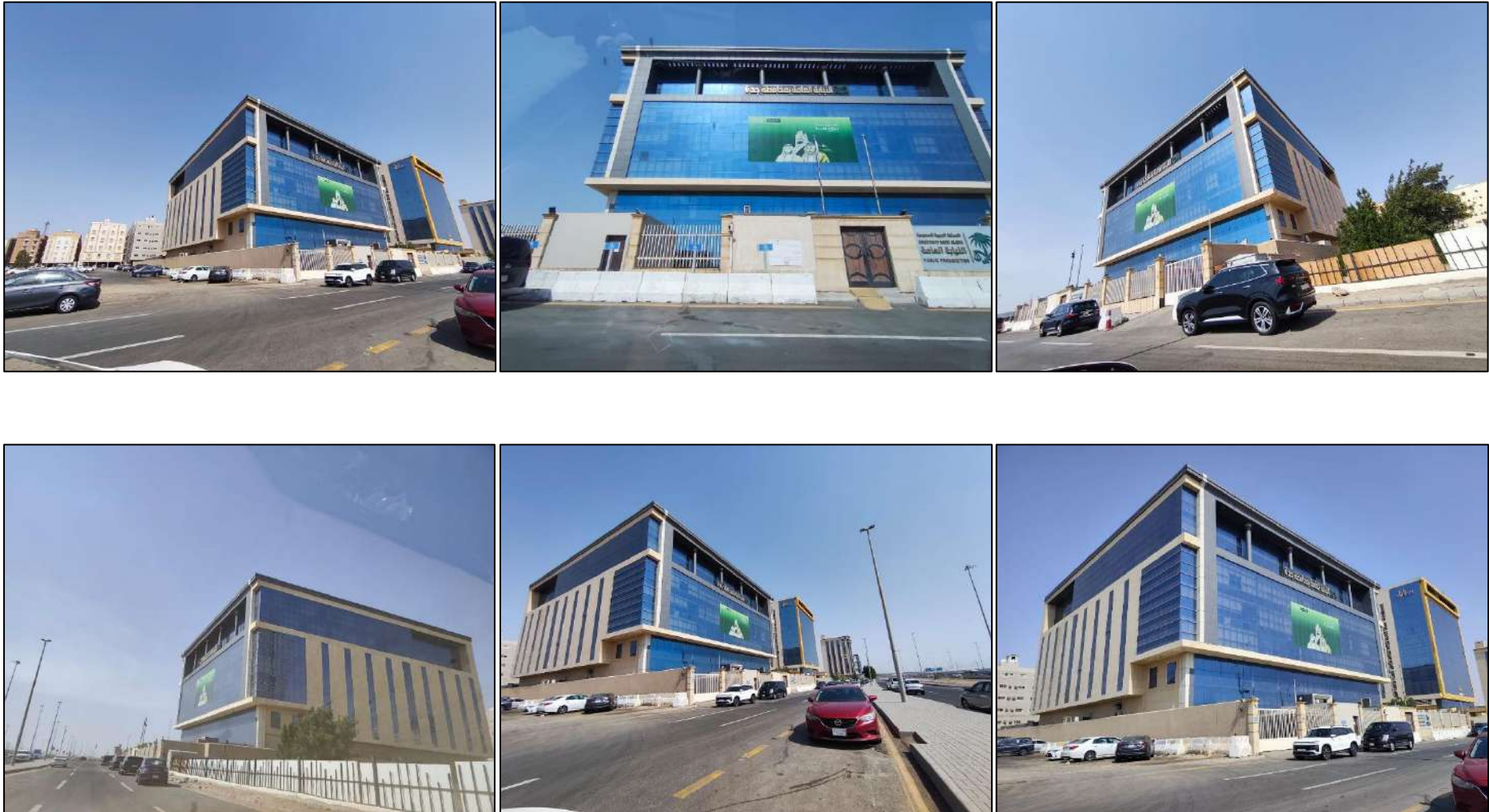
2.6 Construction Permit

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Add and modify	Built-Up Area (BUA)	19,342.10
Property Type	Commercial and administrative building	Actual Age	10
Construction Permit No.	427000307	State of Property	Fully Constructed
Construction Permit Date	27/03/1427	Completion Rate	100%

Note: The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

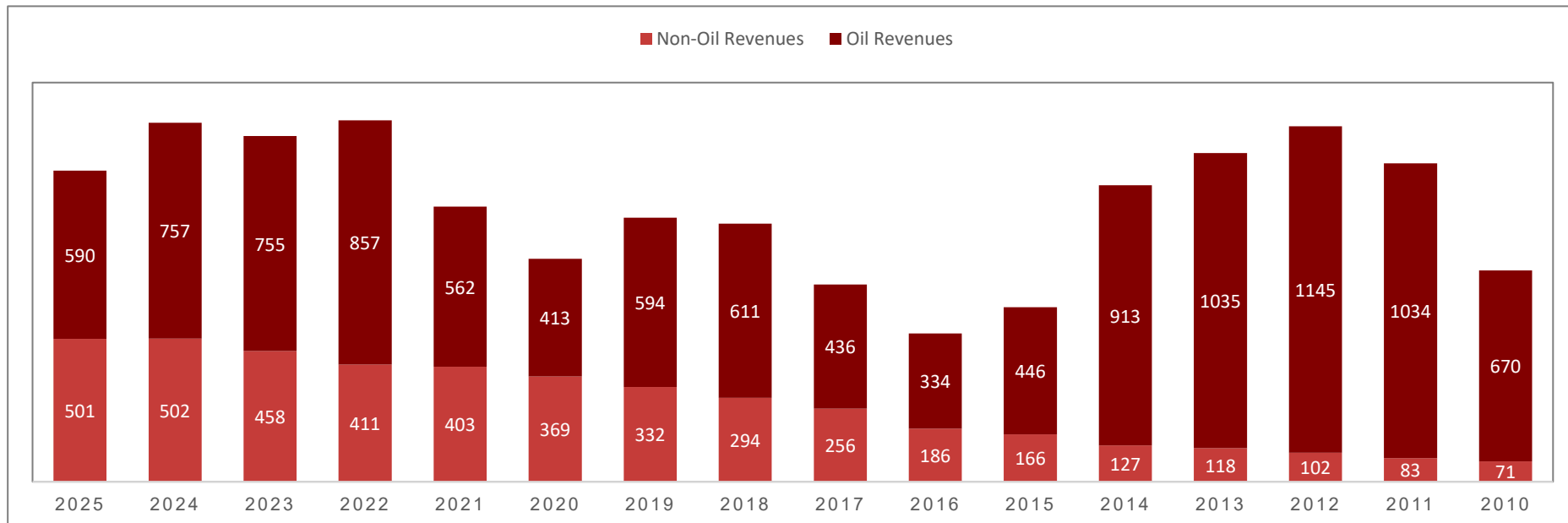
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

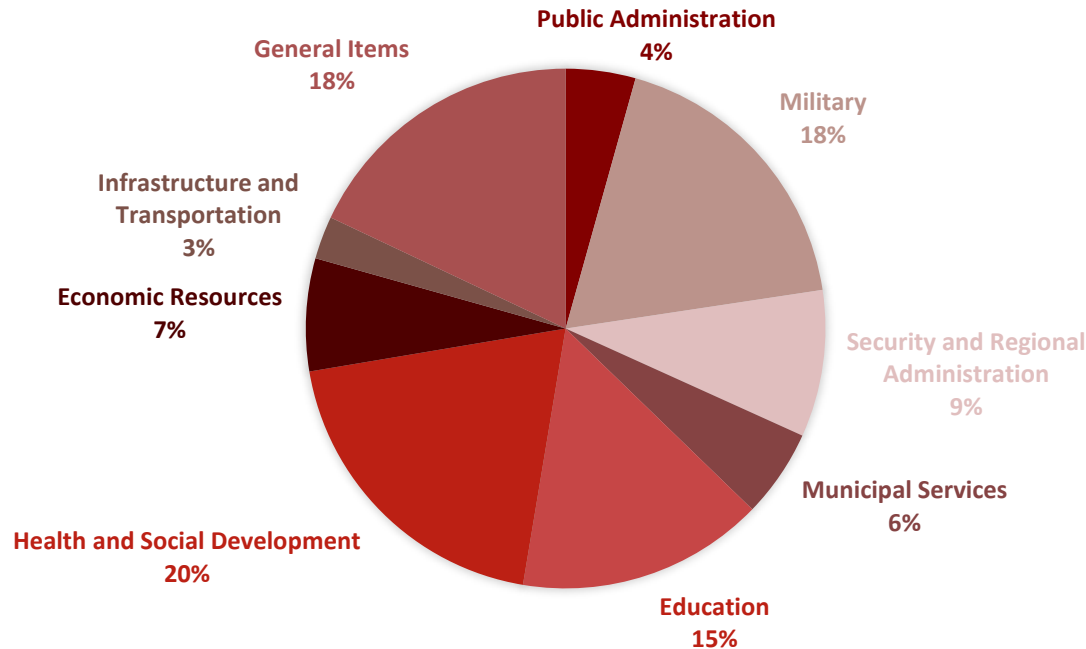
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **26 points**, placing it in the **Medium Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	104,000,000.00	88,500,000.00	90,000,000.00
NOI	7,280,000	6,195,000	6,300,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.50		Trading Economics
Company-specific Risk Premium %	%1.50		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	0%	0%	0%	0%	1%
Expected Revenue							
Office Building	Sqm	4,767	4,767	4,767	4,767	4,767	4,767
Rate (SAR)	SAR	969	969	969	969	969	979
Total	SAR	4,620,000	4,620,000	4,620,000	4,620,000	4,620,000	4,666,200
Overall Revenues		4,620,000	4,620,000	4,620,000	4,620,000	4,620,000	4,666,200
Vacancy and Credit Loss							
Office Building	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		4,620,000	4,620,000	4,620,000	4,620,000	4,620,000	4,666,200
Expenses							
OpEx	0.0%	0	0	0	0	0	0
CapEx	0.0%	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0
NOI		4,620,000	4,620,000	4,620,000	4,620,000	4,620,000	4,666,200
Terminal Value	7.0%						66,660,000
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		4,620,000	4,238,532	3,888,562	3,567,488	3,272,924	46,357,136
Net Present Value							65,900,000

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: **ﷲ 65,900,000.00**
Sixty-Five Million Nine Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



Appendices



أمانة
جدة

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إمارة منطقة مكة
إدارة رئيسي العلماء

الترتيب	المحتوى	النسبة المئوية
1	السلامة العامة	25.00%
2	البيئة	25.00%
3	الصحة العامة	25.00%
4	التعليم	25.00%
5	الثقافة	25.00%
6	السياحة	25.00%
7	الرياضة	25.00%
8	التجارة	25.00%
9	الصناعة	25.00%
10	الزراعة	25.00%
11	الصيد	25.00%
12	السياحة	25.00%
13	الثقافة	25.00%
14	الرياضة	25.00%
15	التجارة	25.00%
16	الصناعة	25.00%
17	الزراعة	25.00%
18	الصيد	25.00%
19	السياحة	25.00%
20	الثقافة	25.00%
21	الرياضة	25.00%
22	التجارة	25.00%
23	الصناعة	25.00%
24	الزراعة	25.00%
25	الصيد	25.00%
26	السياحة	25.00%
27	الثقافة	25.00%
28	الرياضة	25.00%
29	التجارة	25.00%
30	الصناعة	25.00%
31	الزراعة	25.00%
32	الصيد	25.00%
33	السياحة	25.00%
34	الثقافة	25.00%
35	الرياضة	25.00%
36	التجارة	25.00%
37	الصناعة	25.00%
38	الزراعة	25.00%
39	الصيد	25.00%
40	السياحة	25.00%
41	الثقافة	25.00%
42	الرياضة	25.00%
43	التجارة	25.00%
44	الصناعة	25.00%
45	الزراعة	25.00%
46	الصيد	25.00%
47	السياحة	25.00%
48	الثقافة	25.00%
49	الرياضة	25.00%
50	التجارة	25.00%
51	الصناعة	25.00%
52	الزراعة	25.00%
53	الصيد	25.00%
54	السياحة	25.00%
55	الثقافة	25.00%
56	الرياضة	25.00%
57	التجارة	25.00%
58	الصناعة	25.00%
59	الزراعة	25.00%
60	الصيد	25.00%
61	السياحة	25.00%
62	الثقافة	25.00%
63	الرياضة	25.00%
64	التجارة	25.00%
65	الصناعة	25.00%
66	الزراعة	25.00%
67	الصيد	25.00%
68	السياحة	25.00%
69	الثقافة	25.00%
70	الرياضة	25.00%
71	التجارة	25.00%
72	الصناعة	25.00%
73	الزراعة	25.00%
74	الصيد	25.00%
75	السياحة	25.00%
76	الثقافة	25.00%
77	الرياضة	25.00%
78	التجارة	25.00%
79	الصناعة	25.00%
80	الزراعة	25.00%
81	الصيد	25.00%
82	السياحة	25.00%
83	الثقافة	25.00%
84	الرياضة	25.00%
85	التجارة	25.00%
86	الصناعة	25.00%
87	الزراعة	25.00%
88	الصيد	25.00%
89	السياحة	25.00%
90	الثقافة	25.00%
91	الرياضة	25.00%
92	التجارة	25.00%
93	الصناعة	25.00%
94	الزراعة	25.00%
95	الصيد	25.00%
96	السياحة	25.00%
97	الثقافة	25.00%
98	الرياضة	25.00%
99	التجارة	25.00%
100	الصناعة	25.00%

9027.01	عدد الممتلكات	715	عدد طرفي الكهولاء	1

تحتفظ الشركة بالملكية الفكرية وحقوق الطبع والنشر في جميع المحتويات الواردة في هذا التقرير. ولا يجوز إعادة إنتاج أو توزيع هذا التقرير دون إذن مسبق من الشركة.

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستعام
لا يوجد	قطعة الأرض	886.54	لا يوجد
لا يوجد	العرق	نوع العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم السجل	الحي	المدينة
623	416 / ج / س	الريان	جدة
المساحة	النوع	وصف المساحة	الطريق (م ²)
شمالا	قطعة	رقم 624	35.47
جنوبا	قطعة	رقم 621	35.48
شرقا	شارع	عرض 16م	25
غربا	قطعة	رقم 625	25

مصادر هذه الوثيقة من المراجعة العادية هي: المركز الوطني للأمن وإدارة الأزمات، وزارة الداخلية، وزارة العدل، وزارة الشؤون الدينية والأوقاف والإسلام، والهيئة العامة للغذاء والدواء.

مقار 1 من 3			
رقم البنية الطابقية	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	886.34	لا يوجد
البروف		سردج الطابق	
لا يوجد		لا يوجد	
رقم الشقة	رقم المصطلح	الحي	البلدية
624	416 / ج / س	الريان	جدة

الحد	النوع	وصف الحد	الطول (م ²)
شمالا	قطعة	رقم 626	35.44
جنوبا	قطعة	رقم 623	35.47
شرقا	شائع	عرض 16 م	25
غربا	قطعة	رقم 625	25

5.2 Memberships of the Participants Involved in Preparing the Report

 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation	 تقويم Real estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHOSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضعيان REEMA KHALID SULAIMAN ALDHAYAN	 فثي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main	Membership Type: Associated	Membership Type: Associated	Membership Type: Associated
Membership No: 1210000474	Membership No: 1210002782	Membership No: 1210004007	Membership No: 1220001949
ID No: 1044275947	ID No: 1014178931	ID No: 1116638824	ID No: 2266363668
Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31	Membership Exp: 2026-12-31
 حصل على شهادة الزيادة للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود	 للمزيد من التفاصيل يرجى الاطلاع على الباركود

رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل

هذه الوثيقة إلكترونية ولا تحتاج إلى توقيع ويمكن التحقق
من بياناتها عبر رمز QR أو بزيارة موقع الهيئة





All Rights Reserved ©





Real Estate Valuation Report



SEDCO Capital
SEDCO REIT Fund
Ar Rawdah
Business Center

10th August 2026
Report Number: 26-0682

REF: 26-0682
Code: 1832335
Date: 18/08/2026

Subject: Valuation Report for Ar Rawdah Business Center– Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 23rd June 2026, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Basic Member of the Saudi Authority of Accredited Valuers

License No. 13093

Issued: 02/08/1437 Exp: 20/10/1452

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

Table of Contents

EXECUTIVE SUMMARY	5
SCOPE OF WORK	7
1.1 INTRODUCTION	7
1.2 PURPOSE OF VALUATION	7
1.3 BASIS OF VALUATION	7
1.4 VALUATION METHODS	7
1.5 CURRENCY	7
1.6 SCOPE OF RESEARCH	8
1.7 INFORMATION SOURCES	8
1.8 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	8
1.9 ASSUMPTIONS AND SPECIAL ASSUMPTIONS	9
1.10 PROPERTY INSPECTION	10
1.11 USE, DISTRIBUTION, AND PUBLICATION RESTRICTIONS	10
1.12 LEGAL NOTES	10
PROPERTY AND LOCATION DESCRIPTION	12
2.1 PROPERTY DESCRIPTION	12
2.2 EASE OF ACCESS	12
2.3 INFRASTRUCTURE	12
2.4 LOCATION AND LANDMARKS	13
2.5 TITLE DEED AND OWNERSHIP	14
2.6 CONSTRUCTION PERMIT	14
2.7 PHOTOGRAPHS OF THE SUBJECT PROPERTY	15
MARKET INDICATORS	17
3.1 SAUDI ARABIA ECONOMIC INDICATORS 2026	17
3.2 OIL AND NON-OIL REVENUES	18
3.3 BUDGET ALLOCATION FOR 2026	19
3.4 REAL ESTATE MARKET OVERVIEW 2025	19
3.5 RISK ANALYSIS	22
3.6 NEW REGULATORY PROVISIONS	23
PROPERTY VALUATION	25
4.1 VALUATION METHODS	25
4.2 DISCOUNTED CASH FLOW METHOD (DCF)	27
4.3 SUBJECT PROPERTY VALUE	30
4.4 ACCREDITED VALUERS	30
4.5 VALUER'S OPINION OF VALUE	31
4.6 CONCLUSION	31
DOCUMENTS RECEIVED	33
5.1 TITLE DEED	33
5.2 MEMBERSHIPS OF THE PARTICIPANTS INVOLVED IN PREPARING THE REPORT	34



Executive Summary

Executive Summary

Reference No.	26-0682
Dep. Code	1832335
Report Type	Detailed Report.
Valuer's Identity	Essam Mohammad Al Husaini, Basic Member of TAQEEM, License No. 1210000474
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial project.
Property Location	Ar Rawdah district, Jeddah City.
Title Deed No.	399684003640
Title Deed Date	09/05/1445
Ownership Type	Title deed restricted.
Limitations	Mortgage to Bank AL Jazira.
Owner	Saudi Economic and Development Company for Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	2,462.5 Sqm
BUA (Sqm)	17,526.74 Sqm.
GLA (Sqm)	11,794 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Environmental, Social and Governance Factors	The valuation took into consideration ESG factors, as they may have an impact on investment risks and returns.
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 116,200,000
Report Date	10/08/2026
Valuation Date	30/06/2026
Inspection Date	06/07/2026



Scope of Work

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **SEDCO REIT Fund** to determine the **fair value** of the subject property.

1.2 Purpose of valuation

The purpose of this valuation is to assess the subject property for **Inclusion in Financial Statements**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (for Standard 104: Foundations of Value).
Valuation Standards were abandoned to comply with Accounting Standards to conclude Fair Value.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (ﷲ) unless otherwise noted.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Information Sources

A thorough on-site field survey was carried out by our team to verify the accuracy of essential market data and other key elements influencing the evaluation process. This survey included the collection of data on nearby asset prices, occupancy rates, and specific characteristics of the property under evaluation. The following sources were diligently utilized during field research:

1. **Property Records:** Ownership documents such as title deeds and construction permits.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Environmental, Social and Governance (ESG)

Environmental, Social and Governance factors were taken into consideration in preparing the valuation, as they may impact occupancy expectations, rental rates, operating expenses, and investment risks. Buildings that comply with sustainability practices often achieve higher occupancy levels and lower expenses, which may result in superior market valuations. Furthermore, assets that require capital investments to comply with sustainability requirements may be subject to value discounts.

1.9 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to have been mortgaged to Bank AL Jazira, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 9%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.
11. The valuation was conducted under conditions of uncertainty arising from the prevailing geopolitical circumstances in the region.

1.10 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 06/07/2026, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.11 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.12 Legal Notes

To the best of our knowledge and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



Subject Property Details



Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Ar Rawdah district of Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total land area: 2,462.50 square meters.
- Built-up area: 17,526.74 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 2 sides, the property located a direct view of Prince Saud Al Faisal Street from the southern side.

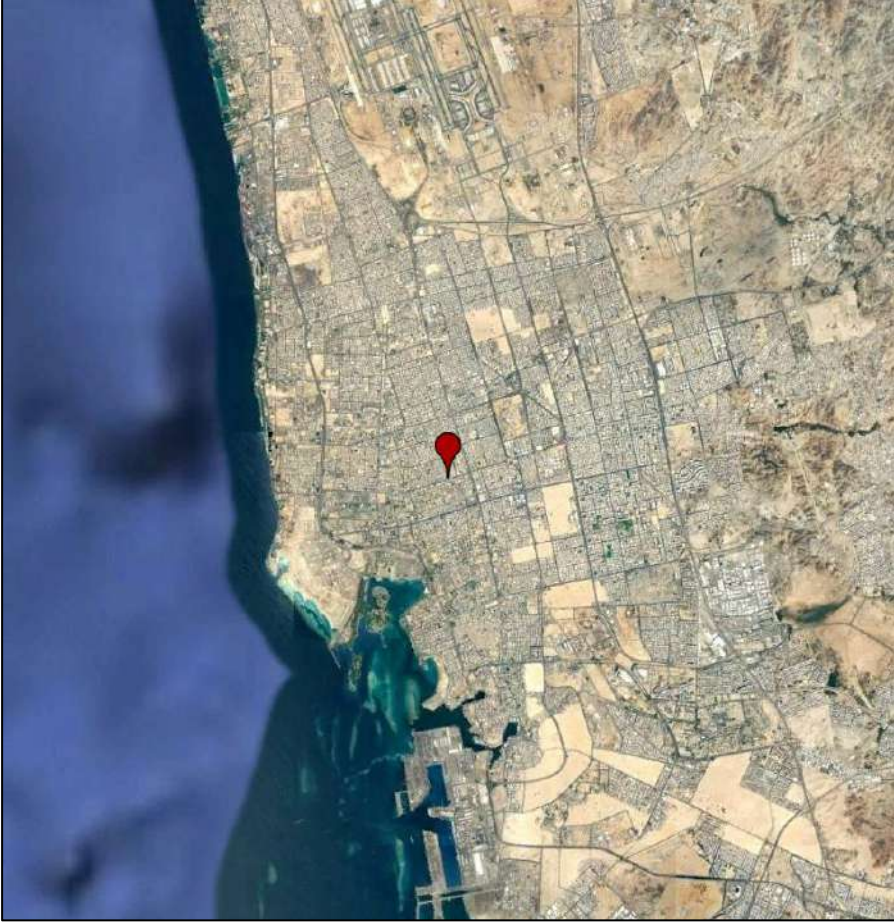
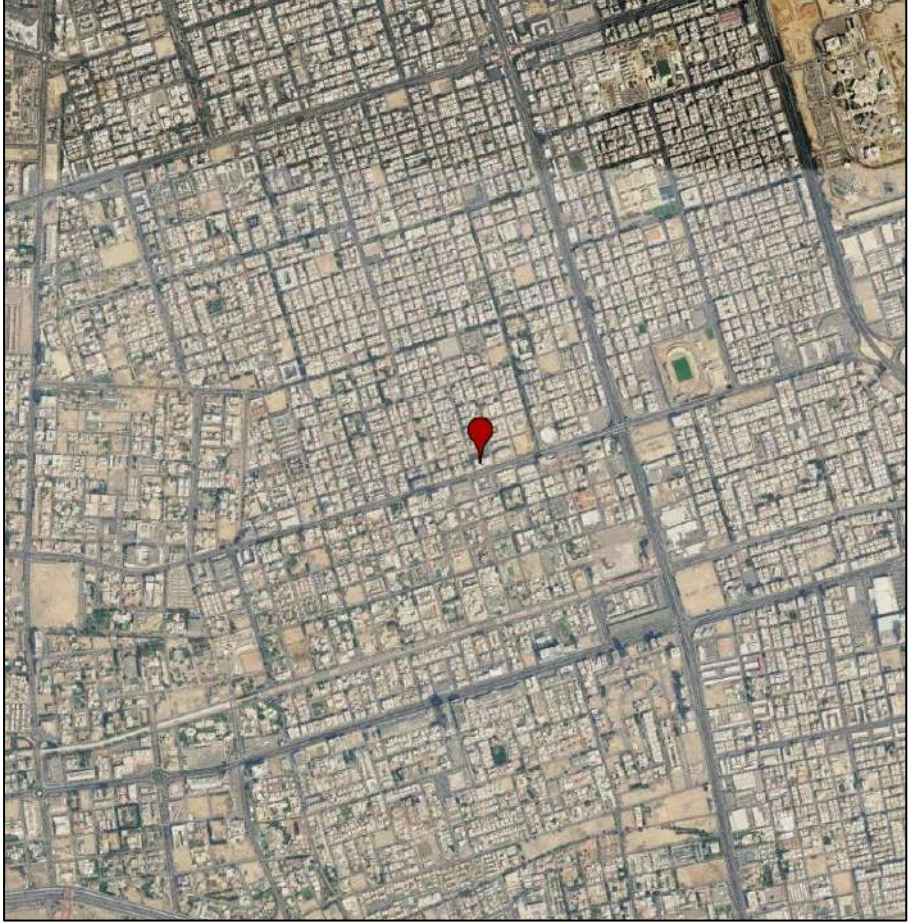
2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Prince Saud Al Faisal Street.

2.3 Infrastructure

Infrastructure such as water, electricity, sewage, and telecommunications are available in the surrounding area and connected to the property.

2.4 Location and Landmarks

City Scale	District Scale
	
21°33'47.6"N 39°09'51.3"E	
H577+7MQ Ar Rawdah, Jeddah	
Google Maps	

2.5 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deed. Here are the details of the subject property:

City	Jeddah	Land Area	2,462.5 Sqm
District	Ar Rawdah	Plot No.	4
T.D Type	Electronic	Block No.	---
T.D Number	399684003640	Layout No.	ب/96
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	privet property	East Side	privet property
South Side	32 meter width street	West Side	15 meter width street

2.6 Construction Permit

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Adding and Modfing	Built-Up Area (BUA)	17,526.74
Property Type	Commercial Administrative	Actual Age	9
Construction Permit No.	3900025974	State of Property	Fully Constructed
Construction Permit Date	20/04/1439	Completion Rate	100%

Note: The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.7 Photographs of the Subject Property





Market Indicators

Market Indicators

3.1 Saudi Arabia Economic Indicators 2026

Macroeconomic Overview

The financial estimates for 2024–2028 reflect a balanced fiscal approach aimed at supporting economic growth while maintaining fiscal sustainability through prudent management of public revenues and expenditures. Revenues are expected to grow gradually over the medium term, while expenditures remain elevated, resulting in a manageable fiscal deficit.

In 2026, revenues are expected to decline compared to 2025, while spending remains high, leading to a wider deficit than in the surrounding years. This reflects a relatively expansionary fiscal stance, likely linked to supporting development projects and stimulating economic activity, before returning to a more balanced path in the following years.

The continued deficit, particularly in 2026, is also driven by higher capital expenditure related to major national projects, including Expo 2030 Riyadh, Historic Jeddah development, preparations for the FIFA World Cup 2034, and other strategic projects. These initiatives are expected to support economic growth and diversification over the medium and long term, despite temporary fiscal pressures.

The deficit as a percentage of GDP is expected to peak in 2026 before gradually improving through 2028, reflecting the government's ability to absorb short-term pressures and restore more sustainable fiscal levels. Public debt is also expected to rise during the forecast period, particularly in 2026; however, the debt-to-GDP ratio remains within acceptable limits, indicating sufficient fiscal space and effective debt management.

Overall, 2026 represents a transitional year with short-term fiscal pressures, while the broader fiscal framework continues to support economic growth and long-term sustainability.

	Actual 2024	Budget 2025	Forecasts 2025	Budget 2026	Estimates	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Deficit as % of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Public Debt	1,216	1,300	1,457	1,622	1,742	1,867
Public Debt as % of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: Ministry of Finance

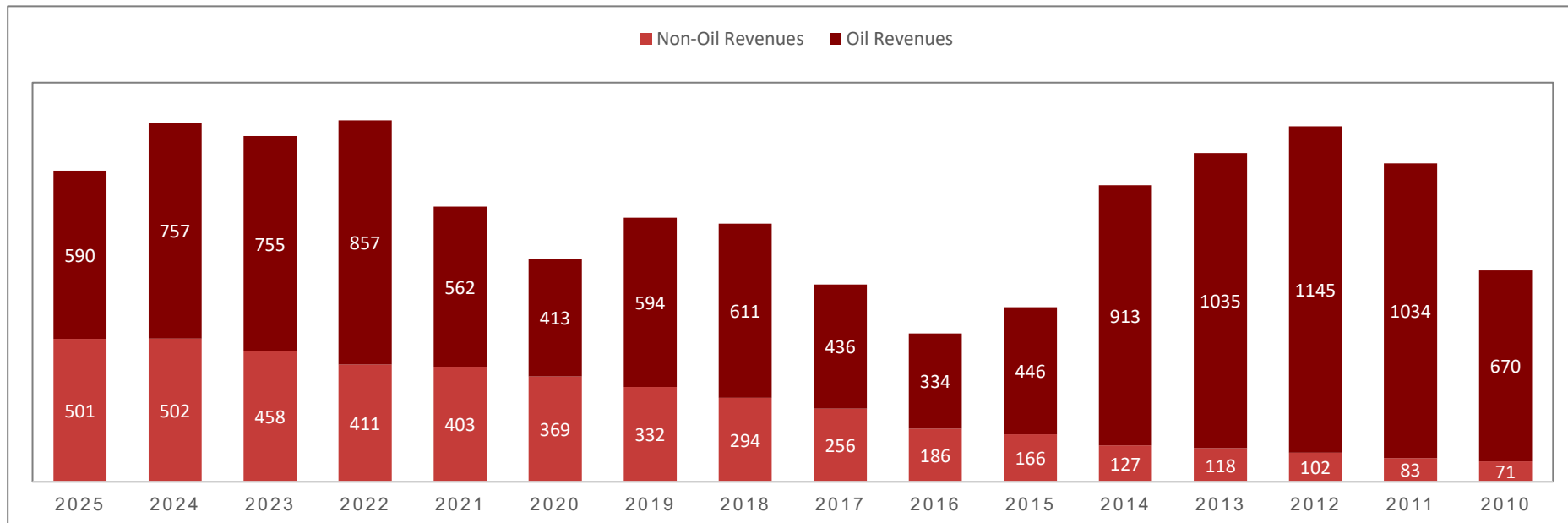
Figures have been rounded to the nearest decimal point.

*The updated actual GDP figures are based on data from the General Authority for Statistics. GDP figures for the years 2025–2028 are based on the updated forecasts.

3.2 Oil and Non-Oil Revenues

The Kingdom focuses on diversifying its sources of revenue and enhancing the growth of non-oil revenues associated with economic activities through the continued implementation of fiscal, economic, and structural initiatives and reforms. It also seeks to strengthen non-oil GDP growth in order to maintain fiscal sustainability over the medium and long term. The continued improvement in economic activities and the development of tax policies have contributed to a notable increase in the ratio of non-oil revenues to nominal non-oil GDP.

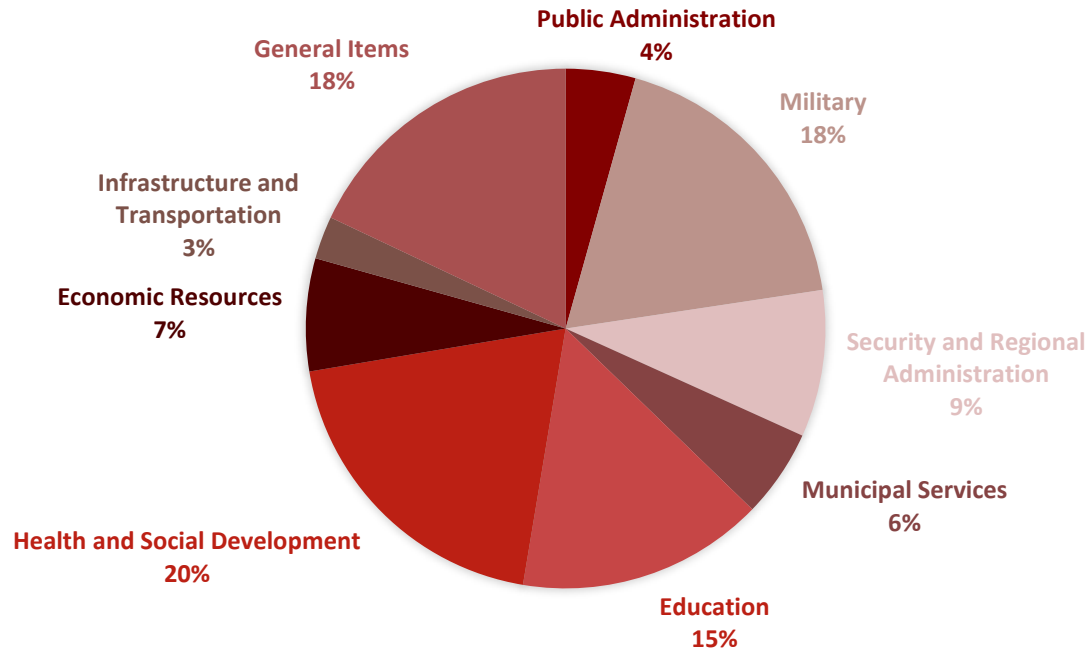
Total revenues are estimated to reach approximately SAR 1,091 billion in 2025, representing a decrease of 13.3% compared to the previous year and a decrease of 7.8% compared to the budget estimate. This is mainly attributed to the decline in oil revenues, which were affected by lower oil prices during 2025, in addition to higher performance-linked dividend distributions collected in the previous year, 2024, compared to those collected in 2025. Non-oil revenues are expected to perform better in 2025 compared to the previous year, supported by economic growth and the implementation of fiscal reforms.



Source: Ministry of Finance

3.3 Budget Allocation for 2026

The allocation for the General Items sector in the 2026 fiscal year budget, which represents central expenditure, amounted to approximately SAR 236 billion. This sector covers expenditures related to the government's share of pension and social insurance contributions, contributions to international organizations, government programs and facilities, debt service costs, and the management of allocations such as the budget support allocation, support for basic service facilities, emergency allocation, and subsidies provided to government entities.



3.4 Real Estate Market Overview 2025

The fourth quarter of 2025 served as a bridge between the Kingdom's planning phase and project implementation. While the third quarter of 2025 was clearly marked by several regulatory and legislative changes, including price controls and the real estate ownership law, the fourth quarter shifted toward the practical implementation of these frameworks and the strategic realignment of national spending under the 2026 budget. Accordingly, the real estate narrative moved from speculative valuation toward targeted delivery and operational sustainability.

The real estate sector in the Kingdom of Saudi Arabia witnessed notable growth, with increasing opportunities for the development of residential and commercial projects that meet the growing needs of citizens and investors. This is attributed to population growth and expanding business opportunities across various cities, which provide diverse real estate solutions and contribute to increasing real estate supply.

To ensure that the real estate sector contributes to sustainable development, the need emerged for a strategy aimed at regulating the real estate market, encouraging innovation, and adopting modern technologies in construction and design, in order to ensure the sustainable growth of the sector.

1. Economic Landscape and Market Drivers

During 2025, the Saudi economy recorded positive performance, supported by real GDP growth of approximately 4.8%, driven by improved oil production alongside strong growth in non-oil sectors. Inflation rates also remained moderate at around 1.9%, reflecting relative stability in the economic environment. In parallel, foreign direct investment inflows recorded notable growth of 34.5%, reinforcing investor confidence in the Saudi market. The year 2026 is expected to continue this momentum, with a clear government direction toward maintaining expansionary spending to support growth, despite a planned fiscal deficit within a calculated fiscal policy framework.

2. Residential Market Growth and Shifting Preferences

The residential sector is gradually shifting from a phase of rapid price growth to a phase of market rebalancing, as prices recorded a slight decline of 2.2% in Q4 2025 due to increased supply. Approximately 22,500 units were delivered during the year, with around 70,000 additional units expected to be delivered in Riyadh during 2026–2027. This reflects a move toward market stability supported by higher supply, while underlying demand remains strong. The implementation of the foreign ownership law starting in 2026 is also expected to strengthen demand, particularly in planned developments, supporting long-term activity despite the temporary slowdown in transactions.

3. Hospitality and Tourism Expansion

The hospitality sector continues to serve as a key driver of non-oil growth, with tourism spending reaching SAR 161.4 billion in the first half of 2025, alongside a target of reaching 675,000 hotel rooms by 2030. Despite this growth, some hotel performance indicators witnessed a relative decline due to increased supply, with occupancy rates in Riyadh falling to around 60%. Nevertheless, major developments such as the operation of the Red Sea Airport and the launch of large-scale entertainment projects support the positive outlook for the sector, particularly with upcoming international events and the expected increase in visitor numbers.

4. Office and Commercial Market Strength

The office market, particularly in Riyadh, continues to record strong performance supported by the Regional Headquarters Program, with more than 780 licenses issued to international companies. This has driven occupancy rates to levels approaching 97.8%, along with clear growth in demand for Grade “A” office space. Rental rates in some prime locations, such as the King Abdullah Financial District, have reached high levels, reflecting the limited available supply. With new supply expected to enter the market in 2026, pricing pressure is expected to continue in the short term before the market gradually begins to rebalance.

5. Retail Market and the Shift Toward Experience

The retail sector in the Kingdom continues to evolve toward a model that is more focused on experience and lifestyle, rather than the traditional model based mainly on direct sales. This is reflected in the expansion of major regional destinations, with projects such as large shopping centers in Riyadh expected to add substantial leasable areas over the coming years. This is expected to enhance the quality of supply and increase market competitiveness. Rental rates in major shopping malls have stabilized at levels close to SAR 2,820 per square meter per annum, reflecting a relative balance between supply and demand within this asset class.

The sector is also witnessing a clear shift toward integrating entertainment and hospitality components within shopping centers, as food and beverage and entertainment have become key elements in attracting visitors. Restaurants and cafés accounted for approximately 13% of total point-of-sale spending by the end of 2025. This reflects a change in consumer behavior toward more integrated experiences, rather than a focus on traditional shopping.

In the same context, the e-commerce sector continues to grow, representing approximately 21% of total point-of-sale transactions, supported by the development of logistics services and digital technologies. This integration between traditional and digital channels, known as omnichannel retailing, is reshaping the retail landscape, with developers increasingly moving toward mixed-use projects that respond to this transformation.

Overall, the retail sector in the Kingdom reflects a transitional phase toward a more sustainable model based on asset quality and integrated experiences, with growth expected to continue, driven by major projects and urban expansion, particularly in key cities such as Riyadh and Jeddah.

6. Industrial and Logistics Sector Development

The industrial sector is witnessing rapid growth, driven by the expansion of industrial activities and e-commerce. The Industrial Production Index increased by 10.4% during 2025. Warehouse and logistics rental rates also recorded notable increases, particularly in Riyadh and Jeddah, due to growing demand for modern spaces. This trend is further supported by significant investments in infrastructure and logistics services, along with strategic projects in data centers and advanced technologies, reflecting the Kingdom's transformation into a regional hub for logistics and industrial services.

7. Future Outlook and Investment Opportunities

The outlook indicates continued growth in the real estate market, supported by the expansion of major projects and increasing local and international demand. The shift toward projects with higher strategic returns, particularly in non-oil sectors, further enhances the market's attractiveness over the medium and long term. In 2026, investment momentum is expected to continue, with a gradual improvement in the balance between supply and demand, creating diverse investment opportunities, particularly in the residential, commercial, and logistics sectors.

Source: CBRE Saudi Arabia Real Estate Market Report

3.5 Risk Analysis

Market and Economic Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	5 Points				

Operational Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1) 6-14	Minimal Risk (2) 15-19	Medium Risk (3) 20-26	Elevated Risk (4) 27-31	Very High Risk (5) 32-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **26 points**, placing it in the **Medium Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.6 New Regulatory Provisions

Under the guidance of His Royal Highness Prince Mohammed bin Salman, the Kingdom has introduced a new system aimed at regulating the rental market in Riyadh. The key provisions include:

- Suspending the annual escalation of rental values for residential and commercial properties within Riyadh's urban area for five years starting from September 25, 2025.
- Existing lease agreements will remain valid, but renewal values cannot exceed the previous rent.
- Implementing a unified electronic rental contract system across Riyadh.
- Allowing tenants and landlords to request contract termination up to 60 days before its expiration, subject to mutual consent.
- Either party may request an extension up to 60 days after contract expiration, unless the other party objects.
- Landlords are not allowed to reject lease renewal without legitimate justification, except in specific cases such as:
 1. Tenant's default on rent payments.
 2. Existence of a unified technical report confirming structural unsafety.
 3. The landlord's own need for the property for personal or family use.



The application of these provisions may be extended to other regions by decision of the Real Estate General Authority and approval of the Council of Economic and Development Affairs.

Impact on Investment Stability

These new regulations aim to balance the relationship between landlords and tenants, and between the market and investors. The purpose is to enhance market transparency, reduce speculative risks, and encourage long-term planning by investors through predictable and stable returns.

It is important to note that these regulations are not intended to restrict investors but to create a healthier, more sustainable real estate market environment.

White Land and Vacant Properties Fees Law

In 2025, the Council of Ministers issued a resolution, approved by the Royal Court, to amend the White Land and Vacant Properties Fees Law. The amendment includes increasing the annual fee rate on lands subject to the law to reach 10% of the land value, as determined by the Executive Regulations, starting from 2026. The scope of application includes white lands and vacant properties located within the urban boundary, where the area subject to the fee is 5,000 square meters or more. The Minister of Municipalities and Housing is also granted the authority to determine the scope of application and the gradual implementation of fee rates according to development priorities. This amendment aims to promote urban development, increase real estate supply, and reduce the holding of undeveloped lands within cities.



Asset Valuation

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analysing past transaction prices of similar assets while making necessary adjustments for differences between the asset under valuation and the comparable assets.
2. **Guideline Public Company Method** – Used when publicly available financial market data exists, this method compares the asset to publicly traded assets with adjustments for geographical, regulatory, and market conditions.

Second: Income Approach

The Income Approach determines the asset's value by analysing its expected future cash flows and converting them into present value using an appropriate discount rate. This approach is applied when the asset's income-generating ability is the primary determinant of its value. There are four main methods under this approach:

1. **Discounted Cash Flow (DCF) Method** – This involves projecting the expected cash flows of the asset over a specified period and discounting them using a rate that reflects risk levels and required returns.
2. **Income Capitalization Method** – Used when revenue and growth rates are stable, this method calculates value based on a fixed capitalization rate applied to expected income.
3. **Residual Land Value (RLV) Method** – This method divides the asset's value into two parts: the portion consumed over a specific period and the residual portion remaining afterward. The consumed portion is valued based on expected cash flows, while the residual portion is estimated based on the potential market value of the asset at the end of the given period.
4. **Profits Method** – Commonly used for business and company valuations, this method determines asset value based on future expected profits, applying a multiplier that depends on the nature of the business and associated risks.

Third: Cost Approach

The Cost Approach estimates the asset's value based on the cost to replace or reproduce it while considering depreciation, obsolescence, or any loss of utility. This approach is typically used when the asset does not directly generate income or when it is unique and lacks sufficient market transactions for comparison. The three main methods under this approach are:

1. **Replacement Cost Method** – Determines the cost of creating a new asset that serves the same function and utility.
2. **Reproduction Cost Method** – Estimates the cost to produce an exact replica of the asset under valuation.
3. **Summation Method** – Involves valuing each component of the asset separately and then summing them to determine the total asset value.

General Considerations When Selecting a Valuation Approach

The valuer must choose the approach that best suits the nature of the asset and market conditions. In some cases, using multiple approaches may be necessary to achieve a more accurate and reliable result. Adjustments should be made for factors that may influence value, such as geographic location, regulatory constraints, and the availability of market data. When multiple approaches are used, differences in results must be analysed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analysing the nature of the asset, market conditions, and data availability, the discounted cash flow (DCF) method has been selected as the most appropriate approach for this valuation.

4.2 Discounted Cash Flow Method (DCF)

Analysis of Operating and Maintenance Expenses

The operating expenses of comparable properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

The client has provided us with specific details regarding the maintenance and operational costs of the project. Based on this information, we will rely on these details for our valuation. For the purpose of our valuation, we will utilize an OPEX (operating expenses) rate of 15%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 9%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	89,300,000.00	115,700,000.00	263,000,000.00
NOI	6,251,000	8,099,000	18,410,000
Cap Rate	7.00%	7.00%	7.00%
Average Cap Rate	7.00%		

Discount Rate of Cash Flows

In order to estimate the discount rate employed in the cash flow method, we will utilize The Build-Up Model. This model involves calculating various risk factors associated with the real estate industry to determine the present value of future cash flows. The estimation of the applicable risk rates takes into account the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	%5.00	Source	SAMA
Inflation Rate%	%2.00		GASTAT
Market Risk Premium%	%2.00		Trading Economics
Company-specific Risk Premium %	%2.00		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5
Inflation		0%	5%	0%	5%	0%	5%
Expected Revenue							
Office	Sqm	8,995	8,995	8,995	8,995	8,995	8,995
Rate (SAR)	SAR	720	756	756	794	794	834
Total	SAR	6,480,538	6,804,565	6,804,565	7,144,793	7,144,793	7,502,032
Commercial	Sqm	2,740	2,740	2,740	2,740	2,740	2,740
Rate (SAR)	SAR	682	716	716	752	752	789
Total	SAR	1,868,559	1,961,987	1,961,987	2,060,086	2,060,086	2,163,090
Overall Revenues		8,349,096	8,766,551	8,766,551	9,204,879	9,204,879	9,665,123

Vacancy and Credit Loss							
Office	2.5%	162,013	170,114	170,114	178,620	178,620	187,551
Commercial	2.5%	46,714	49,050	49,050	51,502	51,502	54,077
Total		208,727	219,164	219,164	230,122	230,122	241,628
Effective Rental Income		8,140,369	8,547,387	8,547,387	8,974,757	8,974,757	9,423,495

Expenses							
OpEx	2.5%	200,000	200,000	200,000	200,000	200,000	200,000
FM Fees	SAR	776,142	776,142	776,142	776,142	776,142	776,142
Overall Expenses		976,142	976,142	976,142	976,142	976,142	976,142

NOI		7,164,227	7,571,245	7,571,245	7,998,614	7,998,614	8,447,352
Terminal Value	7.0%						120,676,460
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		7,164,227	6,946,096	6,372,565	6,176,398	5,666,420	83,921,619
Net Present Value							116,200,000

4.3 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: **ﷲ 116,200,000.00**
One Hundred Sixteen Million Two Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
President



Fellow Member of (RE Valuation)
License No. 1210000474

Nabeel M. Al Husaini
CEO



Member of (RE Valuation)
License No. 1210002782

Reema K. Al Dhayan
Asst. Manager



Fellow Member of (RE Valuation)
License No. 1210004007

Fathi S. Saeed
Inspection Officer



Fellow Member of (RE Valuation)
License No. 1220001949

WHITECUBES Stamp



4.5 Valuer's Opinion of Value

Based on the analysis and appraisal conducted in accordance with the established methodologies in real estate valuation, and after considering all factors influencing the value of the property in question—whether related to location, type, market conditions, intended use, or any special circumstances—I believe that the estimated value of the property is fair and accurate according to the available data.

All necessary considerations were taken into account during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



Appendices



Documents Received

5.1 Title deed

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إدارة رخصتي البناء

رخصة بناء

أمانة جدة

الرقم: 399684003640
التاريخ: 1445/5/9

وثيقة تملك عقار

البيانات الأساسية

رقم الرقعة	رقم الرقعة	تاريخ الرقعة	رقم الرقعة
1445/5/9	399684003640	الموقعين بالرياض 9	الحالة
المصدر	2,462.5	القيود	مرهون
المساحة (م ²)	393010010162	تاريخ الرقعة السابقة	1444/11/1
رقم الرقعة السابقة	صفحة تحويل		
نوع الملكية			

القيود

القيود	الحصة المأجرة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	رأس 42,462,649.87	

الملاك

رقم الهوية	الاسم	نسبة الحصة
7001902688	الشركة السعودية للاستثمار والتنمية للمقارعة	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	2,462.5	لا يوجد

الموقع

رقم القطعة	رقم المخطط	الحي	المدينة
4	96 / ب	الروضة	جدة

الحد

الحد	الفرع	وصف الحد	الطول (م)
شمالاً	قطعة	رقم 2	49.25
جنوباً	شارع	عرض 3.2م	49.25
شرقاً	قطعة	رقم 3	50
غرباً	شارع	عرض 1.5م	50

مصدر هذه الوثيقة من الوزارة البلدية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 1 من 1

5.2 Memberships of the Participants Involved in Preparing the Report

Real Estate Valuation	Real Estate Valuation	Real Estate Valuation	Real Estate Valuation
 عصام محمد عبدالله الحسيني ESSAM MOHAMED ABDULLAH ALHUSAINI	 نبيل محمد عبدالله الحسيني NABEEL MOHAMMED A ALHUSSAINI	 ريما خالد سليمان الضحيان REEMA KHALID SULAIMAN ALDHAYAN	 فتحي سلطان محمد سعيد FATHI SULTAN MOHAMMED SAEED
Membership Type: Main Membership No: 1210000474 ID No: 1044275947 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1210002782 ID No: 1014178931 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1210004007 ID No: 1116636824 Membership Exp: 2026-12-31	Membership Type: Associated Membership No: 1220001949 ID No: 2266363668 Membership Exp: 2026-12-31
فئة العضوية : رئيس رقم العضوية: 1210000474 رقم الهوية \ الإقامة: 1044275947 تاريخ الانتهاء: 2026-12-31	فئة العضوية : متساب رقم العضوية: 1210002782 رقم الهوية \ الإقامة: 1014178931 تاريخ الانتهاء: 2026-12-31	فئة العضوية : متساب رقم العضوية: 1210004007 رقم الهوية \ الإقامة: 1116636824 تاريخ الانتهاء: 2026-12-31	فئة العضوية : متساب رقم العضوية: 1220001949 رقم الهوية \ الإقامة: 2266363668 تاريخ الانتهاء: 2026-12-31
 حاصل على شهادة الزمعة تمديد من التفاصيل يرجى الاطلاع على البروفايل	 تمديد من التفاصيل يرجى الاطلاع على البروفايل	 تمديد من التفاصيل يرجى الاطلاع على البروفايل	 تمديد من التفاصيل يرجى الاطلاع على البروفايل



رقم الترخيص : 13093
تاريخ الإصدار : 1437/08/02 هـ
تاريخ الإنتهاء : 1452/10/20 هـ
رقم نسخة الترخيص : 3

ترخيص مزاوله مهنة التقييم (العقارات)

يرخص للعضو الأساسي / **عصام محمد عبدالله الحسيني** "سعودي الجنسية" بموجب هوية وطنية رقم : **1044275947** لمزاوله مهنة التقييم في **[العقارات]** في المملكة العربية السعودية وذلك بناء على المادة [الثامنة] من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/09 هـ، وتوفر شروط الترخيص الواردة في المادة [الثالثة عشرة] من اللائحة التنفيذية لنظام المقيمين المعتمدين الصادرة بالقرار الوزاري رقم [107] وتاريخ 1445/01/28 هـ.

الرئيس التنفيذي

م. فيصل بن بدر المنديل





All Rights Reserved ©

