

SEDCO Capital
(SEDCO REIT Fund)
Ajdan Entertainment
August 2025

REF: 25-0561-18

Code: 1459207

Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-18
Dep. Code	1459207
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial complex
Property Location	Al Khobar City.
Title Deed No.	599181002162
Title Deed Date	1445/05/08
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Saudi Real Estate Funds Development and Economic Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 150,000,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The property being evaluated is an open commercial complex - a plaza located in the Aziziya district of Dammam, Saudi Arabia. The property's ownership documents confirm the following:

- Total land area: 8,258.25 square meters.
- Built-up area: 16,093.40 square meters.

During the site inspection conducted for the evaluation, it was noted that the property is open on four sides and is close to Prince Turki Road on the western side.

2.2 Ease of Access

The property's accessibility is considered average based on its current location near Prince Turki 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 satellite map of a city area, likely Al Khobar, showing a network of roads and a body of water to the east. A red pin labeled 'Location' is placed on the eastern coast. The map is overlaid with a yellow grid.	 A detailed satellite map of a district, showing a dense grid of buildings and streets. A red pin labeled 'Location' is placed on the eastern edge of the district, near a body of water.
26°16'58.9"N 50°13'15.3"E	
76MC+692 Al Khobar	
Google Maps	

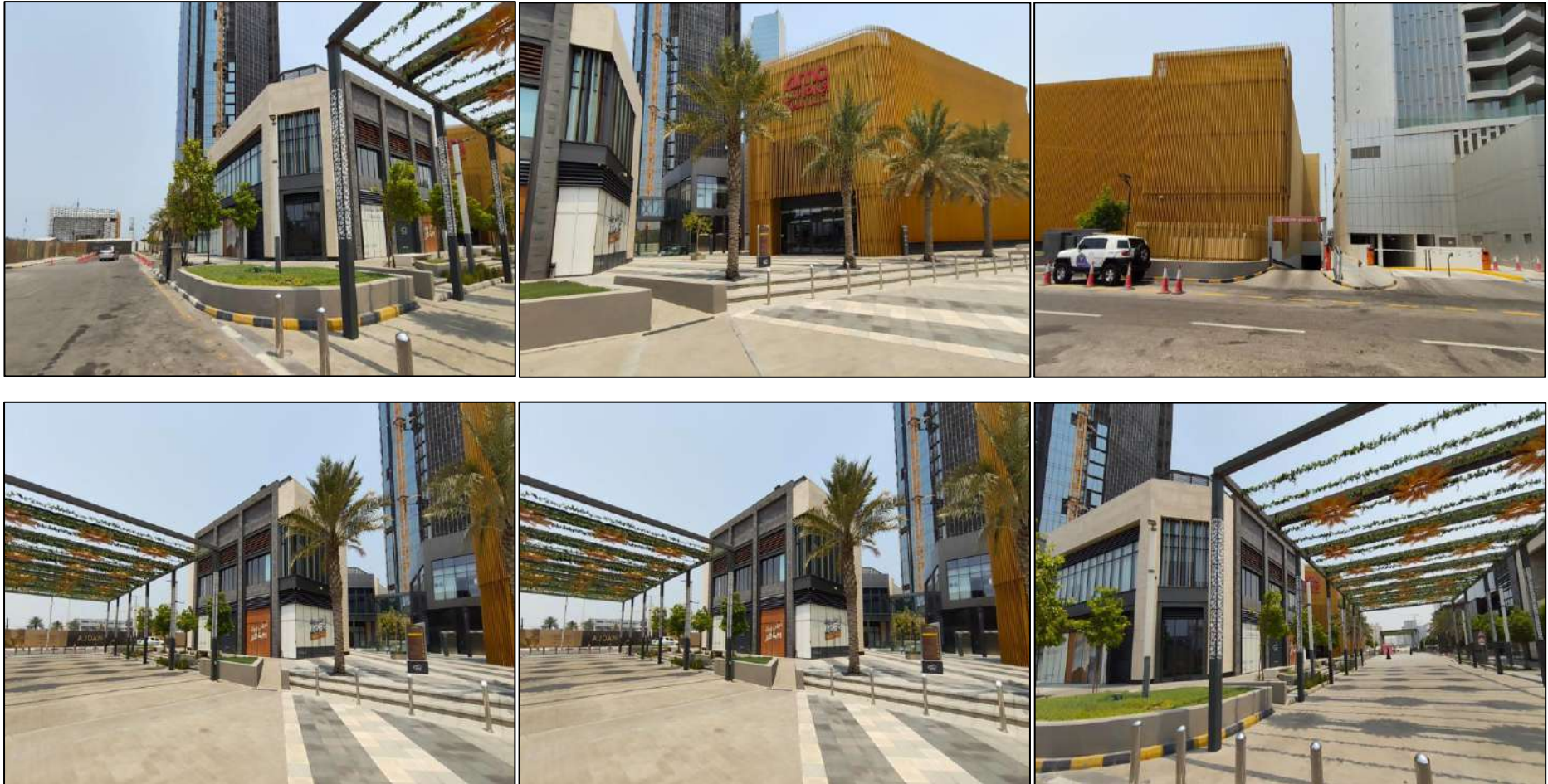
2.5 Title Deed and Ownership

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

City	Khobar	Land Area	6,865.99
District	----	Plot No.	3/12
T.D Type	Electronic	Block No.	---
T.D Number	499181002146	Layout No.	2/356
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	20m wide street	East Side	Plot No 2/12 1/12
South Side	20m 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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

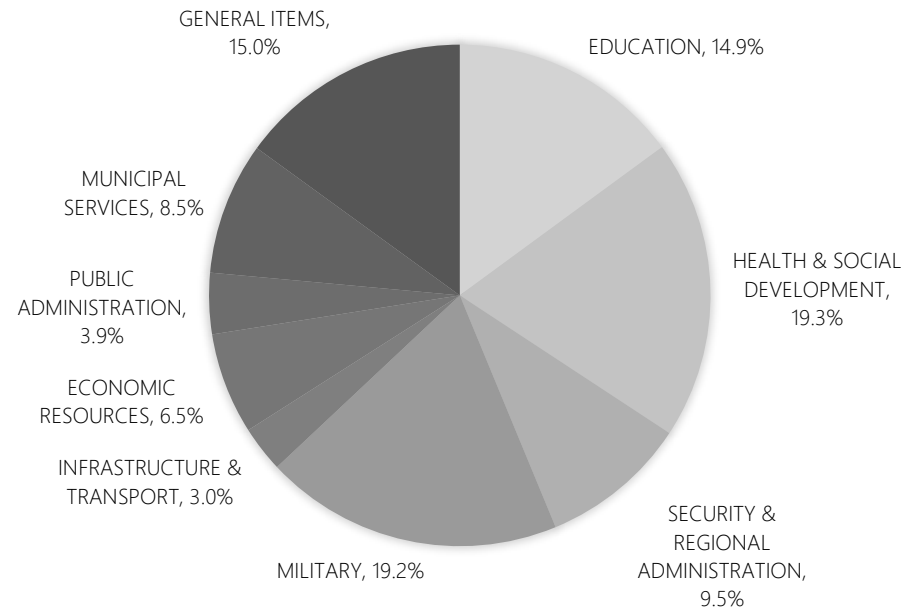
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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	86,000,000.00	98,000,000.00	200,000,000.00
NOI	6,450,000	7,350,000	15,000,000
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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	0.5%		Team's experience.
Discount Rate%	8.50%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032	2033
		0	1	2	3	4	5	6	7	8
Inflation		0.0%	0.0%	5.0%	0.0%	0.0%	5.0%	0.0%	0.0%	5.0%
Expected Revenue										
Cinema	Sqm	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Rate (SAR)	SAR	1,758	1,758	1,846	1,846	1,846	1,938	1,938	1,938	2,035
Total	SAR	6,048,000	6,328,800	6,645,240	6,645,240	6,645,240	6,977,502	6,977,502	6,977,502	7,326,377
Commercial	Sqm	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203
Rate (SAR)	SAR	2,060	2,060	2,163	2,163	2,163	2,271	2,271	2,271	2,385
Total	SAR	4,538,180	4,538,180	4,765,089	4,765,089	4,765,089	5,003,343	5,003,343	5,003,343	5,253,511
Overall Revenues		10,586,180	10,866,980	11,410,329	11,410,329	11,410,329	11,980,845	11,980,845	11,980,845	12,579,888
Vacancy and Credit Loss										
Cinema	0.0%	0	0	0	0	0	0	0	0	0
Commercial	5.0%	0	0	0	0	238,254	250,167	250,167	250,167	262,676
Total		0	0	0	0	238,254	250,167	250,167	250,167	262,676
Effective Rental Income		10,586,180	10,866,980	11,410,329	11,410,329	11,172,075	11,730,678	11,730,678	11,730,678	12,317,212
Expenses										
CapEx	2.5%	264,655	271,675	285,258	285,258	285,258	299,521	299,521	299,521	314,497
OpEx	5.0%	529,309	543,349	570,516	570,516	570,516	599,042	599,042	599,042	628,994
Overall Expenses		793,964	815,024	855,775	855,775	855,775	898,563	898,563	898,563	943,492
NOI		9,792,217	10,051,957	10,554,554	10,554,554	10,316,300	10,832,115	10,832,115	10,832,115	11,373,721
Terminal Value	7.5%									
Discount Rate	8.5%	1.00	0.92	0.85	0.78	0.72	0.67	0.61	0.56	0.52
Present Value		9,792,217	9,264,476	8,965,622	8,263,246	7,443,977	7,203,848	6,639,492	6,119,347	5,921,949
Net Present Value										

Discounted Cash Flows		2034	2035	2036	2037	2038	2039	2040	2041
		9	10	11	12	13	14	15	16
Inflation		0.0%	0.0%	5.0%	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	2,035	2,035	2,137	2,137	2,137	2,244	2,244	2,244
Total	SAR	7,326,377	7,326,377	7,692,696	7,692,696	7,692,696	8,077,331	8,077,331	8,077,331
Commercial	Sqm	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203
Rate (SAR)	SAR	2,385	2,385	2,504	2,504	2,504	2,629	2,629	2,629
Total	SAR	5,253,511	5,253,511	5,516,186	5,516,186	5,516,186	5,791,995	5,791,995	5,791,995
Overall Revenues		12,579,888	12,579,888	13,208,882	13,208,882	13,208,882	13,869,326	13,869,326	13,869,326
Vacancy and Credit Loss									
Cinema	0.0%	0	0	0	0	0	0	0	0
Commercial	5.0%	262,676	262,676	275,809	275,809	275,809	289,600	289,600	289,600
Total		262,676	262,676	275,809	275,809	275,809	289,600	289,600	289,600
Effective Rental Income		12,317,212	12,317,212	12,933,073	12,933,073	12,933,073	13,579,726	13,579,726	13,579,726
Expenses									
CapEx	2.5%	314,497	314,497	330,222	330,222	330,222	346,733	346,733	346,733
OpEx	5.0%	628,994	628,994	660,444	660,444	660,444	693,466	693,466	693,466
Overall Expenses		943,492	943,492	990,666	990,666	990,666	1,040,199	1,040,199	1,040,199
NOI		11,373,721	11,373,721	11,942,407	11,942,407	11,942,407	12,539,527	12,539,527	12,539,527
Terminal Value	7.5%								167,193,693
Discount Rate	8.5%	0.48	0.44	0.41	0.38	0.35	0.32	0.29	0.27
Present Value		5,458,017	5,030,431	4,868,159	4,486,782	4,135,283	4,001,887	3,688,375	48,725,078
Net Present Value									150,000,000

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: **SAR 150,000,000.00**
One Hundred Fifty Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of RE Valuation
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of RE Valuation
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds



الرقم: 599181002162
التاريخ: 1445/5/8

وثيقة تملك عقار

لجنة العقار
Real Estate Market



البيانات الأساسية

رقم الوثيقة	599181002162	تاريخ الوثيقة	1445/5/8
المصدر	المرحّلين بجهة 6	الحالة	فعال
المساحة (م ²)	6,865.99	القيود	مرهون
رقم الوثيقة السابقة	394065001421	تاريخ الوثيقة السابقة	1443/11/7
نوع العملية	صفقة تمويل		

القيود

التيد	الجهة الزاخرة	رقم البناء	قيمة الزمن	تاريخ الاستملاك
مرعون	بنك الجزيرة	7000120712	ر.س 116,355,555.5	

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	6,865.99	لا يوجد
الدفع		نموذج العقار	
لا يوجد		لا يوجد	
رقم المنطقة	رقم المخطط	الحي	البلدية
3 / 12	2 / 356	البحر	البحر

الحد	الترج	وصف الحد	الطول (م)
شمالا	شارع	عرض 20 متر	62
جنوبا	شارع	عرض 20 متر	62
شرقا	قطعة	و 12 / 1 2	111
غربا	شارع	عرض 20 متر	111

مصادر: حدة الوثيقة من المرسلة القضائية، يمكن التحقق من صحة حدة الوثيقة عبر القيد من الإكسبريس العامة لوزارة العدل، وزارة الشؤون البلدية والقروية والإسكان، وهيئة الشكاوى العقارية. الصفحة 1 من 1

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

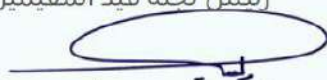
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital
(SEDCO REIT Fund)
Ajdan walk
August 2025

REF: 25-0561-17
Code: 1459205
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-17
Dep. Code	1459205
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial complex
Property Location	Al- Corniche district, Al Khobar City.
Title Deed No.	394753000914
Title Deed Date	1445/05/22
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Saudi Real Estate Funds Development and Economic Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 300,000,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7.5%. This rate reflects the current market conditions, investor expectations, and property-specific risks at the valuation date.
4. **Discount Rate:** For valuations applying the Discounted Cash Flow (DCF) method, the discount rate has been assumed at 8.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 03/07/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Administrative Building 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.
- Building area: 32,212 square meters.

During the site inspection conducted for evaluation purposes, it was noted that the property is open on 4 sides and has a direct view of Prince Turki Street from the western side.

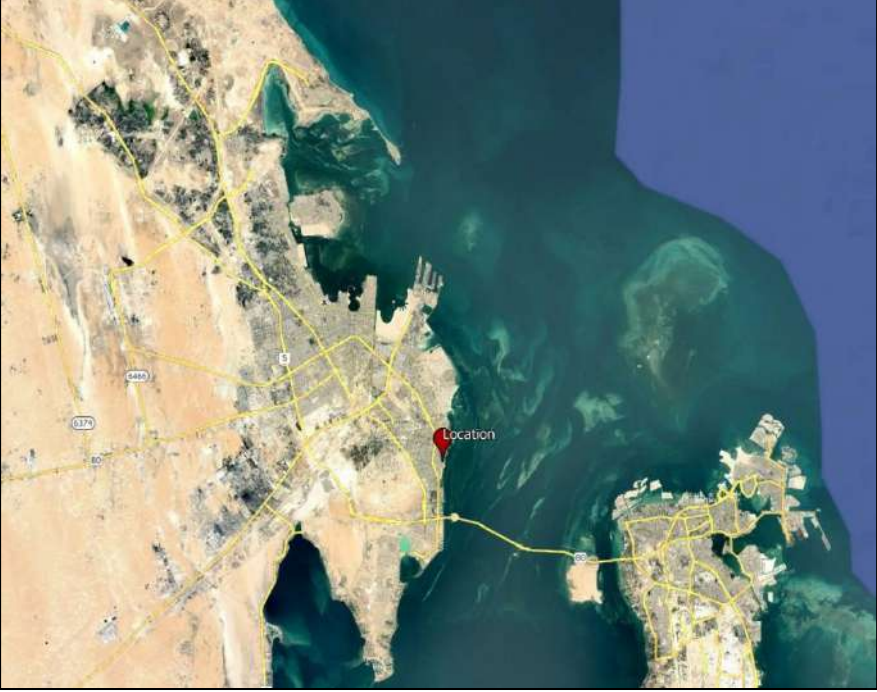
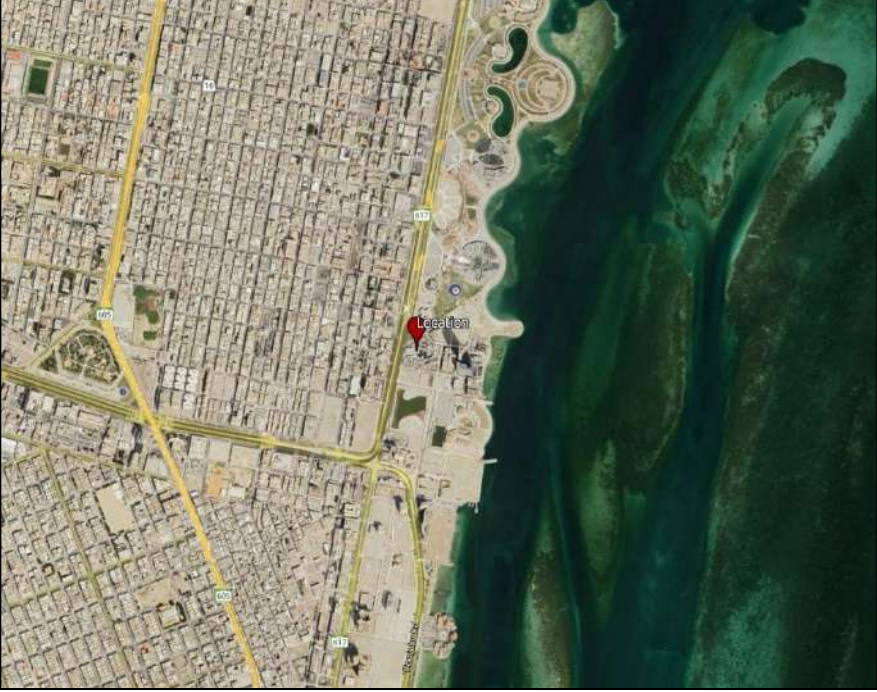
2.2 Ease of Access

The accessibility of the property is considered average based on its current 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
 A satellite map showing the city of Al Khobar and its surrounding area. The city is located on a narrow strip of land along the coast of the Persian Gulf. The map shows the city's layout, including roads, buildings, and the coastline. A red pin labeled 'Location' is placed on the coast, indicating the specific site of interest.	 A detailed satellite map of the district surrounding the location. The map shows a dense urban area with a grid-like street pattern. A red pin labeled 'Location' is placed on a road, indicating the specific site of interest. The map also shows the coastline and the surrounding water.
26°17'00.4"N 50°13'10.8"E	
76M9+9VJ Al Khobar	
Google Maps	

2.5 Title Deed and Ownership

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

City	Al Khobar	Land Area	2,450
District	Al-Corniche	Plot No.	3
T.D Type	Electronic	Block No.	---
T.D Number	394753000914	Layout No.	1/337
T.D Date	1445/05/22	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	20m wide street	East Side	20m wide street
South Side	20m wide street	West Side	60m 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 details below:

Construction Permit Type	New	Built-Up Area (BUA)	32,304
Property Type	Commercial building	Actual Age	7
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 which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.7 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

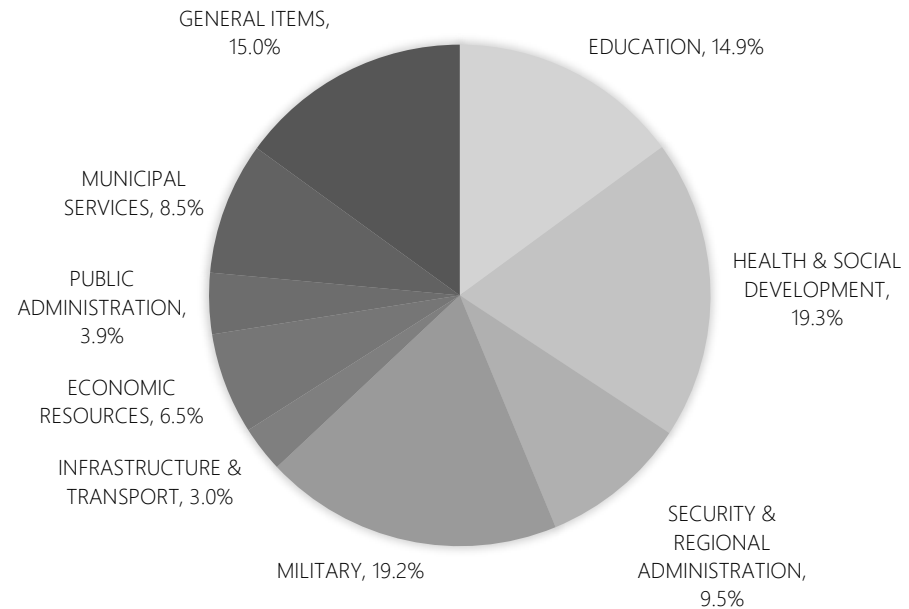
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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	188,000,000.00	96,500,000.00	120,000,000.00
NOI	14,100,000	7,237,500	9,000,000
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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	0.5%		Team's experience.
Discount Rate%	8.50%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032
		0	1	2	3	4	5	6	7
Inflation		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected Revenue									
Commercial complex	Sqm	16,966	16,966	16,966	16,966	16,966	16,966	16,966	16,966
Rate (SAR)	SAR	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297
Total	SAR	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
Overall Revenues		22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
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		22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
Expenses									
CapEx	0.0%	0	0	0	0	0	0	0	0
OpEx	1.8%	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
Overall Expenses		330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
NOI		21,670,000	21,670,000	21,670,000	21,670,000	21,670,000	21,670,000	21,670,000	21,670,000
Terminal Value	9.0%								288,933,333
Discount Rate	10.0%	1.00	0.92	0.85	0.78	0.72	0.67	0.61	0.56
Present Value		21,670,000	19,972,350	18,407,696	16,965,618	15,636,515	14,411,534	13,282,520	175,468,008
Net Present Value									300,000,000

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: SAR 300,000,000.00
Three Hundred Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of RE Valuation
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of RE Valuation
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



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DOCUMENTS

DOCUMENT

5.2 Real Estate Valuation License



المقر الرئيسي: الرياض



وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

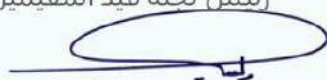
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Al Hamra Plaza

August 2025

REF: 25-0561-8
Code: 1458774
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-8
Dep. Code	1458774
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
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	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 74,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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 9.5%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 square meters.
- Total Built-Up Area (BUA): 13,012 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property features a direct view of 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 one title deeds. 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 Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	Street 40m width

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 Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	Street 40m width

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 Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	Street 40m width

City	Riyadh	Land Area	4,620 Sqm
District	Al Mansourah	Plot No.	61/62
T.D Type	Electronic	Block No.	---
T.D Number	499181002153	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	Street 40m width

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 Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Privet property
South Side	Privet property	West Side	Street 40m width

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	14
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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

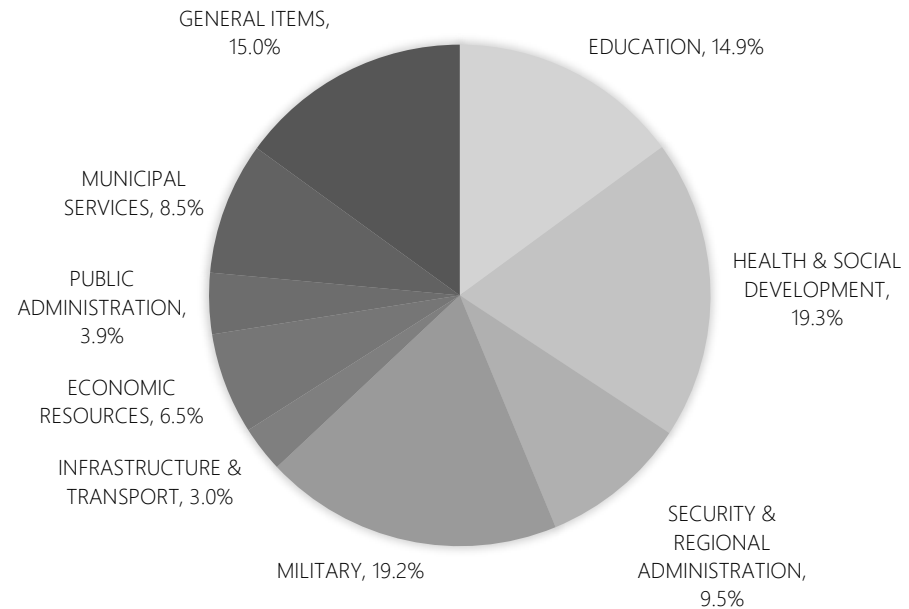
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	117,000,000.00	27,500,000.00	92,500,000.00
NOI	9,945,000	2,337,500	7,862,500
Cap Rate	8.50%	8.50%	8.50%
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.5%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.50%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5
Inflation		0%	5%	0%	5%	0%	0%
Expected Revenue							
Commercial complex	Sqm	9,651	9,651	9,651	9,651	9,651	9,651
Rate (SAR)	SAR	574	603	603	633	633	633
Total	SAR	5,432,000	5,816,658	5,816,658	6,107,491	6,107,491	6,107,491
Overall Revenues		5,432,000	5,816,658	5,816,658	6,107,491	6,107,491	6,107,491
Vacancy and Credit Loss							
Commercial complex	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		5,432,000	5,816,658	5,816,658	6,107,491	6,107,491	6,107,491
Expenses							
CapEx	0.0%	0	0	0	0	0	0
OpEx	0.0%	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0
NOI		5,432,000	5,816,658	5,816,658	6,107,491	6,107,491	6,107,491
Terminal Value	8.5%						71,852,830
Discount Rate	9.5%	1.00	0.91	0.83	0.76	0.70	0.64
Present Value		5,432,000	5,312,016	4,851,156	4,651,794	4,248,213	49,522,553
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: SAR 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and Construction Permit

999181002156 الرقم
1445/5/8 التاريخ وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	999181002156	تاريخ الوثيقة	1445/5/8
المصدر	المرحّلين بجدّة 6	الحالة	فصال
المساحة (م²)	2,750	القوة	مرحون
رقم الوثيقة السابقة	393759000188	تاريخ الوثيقة السابقة	1443/9/2
نوع المسلة	صفقة تمويل		

التقيد

الجهة الراحة	رقم المسندة	قبة الزمن	تاريخ الاستحقاق
مرحون	7000120712	رأس 11,336,381	

الملاك

رقم الهوية	الاسم	نسبة المالك
7001902688	الشركة السعودية للاقتصاد والتنمية لمصايد العقارية	100 %

المقار

رقم الهوية المقارية	نوع المقار	مساحة المقار (م²)	نوع الاستخدام
لا يوجد	لا يوجد	2,750	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	البلدية
58	2303	المنصورة	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 58	55
جنوبا	قطعة	رقم 62	55
شرقا	قطعة	رقم 59	50
غربا	شارع	عرض 40م	50

مصدر هذه الوثيقة من الوزارة المقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل، ووزارة الشؤون البلدية والقروية والإسكان وهيئة أملاك العقار. الصفحة 1 من 1

499181002153 الرقم
1445/5/8 التاريخ وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	499181002153	تاريخ الوثيقة	1445/5/8
المصدر	المرحّلين بجدّة 6	الحالة	فصال
المساحة (م²)	4,620	القوة	مرحون
رقم الوثيقة السابقة	793759000186	تاريخ الوثيقة السابقة	1443/9/2
نوع المسلة	صفقة تمويل		

التقيد

الجهة الراحة	رقم المسندة	قبة الزمن	تاريخ الاستحقاق
مرحون	7000120712	رأس 11,336,381	

الملاك

رقم الهوية	الاسم	نسبة المالك
7001902688	الشركة السعودية للاقتصاد والتنمية لمصايد العقارية	100 %

عقار 1 من 2

رقم الهوية المقارية	نوع المقار	مساحة المقار (م²)	نوع الاستخدام
لا يوجد	لا يوجد	-	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	البلدية
61	2303	المنصورة	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 56	55
جنوبا	قطعة	رقم 60	55
شرقا	قطعة	رقم 57	50
غربا	شارع	عرض 40م	50

مصدر هذه الوثيقة من الوزارة المقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل، ووزارة الشؤون البلدية والقروية والإسكان وهيئة أملاك العقار. الصفحة 1 من 2

799181002154 الرقم
1445/5/8 التاريخ وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	799181002154	تاريخ الوثيقة	1445/5/8
المصدر	المرحّلين بجدّة 6	الحالة	فصال
المساحة (م²)	2,750	القوة	مرحون
رقم الوثيقة السابقة	393759000185	تاريخ الوثيقة السابقة	1443/9/2
نوع المسلة	صفقة تمويل		

التقيد

الجهة الراحة	رقم المسندة	قبة الزمن	تاريخ الاستحقاق
مرحون	7000120712	رأس 11,336,381	

الملاك

رقم الهوية	الاسم	نسبة المالك
7001902688	الشركة السعودية للاقتصاد والتنمية لمصايد العقارية	100 %

المقار

رقم الهوية المقارية	نوع المقار	مساحة المقار (م²)	نوع الاستخدام
لا يوجد	لا يوجد	2,750	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	البلدية
58	2303	المنصورة	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 56	55
جنوبا	قطعة	رقم 60	55
شرقا	قطعة	رقم 57	50
غربا	شارع	عرض 40م	50

مصدر هذه الوثيقة من الوزارة المقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل، ووزارة الشؤون البلدية والقروية والإسكان وهيئة أملاك العقار. الصفحة 1 من 1

[illegible]

 الرقم: 399181002149 التاريخ: 1445/5/8		 وكالة الكفالة Kafala Agency 2001 22000 Riyadh		 المملكة العربية السعودية Kingdom of Saudi Arabia	
وثيقة تملك عقار					
البيانات الأساسية					
رقم الوثيقة	399181002149	تاريخ الوثيقة	1445/5/8	المصدر	عبدال
السلطة (م)	2,750	القيمة	الحالة	المرحون	
رقم الوثيقة السابقة	393759000129	تاريخ الوثيقة السابقة	1443/9/2	نوع العملية	
	صفحة بتسلي				
التقيد					
الجهة الراعية	رقم التسجيل	لغة الزمن	تاريخ الاستعقال	المرحون	
بنك الجزيرة	7600120712	ر.س 11,336,381			
الملاك					
رقم الهوية	الاسم	نسبة المالك			
7601902688	الشركة السعودية للاستثمار والتجارة العامة	100 %			
العقار					
رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستعقال		
لا يوجد	قطعة الأرض	2,750	لا يوجد		
الموقع	نموذج العقار				
لا يوجد	لا يوجد				
رقم التسجيل	رقم المسطح	الحي	البلدية		
56	2303	المنصورة	الرياض		
الحد	النوع	وصف الحد	الطول (م)		
شمالاً	قطعة	رقم 54	55		
جنوباً	قطعة	رقم 58	55		
شرقاً	قطعة	رقم 55	50		
غرباً	شارع	عرض 40م	50		



رقم: 399181002151
التاريخ: 1445/3/8

وثيقة تمليك عقار

المملكة العربية السعودية
Saudi Etahat Market



البيانات الأساسية

1445/5/8	تاريخ الوثيقة	399181002151	رقم الوثيقة
فقال	المحالة	الموطين بجدة 6	المصدر
مرهون	القبول	8,250	للمساحة (م)
1443/9/2	تاريخ الوثيقة السابقة	793759000190	رقم الوثيقة السابقة
	عقلة بتحويل		نوع العقلة

التقيد

تاريخ الاستحقاق	قيمة الريس	رقم المنشأة
	11,326,381 ريس	7060120712
		مرهون بنك الجزيرة

الملك

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

عقار 1 من 3

رقم الهوية العقارية	نوع العقار	مساحة العقار (م)	نوع الاستخدام
لا يوجد	عقلة الأرض	-	لا يوجد
العرق	نموذج العقار		
لا يوجد	لا يوجد		
رقم القسيمة	رقم المخطط	الحصص	العمدية
55	2303	المتصورة	الرياض

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

صدرت هذه الوثيقة من الوزارة العقارية ويمكن التحقق من صحة هذه الوثيقة من الخدمات الإلكترونية الخاصة بإدارة الشؤون العقارية والحدود والامتلاك وإصدار وثائق الملكية العامة الخاصة بـ 8

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

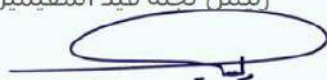
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Amjad School

August 2025

REF: 25-0561-3
Code: 1458637
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-3
Dep. Code	1458637
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
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	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 118,200,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 features a direct view of Raya Street from the north side.

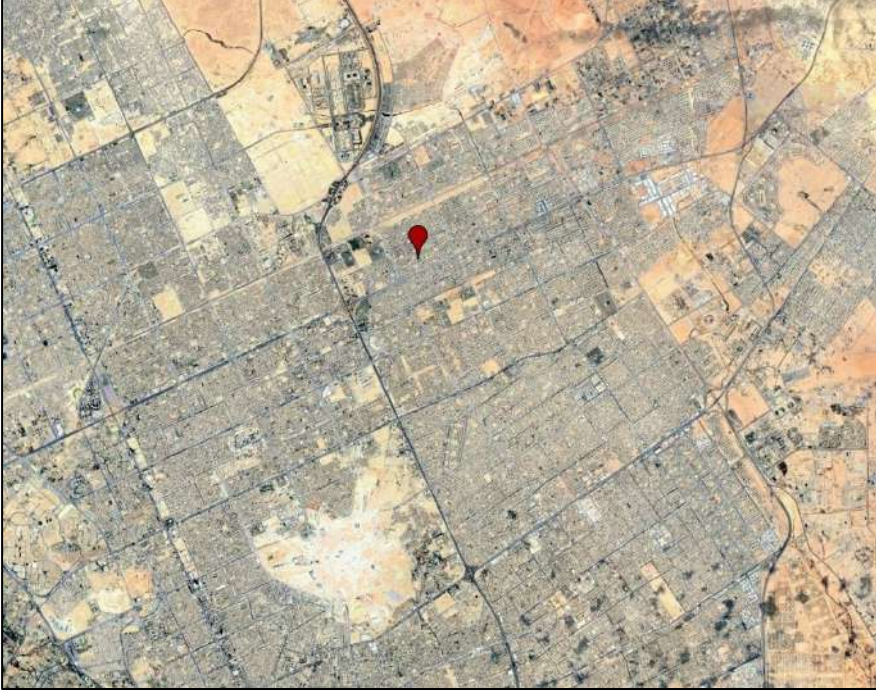
2.2 Ease of Access

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

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
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 deeds. Here are the details of the subject property:

City	Riyadh	Land Area	14,300 Sqm
District	Qurtubah	Plot No.	485 to 504
T.D Type	Electronic	Block No.	---
T.D Number	399684003635	Layout No.	1822
T.D Date	09/05/1446	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Street 20m width	East Side	Street 36m width
South Side	Street 30m width	West Side	Street 20m width

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	12
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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

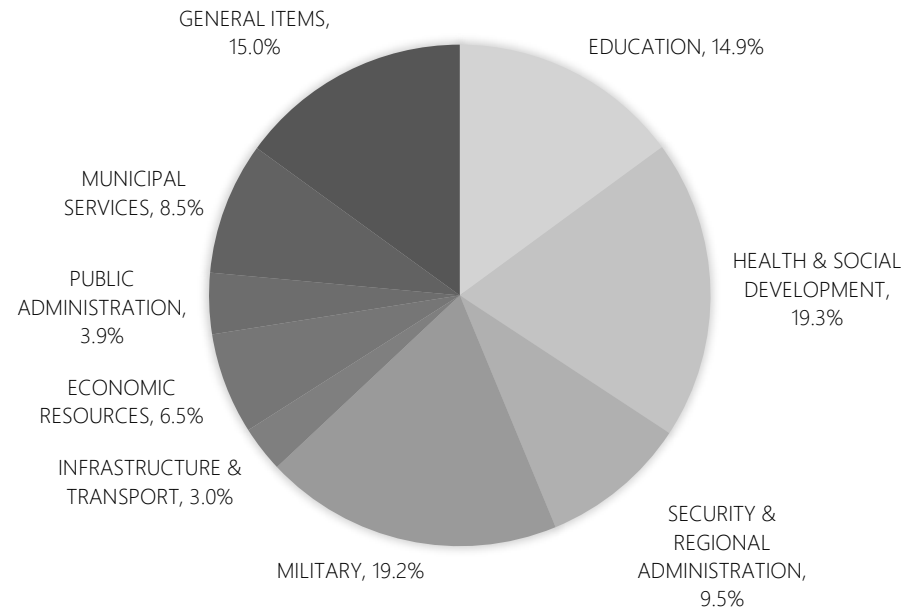
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	65,000,000.00	60,000,000.00	102,000,000.00
NOI	5,200,000	4,800,000	8,160,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5	6
Inflation		0%	0%	0%	0%	0%	0%	7%
Expected Revenue								
Educational Complex	Sqm	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Rate (SAR)	SAR	624	624	624	624	624	624	668
Total	SAR	8,923,279	8,923,279	8,923,279	8,923,279	8,923,279	8,923,279	9,560,656
Overall Revenues		8,923,279	8,923,279	8,923,279	8,923,279	8,923,279	8,923,279	9,560,656
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		8,923,279	8,923,279	8,923,279	8,923,279	8,923,279	8,923,279	9,560,656
Expenses								
CapEx	2.0%	178,466	178,466	178,466	178,466	178,466	178,466	191,213
OpEx	0.0%	0	0	0	0	0	0	0
Overall Expenses		178,466	178,466	178,466	178,466	178,466	178,466	191,213
NOI		8,744,813	8,744,813	8,744,813	8,744,813	8,744,813	8,744,813	9,369,443
Terminal Value	8.0%							117,118,036
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60
Present Value		8,744,813	8,022,765	7,360,335	6,752,600	6,195,046	5,683,529	75,420,351
Net Present Value								118,200,000

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: SAR 118,200,000.00
One Hundred Eighteen 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and Construction Permit

رقم الوثيقة: 309684003635
التاريخ: 1445/5/9

وثيقة تملك عقار

سوق العقارات
Real Estate Market

البيانات الأساسية

رقم الوثيقة: 309684003635
المصدر: الوثائق بالرياض 9
المساحة (م²): 14,300
رقم الوثيقة السابقة: 310122049152
نوع العملية: حقله بتحويل

رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
1445/5/9	الحالة	الوثائق بالرياض 9
معال	القبول	14,300
مرهون	تاريخ الوثيقة السابقة	310122049152
1443/10/23		حقله بتحويل

التقيد

الرقم: 7000120712
قيمة الزمن: 88,606,115.56
تاريخ الاستحقاق:

المالك

رقم الهوية: 7001902688
الاسم: الشركة السعودية للتجارة والتجارة
نسبة المسلك: 100 %

عقار 1 من 20

رقم الهوية العقارية: لا يوجد
نوع العقار: قطعة الأرض
مساحة العقار (م²): 0.25
نوع الاستخدام: لا يوجد

الرقم القطعة: 486

رقم المنطقة: 1822
الحي: قرية
المدينة: الرياض

الحد

نوع: لا يوجد
وصف الحد: لا يوجد
الطول (م): لا يوجد

البلدية: الرياض
وزارة الشؤون البلدية
أمانة منطقة
تاريخ: 1445/5/9

رخصة

رقم الرخصة: 1445/5/9
نوع الرخصة: رخصة
نوع النشاط: رخصة

اسم المالك: 309684003635
رقم المالك: 309684003635

رخصة

رقم الرخصة: 1445/5/9
نوع الرخصة: رخصة
نوع النشاط: رخصة

البيانات الأساسية

رقم الوثيقة: 309684003635
المصدر: الوثائق بالرياض 9
المساحة (م²): 14,300
رقم الوثيقة السابقة: 310122049152
نوع العملية: حقله بتحويل

رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
1445/5/9	الحالة	الوثائق بالرياض 9
معال	القبول	14,300
مرهون	تاريخ الوثيقة السابقة	310122049152
1443/10/23		حقله بتحويل

التقيد

الرقم: 7000120712
قيمة الزمن: 88,606,115.56
تاريخ الاستحقاق:

المالك

رقم الهوية: 7001902688
الاسم: الشركة السعودية للتجارة والتجارة
نسبة المسلك: 100 %

عقار 1 من 20

رقم الهوية العقارية: لا يوجد
نوع العقار: قطعة الأرض
مساحة العقار (م²): 0.25
نوع الاستخدام: لا يوجد

الرقم القطعة: 486

رقم المنطقة: 1822
الحي: قرية
المدينة: الرياض

الحد

نوع: لا يوجد
وصف الحد: لا يوجد
الطول (م): لا يوجد

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

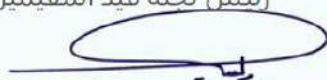
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Atelier La Vie

August 2025

REF: 25-0561-14
Code: 1458893
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-14
Dep. Code	1458893
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial project.
Property Location	Ash Shati district, Jeddah City.
Title Deed No.	420208037288 / 320208037287
Title Deed Date	03/12/1444
Ownership Type	Free hold
Limitations	None.
Owner	Saudi Company for Economics and Development of Real Estate Funds.
Land Use	Commercial.
Land Area (Sqm)	29,745.70 Sqm
BUA (Sqm)	27,489.58 Sqm.
GLA (Sqm)	21,360 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 492,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

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

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Ash Shati district, 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 features a direct view of King Abdul Aziz Street from the east side.

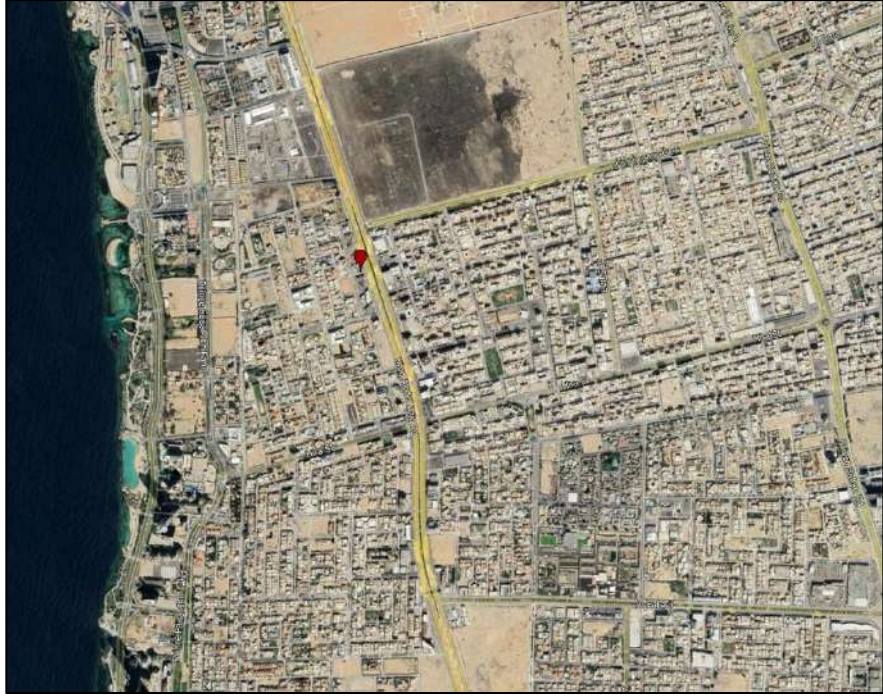
2.2 Ease of Access

The access level of the subject property is classified as high due to its location on King 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 Ash Shati, Jeddah	
Google Maps	

2.5 Title Deed and Ownership

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

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

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

2.6 Construction Permit

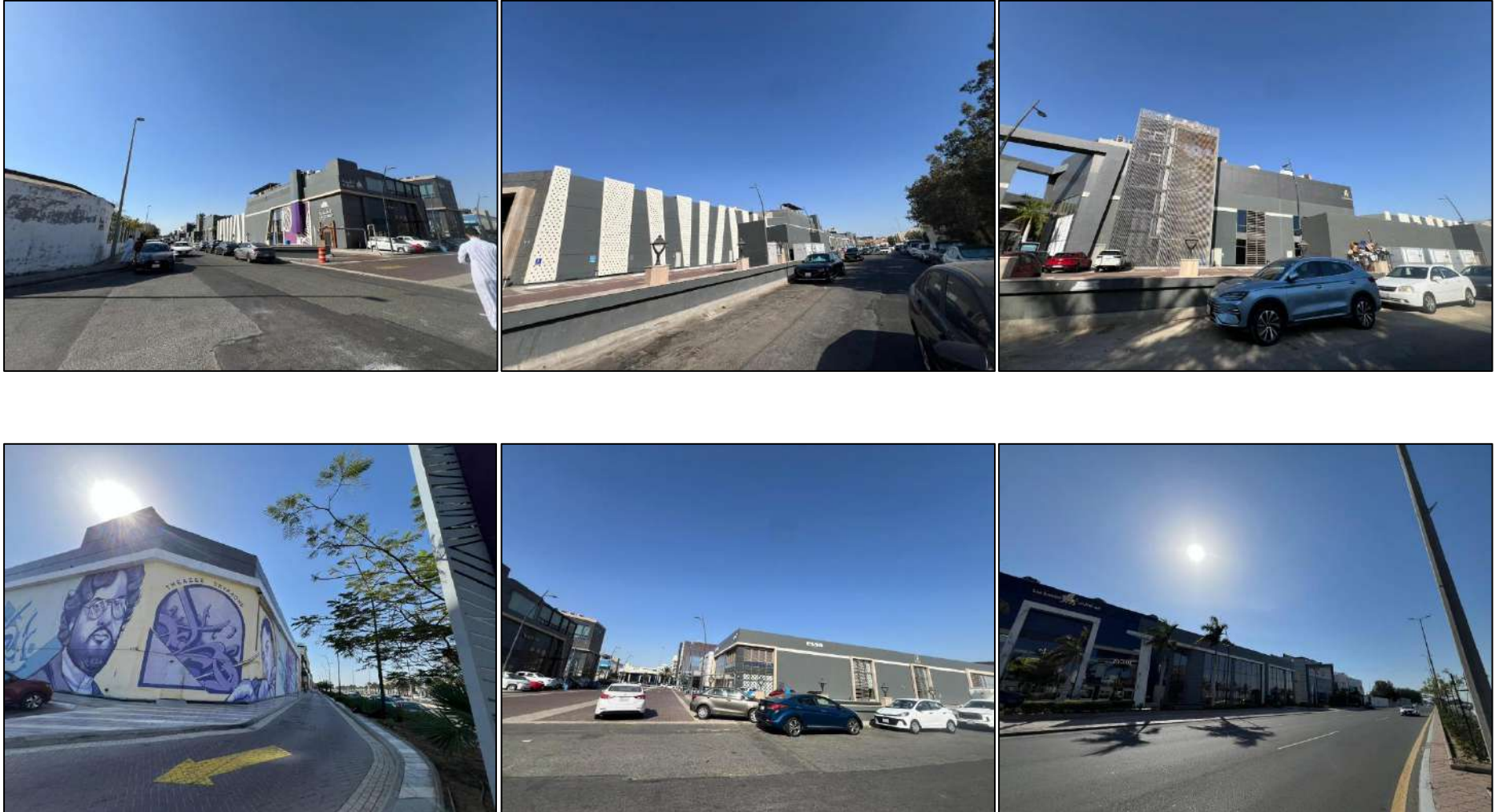
The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Adding and modifying	Built-Up Area (BUA)	11,229.07
Property Type	Commercial project	Actual Age	7
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	7
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





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

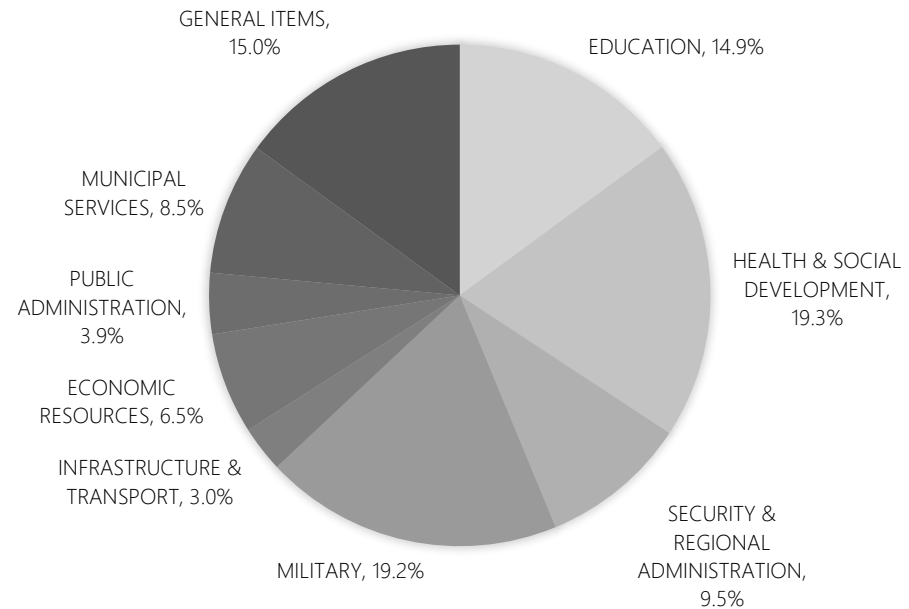
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	85,000,000.00	105,500,000.00	220,000,000.00
NOI	6,800,000	8,440,000	17,600,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5
Inflation		0%	2%	2%	2%	2%	2%
Expected Revenue							
Commercial complex	Sqm	21,360	21,360	21,360	21,360	21,360	21,360
Rate (SAR)	SAR	1,900	1,938	1,977	2,016	2,057	2,098
Extra Income	SAR	1,753,000	1,753,000	1,753,000	1,753,000	1,753,000	1,753,000
Total	SAR	42,337,000	43,148,680	43,976,594	44,821,065	45,682,427	46,561,015
Overall Revenues		42,337,000	43,148,680	43,976,594	44,821,065	45,682,427	46,561,015
Vacancy and Credit Loss							
Commercial complex	7.0%	7,620,660	3,020,408	3,078,362	3,137,475	3,197,770	3,259,271
Total		7,620,660	3,020,408	3,078,362	3,137,475	3,197,770	3,259,271
Effective Rental Income		34,716,340	40,128,272	40,898,232	41,683,591	42,484,657	43,301,744
Expenses							
Property Management Fees	3.5%	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Facilities Management 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		30,380,068	35,792,000	36,561,960	37,347,319	38,148,385	38,965,472
Terminal Value	8.0%						487,068,403
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		30,380,068	32,836,698	30,773,470	28,838,983	27,025,278	341,885,926
Net Present Value							492,000,000

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: SAR 492,000,000.00
Four Hundred Ninety-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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and Construction Permit

	الرقم: 320208077287 التاريخ: 1440/1/17	وثيقة تملك عقار		وزارة الداخلية المدير العام	 المملكة العربية السعودية وزارة الداخلية
1444/12/3 تاريخ عقار لا يوجد قيد 1438/5/23	تاريخ الترخيص الملاك الفرد فيه المصلحة تاريخ الترخيص المصلحة	320208037287 كتيبا العقار الاثني بحد 149548 نقل ملكية 9202141019852	رقم الترخيص المالك المالك من المصلحة رقم الترخيص المصلحة	البيانات الأساسية	
الفئات		الاسم الترخيص 100 %	رقم الترخيص 7081992088	رقم الترخيص	
12 من	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	رقم الترخيص 7081992088	
تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	رقم الترخيص 7081992088	
تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	رقم الترخيص 7081992088	
تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	رقم الترخيص 7081992088	
تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	تاريخ الترخيص لا يوجد	رقم الترخيص 7081992088	

	رقم: 439 2006037/208 التاريخ: 1440/ 12/3	وثيقة تمك عتار		الجمهورية الجزائرية الديمقراطية الشعبية ALGERIE REPUBLIC	
1444/12/3 طاب لا يوجد 1438/12/3	رقم الوثيقة العدد النوع فيما يخص تاريخ الوثيقة السابقة	4392006037/208 كتابة العدل الأولى جذا 12,760.9 نقل 329214018053	رقم الوثيقة المصدر المستند رقم الحالة تاريخ الوثيقة السابقة	14 رقم الحالة تاريخ الوثيقة السابقة رقم الحالة تاريخ الوثيقة السابقة رقم الحالة تاريخ الوثيقة السابقة	
نسبة التملك 100 %	الخصية -	الاسم التركة الموروثة للأختين والبنات الممتلكات السابقة	رقم الوثيقة 76018074488	14 رقم الحالة تاريخ الوثيقة السابقة رقم الحالة تاريخ الوثيقة السابقة رقم الحالة تاريخ الوثيقة السابقة	
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5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

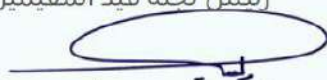
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Banque Saudi Fransi

August 2025

REF: 25-0561-15

Code: 1459200

Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-15
Dep. Code	1459200
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Administrative project.
Property Location	Al-Rayyan district, Dammam City.
Title Deed No.	799684003636
Title Deed Date	09/05/1445
Ownership Type	Mortgaged
Limitations	Title deed-restricted
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 33,800,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property features a direct view of 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 Dammam	
Google Maps	

2.5 Title Deed and Ownership

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

City	Dammam	Land Area	5,191.44 Sqm
District	Al-Rayyan	Plot No.	108-110
T.D Type	Electronic	Block No.	---
T.D Number	799684003636	Layout No.	832/ش.د
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	18m wide 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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

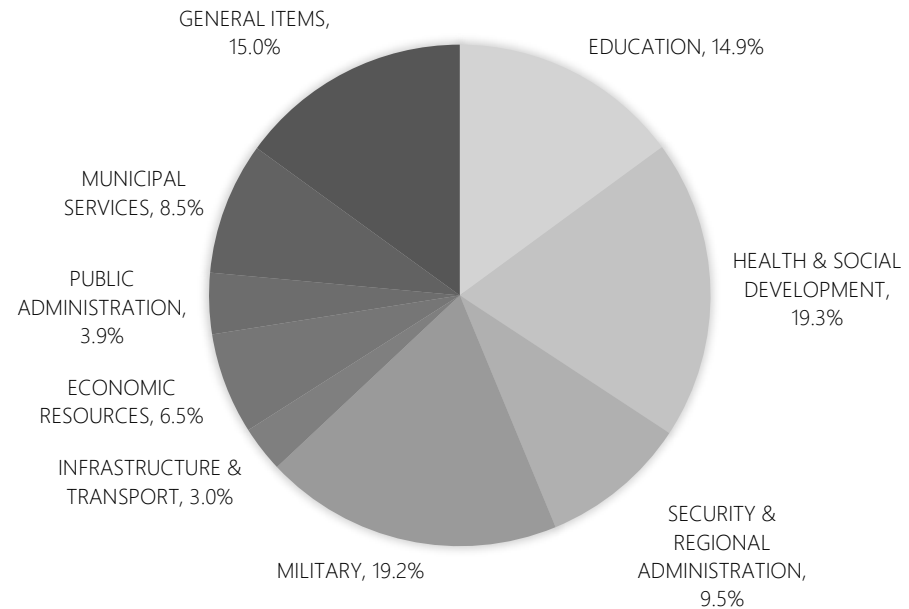
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032
		0	1	2	3	4	5	6	7
Inflation		0%	5%	0%	0%	5%	0%	0%	5%
Expected Revenue									
Commercial complex	Sqm	879	879	879	879	879	879	879	879
Rate (SAR)	SAR	2,490	2,615	2,615	2,615	2,745	2,745	2,745	2,882
Total	SAR	2,000,000	2,298,146	2,298,146	2,298,146	2,530,000	2,413,053	2,413,053	2,533,705
Overall Revenues		2,000,000	2,298,146	2,298,146	2,298,146	2,530,000	2,413,053	2,413,053	2,533,705
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		2,000,000	2,298,146	2,298,146	2,298,146	2,530,000	2,413,053	2,413,053	2,533,705
Expenses									
CapEx	0.0%	0	0	0	0	0	0	0	0
OpEx	0.0%	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0
NOI		2,000,000	2,298,146	2,298,146	2,298,146	2,530,000	2,413,053	2,413,053	2,533,705
Terminal Value	7.0%								36,195,792
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55
Present Value		2,000,000	2,108,390	1,934,303	1,774,590	1,792,316	1,568,319	1,438,825	21,186,361
Net Present Value									33,800,000

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: SAR 33,800,000.00
Thirty-Three 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed



الرقم: 799684003636
التاريخ: 1445/5/9

وثيقة تملك عقار

Real Estate Member



البيانات الأساسية

رقم الوثيقة	799684003636	تاريخ الوثيقة	1445/5/9
المصدر	المولدين بالرياض 9	الحالة	فعال
المساحة (م ²)	5,191.44	التقود	مرحون
رقم الوثيقة السابقة	393010010161	تاريخ الوثيقة السابقة	1444/11/1
نوع السيلة	صفقة بشميل		

التقود

القبض	الجهة الراحة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرحون	بنك الجويوه	7000120712	ر.س 14,990,328	

الملاك

رقم الهوية	الاسم	نسبة الملاك
7001902688	الشركة السعودية للاقتصاد والتنمية للعقارات	100 %

عقار 1 من 3

رقم الهوية المقارنة	نوع العقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,691.36	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
108	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 108	29.71
جنوبا	شارع	عرض 30 متر	48.24
شرقا	قطعة	رقم 107	49.29
غربا	قطعة	رقم 110	45.16

عقار 2 من 3

رقم الهوية المقارنة	نوع العقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,638.36	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
110	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 108	29.71
جنوبا	شارع	عرض 30 متر	48.02
شرقا	قطعة	رقم 109	45.16
غربا	قطعة	رقم 112	40

صدرت هذه الوثيقة من البورصة العقارية، ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وإلزامية هذه المقار. الصفحة 2 من 2



الرقم: 799684003636
التاريخ: 1445/5/9

وثيقة تملك عقار

Real Estate Member



عقار 2 من 3

رقم الهوية المقارنة	نوع العقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,861.72	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
109	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 108	29.71
جنوبا	شارع	عرض 30 متر	48.24
شرقا	قطعة	رقم 107	49.29
غربا	قطعة	رقم 110	45.16

عقار 3 من 3

رقم الهوية المقارنة	نوع العقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,638.36	لا يوجد
الموقع	نموذج المقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
110	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 108	29.71
جنوبا	شارع	عرض 30 متر	48.02
شرقا	قطعة	رقم 109	45.16
غربا	قطعة	رقم 112	40

صدرت هذه الوثيقة من البورصة العقارية، ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وإلزامية هذه المقار. الصفحة 2 من 2

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

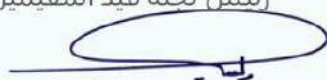
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Dar Al Bara'a School

August 2025

REF: 25-0561-6
Code: 1458693
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-6
Dep. Code	1458693
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	School.
Property Location	An Narjes district, Riyadh City.
Title Deed No.	599684003633
Title Deed Date	09/05/1445
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 175,300,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a school located in An 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 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property features a direct view of As Sunbulah Street from the north side.

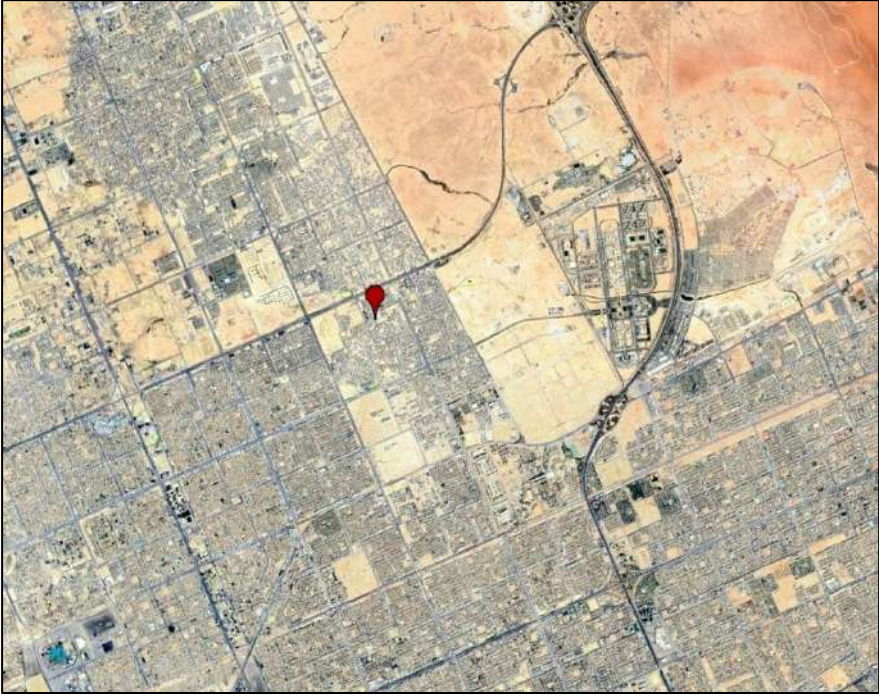
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location near King Salman 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°50'34.97"N 46°40'4.32"E	
السنبلة، الترجمس، الرياض 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 deeds. 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	09/05/1446	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Street 20m width	East Side	Street 20m width
South Side	Street 30m width	West Side	Street 36m width

2.6 Construction Permit

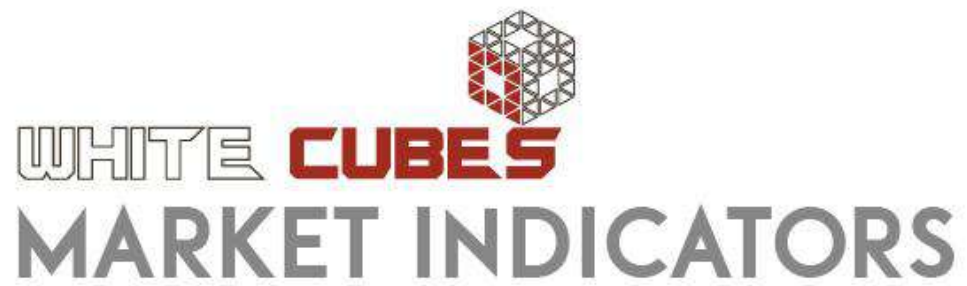
The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	Modifying building plans	Built-Up Area (BUA)	33,429
Property Type	School complex	Actual Age	8
Construction Permit No.	1435/20257	State of Property	Fully Constructed
Construction Permit Date	23/11/1421	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

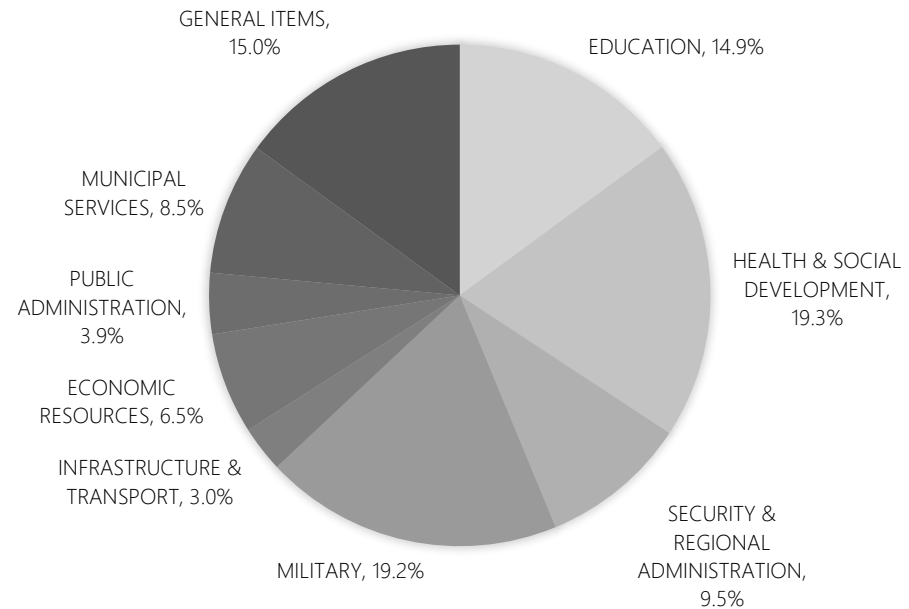
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	65,000,000.00	60,000,000.00	102,000,000.00
NOI	5,200,000	4,800,000	8,160,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		0	1	2	3	4	5	6	7	8	9	10
Inflation		0.0%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%	0.0%	7.5%	0.0%
Expected Revenue												
Educational Complex	Sqm	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385
Rate (SAR)	SAR	848	848	848	911	911	911	980	980	980	1,053	1,053
Total	SAR	13,044,117	13,044,117	13,044,117	14,022,426	14,022,426	14,022,426	15,074,108	15,074,108	15,074,108	16,204,666	16,204,666
Overall Revenues		13,044,117	13,044,117	13,044,117	14,022,426	14,022,426	14,022,426	15,074,108	15,074,108	15,074,108	16,204,666	16,204,666
Vacancy and Credit Loss												
Educational Complex	0.0%	0	0	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0	0
Effective Rental Income		13,044,117	13,044,117	13,044,117	14,022,426	14,022,426	14,022,426	15,074,108	15,074,108	15,074,108	16,204,666	16,204,666
Expenses												
CapEx	0.0%	0	0	0	0	0	0	0	0	0	0	0
OpEx	8.0%	1,043,529	1,043,529	1,043,529	1,121,794	1,121,794	1,121,794	1,205,929	1,205,929	1,205,929	1,296,373	1,296,373
Overall Expenses		1,043,529	1,043,529	1,043,529	1,121,794	1,121,794	1,121,794	1,205,929	1,205,929	1,205,929	1,296,373	1,296,373
NOI		12,000,588	12,000,588	12,000,588	12,900,632	12,900,632	12,900,632	13,868,179	13,868,179	13,868,179	14,908,293	14,908,293
Terminal Value	8.0%											186,353,659
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50	0.46	0.42
Present Value		12,000,588	11,009,713	10,100,655	9,961,655	9,139,133	8,384,526	8,269,142	7,586,369	6,959,972	6,864,192	85,015,223
Net Present Value												175,300,000

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: SAR 175,300,000.00
One Hundred Seventy-Five 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and Construction Permit



الرقم: 599684003633
التاريخ: 1445/5/9

وثيقة تملك عقار

الهيئة العامة للعقار
Real Estate Market



رقم الرقعة	تاريخ الرقعة	رقم الرقعة	تاريخ الرقعة
599684003633	1445/5/9	599684003633	1445/5/9
الموافق بالرياض 9	الحالة	الموافق بالرياض 9	الحالة
15,385.2	المساحة (م ²)	15,385.2	المساحة (م ²)
310122049151	تاريخ الرقعة السابقة	310122049151	تاريخ الرقعة السابقة
صنفه بتسليم	نوع المسكن	صنفه بتسليم	نوع المسكن

القبيل	الجهة الراضة	رقم المنشأة	نصف الرهن	تاريخ الاستحقاق
مرحون	بنك الجزيرة	7000120712	رأس 110,249,556	

رقم الهوية	الاسم	نسبة التملك
7001902683	الشركة السعودية للاستثمار والتجارة التجارية	100 %

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	تقنية الأرض	15,385.2	لا يوجد
لا يوجد	البنوع	لا يوجد	لا يوجد
رقم القطعة	رقم المخطط	رقم المخطط	المدينة
3416	2737	2737	الرياض

الحد	العرض	وصف الحد	الطول (م ²)
شمالاً	عرض 20م		256.42
جنوباً	عرض 30م		256.42
شرقاً	عرض 20م		60
غرباً	عرض 36م		60

مصدر هذه الوثيقة من الوزارة العامة يمكن التحقق من صحة هذه الوثيقة من الجهات الحكومية المختصة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار : الصفحة 1 من 1



الرقم: 599684003633
التاريخ: 1445/5/9

وثيقة تملك عقار

الهيئة العامة للعقار
Real Estate Market



رقم الرقعة	تاريخ الرقعة	رقم الرقعة	تاريخ الرقعة
599684003633	1445/5/9	599684003633	1445/5/9
الموافق بالرياض 9	الحالة	الموافق بالرياض 9	الحالة
15,385.2	المساحة (م ²)	15,385.2	المساحة (م ²)
310122049151	تاريخ الرقعة السابقة	310122049151	تاريخ الرقعة السابقة
صنفه بتسليم	نوع المسكن	صنفه بتسليم	نوع المسكن

القبيل	الجهة الراضة	رقم المنشأة	نصف الرهن	تاريخ الاستحقاق
مرحون	بنك الجزيرة	7000120712	رأس 110,249,556	

رقم الهوية	الاسم	نسبة التملك
7001902683	الشركة السعودية للاستثمار والتجارة التجارية	100 %

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	تقنية الأرض	15,385.2	لا يوجد
لا يوجد	البنوع	لا يوجد	لا يوجد
رقم القطعة <td>رقم المخطط <td>رقم المخطط <td>المدينة</td> </td></td>	رقم المخطط <td>رقم المخطط <td>المدينة</td> </td>	رقم المخطط <td>المدينة</td>	المدينة
3416	2737	2737	الرياض

الحد	العرض	وصف الحد	الطول (م ²)
شمالاً	عرض 20م		256.42
جنوباً	عرض 30م		256.42
شرقاً	عرض 20م		60
غرباً	عرض 36م		60

مصدر هذه الوثيقة من الوزارة العامة يمكن التحقق من صحة هذه الوثيقة من الجهات الحكومية المختصة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار : الصفحة 1 من 1

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

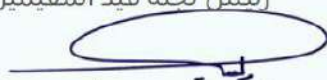
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values





WHITE **CUBES**

REAL ESTATE VALUATION REPORT

SEDCO Capital
(SEDCO REIT Fund)
Dunecrest American School
August 2025

REF: 25-0561-22
Code: 1459214
Date: 10/08/2025

Subject: Valuation Report for Schools - Dubai, United Arab Emirates

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-22
Dep. Code	1459214
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Schools
Property Location	Wadi Al Safa 3, Dubai, United Arab Emirates.
Title Deed No.	645-3292
Title Deed Date	2025/05/13
Ownership Type	Absolute title deed
Limitations	----
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 165,700,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8.5%. 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 9.48%. This rate accounts for the time value of money, risk factors, and the anticipated returns required by investors.
5. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted unless specified otherwise by the client.
6. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
7. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. It should be noted that this value serves as an indicative figure under current market conditions.
8. **Development Potential:** It is assumed that the property has development or redevelopment potential, subject to obtaining the necessary permits and approvals.
9. **Construction Status:** It is assumed that any ongoing construction or development will be completed within the specified timeframe and budget as provided by the client.
10. **Economic Stability:** The valuation assumes that there will be no significant economic or market disruptions during the forecasted period.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 03/07/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Schools located in Wadi Al Safa 3, Dubai, United Arab Emirates. 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 evaluation purposes, it was noted that the property is open on 4 sides and is close to Sheikh Mohammed bin Zayed Road.

2.2 Ease of Access

The property's accessibility is considered average based on its current location near 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	
Wadi Al Safa 3 - Dubai - United Arab Emirates	
Google Maps	

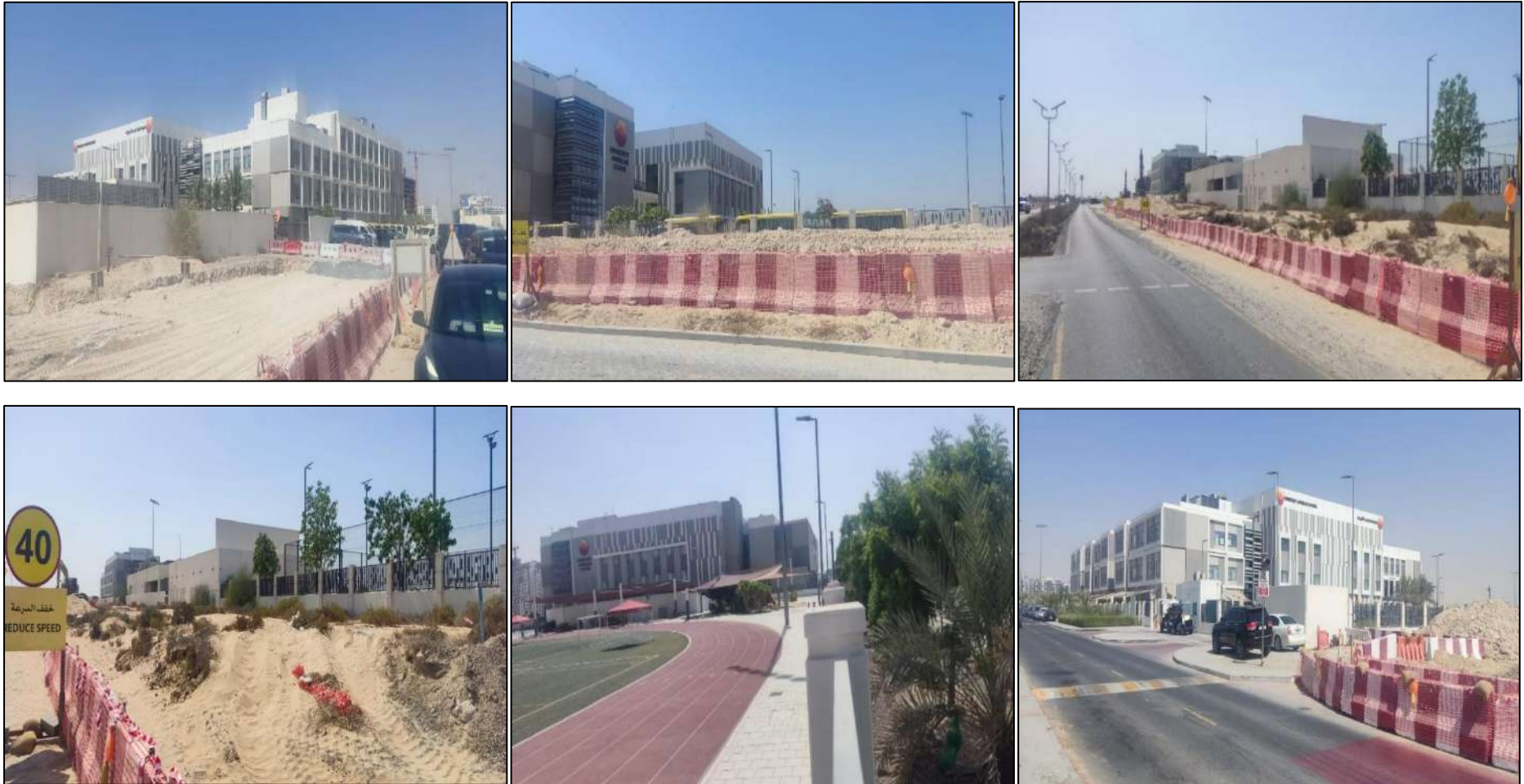
2.5 Title Deed and Ownership

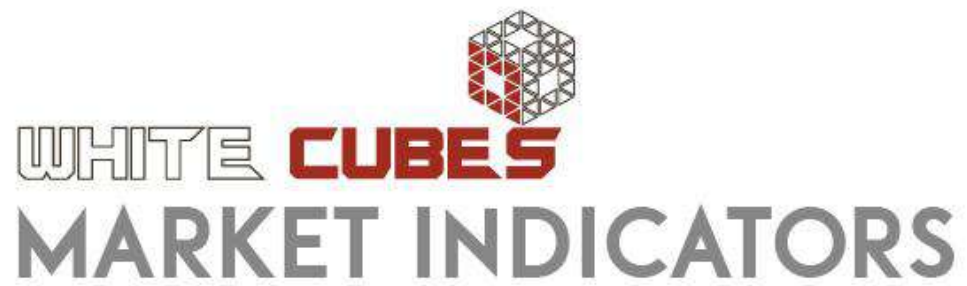
The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject:

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	absolute
Owner	Sedco Cap SPV Limited.	Limitation of Document	-----
Issued From	Ministry of Justice		
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

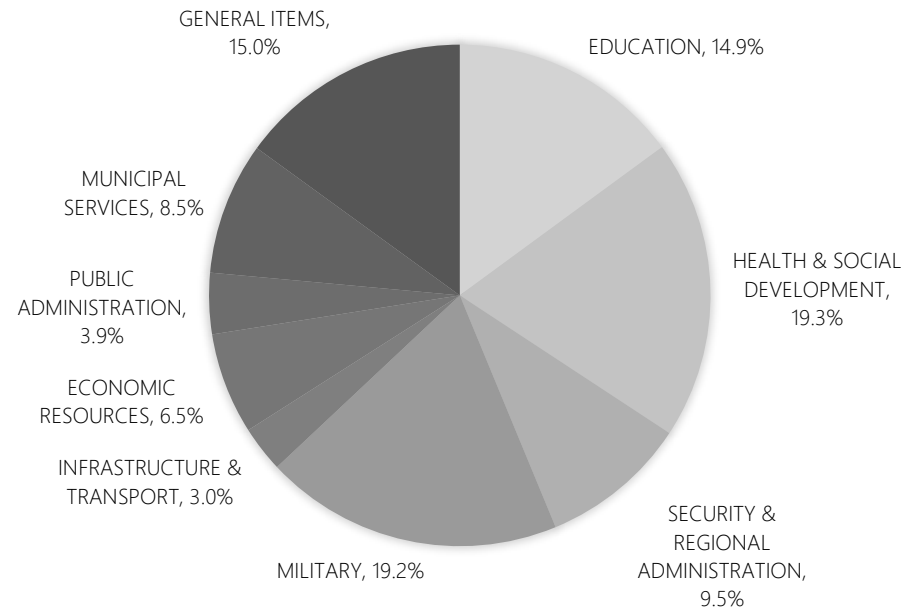
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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	320,000,000.00	155,000,000.00	240,000,000.00
NOI	25,600,000	13,175,000	21,600,000
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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	4.9%	Source	SAMA
Inflation Rate%	2.1%		GASTAT
Market Risk Premium%	1.5%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.48%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9
Inflation		0%	0%	0%	3%	0%	3%	0%	3%	0%	3%
Expected Revenue											
Educational Attached	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	342	352	352	363	363	374	374	385
Total	SAR	12,546,000	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
Overall Revenues		12,546,000	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
Vacancy and Credit Loss											
Educational Attached	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	12,546,000	12,922,380	12,922,380	13,310,051	13,310,051	13,709,353	13,709,353	14,120,634
Expenses											
CapEx	2.5%	313,650	313,650	313,650	323,060	323,060	332,751	332,751	342,734	342,734	353,016
OpEx	0.0%	0	0	0	0	0	0	0	0	0	0
Overall Expenses		313,650	313,650	313,650	323,060	323,060	332,751	332,751	342,734	342,734	353,016
NOI		12,232,350	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
Terminal Value	8.5%										
Discount Rate	9.5%	1.00	0.91	0.83	0.76	0.70	0.64	0.58	0.53	0.48	0.44
Present Value		12,232,350	11,171,096	10,201,914	9,596,321	8,763,763	8,243,540	7,528,347	7,081,459	6,467,086	6,083,195
Net Present Value											

Discounted Cash Flows		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
		10	11	12	13	14	15	16	17	18	19	20
Inflation		0%	4%	0%	5%	0%	5%	0%	5%	0%	5%	0%
Expected Revenue												
Educational Attached	Sqm	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695	36,695
Rate (SAR)	SAR	385	400	400	420	420	441	441	463	463	486	486
Total	SAR	14,120,634	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		14,120,634	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 Attached	0.0%	0	0	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0	0
Effective Rental Income		14,120,634	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												
CapEx	2.5%	353,016	367,136	367,136	385,493	385,493	404,768	404,768	425,006	425,006	446,257	446,257
OpEx	0.0%	0	0	0	0	0	0	0	0	0	0	0
Overall Expenses		353,016	367,136	367,136	385,493	385,493	404,768	404,768	425,006	425,006	446,257	446,257
NOI		13,767,618	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	8.5%											204,753,063
Discount Rate	9.5%	0.40	0.37	0.34	0.31	0.28	0.26	0.23	0.21	0.20	0.18	0.16
Present Value		5,555,429	5,276,389	4,818,620	4,620,595	4,219,721	4,046,308	3,695,259	3,543,399	3,235,980	3,102,995	36,172,436
Net Present Value												165,700,000

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: SAR 165,700,000.00
One Hundred Sixty-Five 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds

 حكومة قطر GOVERNMENT OF QATAR	شهادة ملكية عقار Title Deed	دولة قطر والحدود المملوكة State of Qatar Property Owner 
Issue Date: 13/05/2025 Mortgage Status: Not mortgaged Property Type: أرضي Community: Wadi Al Safa 3 Plot No: 695 Municipality Ref: 645 - 3292 Area Sq Meter: 366/94,00 Area Sq Foot: 394,900,62	تاريخ الإصدار: 13/05/2025 حالة الرهن: غير مرهونة نوع العقار: أرضي المحافظة: وادي الصفا 3 رقم القطر: 695 رقم البلدية: 645 - 3292 المساحة المثلثة متر مربع : 366/94,00 المساحة المثلثة بالقدم المربع : 394,900,62	تاريخ الإصدار: 13/05/2025 حالة الرهن: غير مرهونة نوع العقار: أرضي المحافظة: وادي الصفا 3 رقم القطر: 695 رقم البلدية: 645 - 3292 المساحة المثلثة متر مربع : 366/94,00 المساحة المثلثة بالقدم المربع : 394,900,62

Owner's numbers and their shares:	المساهمة بالقيمة المبررة (Sq Meter)	أرقام وأسماء الملاك ومخصصاتهم:
(7038636) SEDCO CAP SPV LIMITED	36094.90	(7038636) شركة كاب إس بي في ليميتد

Purchased from AMANA STEEL BUILDINGS
CONTRACTING L.L.C by the Land Registration No. :
44588/2025 Date 13/05/2025 for the amount 158000000
Dirhams, One Hundred Fifty Eight Million UAE Dirhams
only. Dirhams

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  4400020205

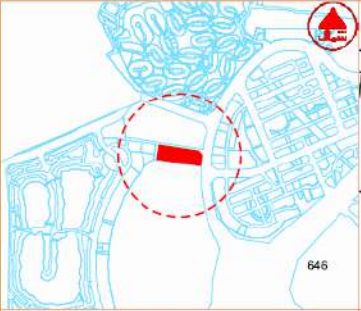
R.T. Centre No. 5/1040 مرکز تعلیم و تحقیقات

- Digital data of this certificate is securely stored on blockchain
- Certificate is electronically issued and no signature or stamp is required
- Any changes in the certificate make it void
- It is prohibited to hold this certificate by any other party

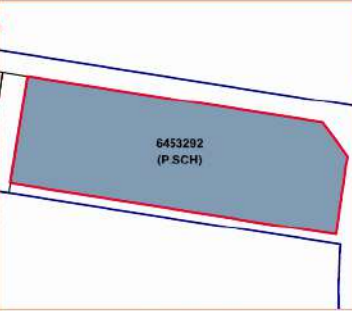
1/1

					المملكة العربية السعودية
مدير التعليم العام	الرياض العامة	تاريخ الإصدار :	٥٤٠٩ / ٢٠١٥	تاريخ الترخيص : ٣٠٨٤٦١ - ٤ - ٤	رقم الترخيص :
شركة المظفر للمرافق التجارية بدمج					مسلك
أ. تايض نجيدة	٧٤٥٣٣٩٢	اسم المنطقة الجغرافية :	الرياض العامة		رقم الترخيص :
فاز المهندس :		مختصه :	خدمة الأعمال		قراي القويضي
This Agreement for Shopping Rilling work by Etilsat plant to be protected and any damage caused to ETO plant, any damages repairing and lost traffic will be charged under the customer cost . Affected plant will be relocated on client cost under Etilsat supervision Demonstrator to provide and install all cables made and accessories required to establish the fire from Etilsat room to server room datacenter if Any Etilsat direct services requested must be provided in Etilsat room with owner should provide all the additional requirements All Etilsat's requirements as per 2013 Etilsat Design Guidelines for FIBER TO HOME Requirements. Etilsat will ensure service up to main TEL com only ADS combined to be provided in Etilsat room with required ODFs and splitters Service distribution while the building will be PMOX					
قراي القويضي :		مختصه :	إنتاج الفني		
THIS APPROVAL IS FOR SCHOOL NO KIDS BELOW 8 YEARS ARE ALLOWED TO BE ACCOMMODATED AT FLOOR OTHER THAN GROUND/FLOOR STUDENTS SHALL BE EQUIPPED WITH AWARENESS OF FIRE SAFETY THE STAFF SHALL BE TRAINED WITH FREE 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 8 YEARS ARE ALLOWED TO BE - ACCOMMODATED AT FLOOR OTHER THAN GROUND/FLOOR STUDENTS SHALL BE EQUIPPED WITH AWARENESS OF FIRE SAFETY THE STAFF SHALL BE TRAINED WITH FREE EXTINGUISHER USAGE, EVACUATION PROCEDURES ETC COMPLY WITH UAE CODE FOR CURTAINWALL CLADDING , ROOFING GLAZING WALL SYSTEMS BALCONIES HANDRAILS AND					
General Conditions					
1. Contract shall Observed requirements; UAE Fire and Life Safety Code of Practice By Decibel Construction Installation of Fire and Life Safety systems including Communication, Cladding Glazing, Roofing, Wall Systems, Fire Doors, Fire Alarm System, Fire Fighting system, Smoke Control System, Lifted Systems. 2 All the material used at the Supplier, all the Contractors Implementing Fire and Life Safety Systems in this building shall be inspected and approved by Dubai Civil Defence. 3 Building design consultation shall comply with all Fire Safety requirements of Chapter 12, UAE Fire and Life Safety Code of Practice. 4 It is a building owner's responsibility to make sure that Construction works and Contractors follow the Rules and Regulations of Dubai Civil Defence. 5 It is a Contractor's responsibility to make sure that no Construction work or System installation is commenced at site without formal approval from Dubai Civil Defence. 6 It is a building owner's responsibility to appoint registered contractors regularly maintain and ensure that all the Fire and Life Safety Systems in the buildings are functioning continuously.					

[illegible]



الموقع العام



تصنيف استعمالات الأرض

المعلومات التخطيطية لقطعة الأرض رقم 6453292 كما يلي :

مدرسة (جميع المراحل)	P.SCH	الاستعمال :	
أرضي فقط للروضة و الإبتدائي حلقة أولى , و أرضي + ثلاثة طوابق للإعدادي و الثانوي. ونسبة تغطية = 0.53 و مجموع المساحة الطبيعية = 19510.0 متر مربع	P.SCH	الارتفاع :	
موقف لكل فصل دراسي + موقف لكل 50 متر مربع من مجموع المساحة الطبيعية المكتفية + موقف حافلات لكل 3 فصول دراسية	P.SCH	المواقف :	
خمس أمتار من جميع الجهات	P.SCH	الارتداد :	
---	P.SCH	ملاحظات :	

المنسوب المرجعي = (30) سم من منسوب أي طريق قائم مجاور
يتحمل المالك تكاليف نقل خطوط الخدمات إن وجدت

هذه المعلومات التخطيطية سارية المفعول عالم تتعارض مع التشريعات التخطيطية المعممة و للأكاد من صلاحيتها قبل البيع والشراء يرجى الدخول إلى موقع البلدية الإلكتروني
DUBAI (www.dubai.gov.ae) واستعمال تطبيق مكتبته الأراضي أو من خلال تطبيق DUBAI locator Application and DDCAI app.
The information is applicable as long as it does not conflict with other approved planning regulations, and should always be reviewed for validity upon selling or purchasing. Please visit (www.dubai.gov.ae) for



Scale - 1 : 3000



الموقع العام

المعلومات التخطيطية لقطعة الأرض رقم 6453292 كما يلي :

مدرسة (جميع المراحل)	P.SCH	الاستعمال :	
أرضي فقط للروضة و الإبتدائي حلقة أولى , و أرضي + ثلاثة طوابق للإعدادي و الثانوي. ونسبة تغطية = 0.53 و مجموع المساحة الطبيعية = 19510.0 متر مربع	P.SCH	الارتفاع :	
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خمس أمتار من جميع الجهات	P.SCH	الارتداد :	
---	P.SCH	ملاحظات :	

المنسوب المرجعي = (30) سم من منسوب أي طريق قائم مجاور
يتحمل المالك تكاليف نقل خطوط الخدمات إن وجدت

هذه المعلومات التخطيطية سارية المفعول عالم تتعارض مع التشريعات التخطيطية المعممة و للأكاد من صلاحيتها قبل البيع والشراء يرجى الدخول إلى موقع البلدية الإلكتروني
DUBAI (www.dubai.gov.ae) واستعمال تطبيق مكتبته الأراضي أو من خلال تطبيق DUBAI locator Application and DDCAI app.
The information is applicable as long as it does not conflict with other approved planning regulations, and should always be reviewed for validity upon selling or purchasing. Please visit (www.dubai.gov.ae) for

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

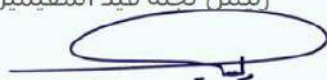
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values





REAL ESTATE VALUATION REPORT

SEDCO Capital
(SEDCO REIT Fund)
Saudi Electronics Company
Extra

August 2025

REF: 25-0561-19

Code: 1459209

Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-19
Dep. Code	1459209
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial complex
Property Location	Al Aziziyah , Dammam City.
Title Deed No.	499181002146 – 999181002152 - 399181002150
Title Deed Date	1445/05/08
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Saudi Real Estate Funds Development and Economic Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 59,000,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 7%. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 03/07/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Commercial complex located in Al Aziziyah, Dammam City, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area 8,258.25 square meters.
- Building area: 4,404 square meters.

During the site inspection conducted for evaluation purposes, it was noted that the property is open from 4 sides, and the property is distinguished by its proximity to the Gulf Road from the northern side.

2.2 Ease of Access

The accessibility of the property is considered average based on its current 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

City Scale	District Scale
	
26°27'35.7"N 50°04'43.3"E	
F35H+XF7 Dammam	
Google Maps	

2.5 Title Deed and Ownership

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

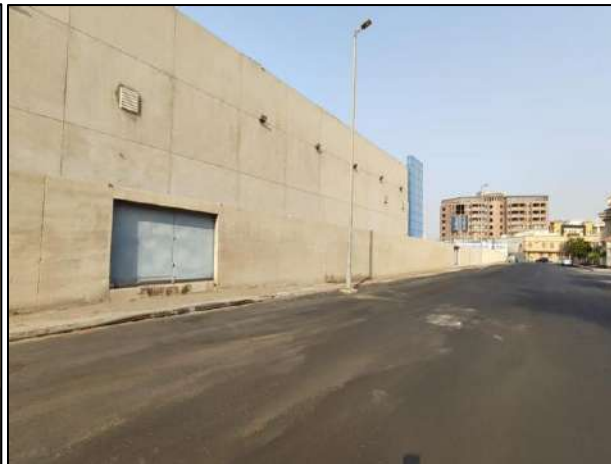
City	Dammam	Land Area	2,258.25
District	Al- Aziziyah	Plot No.	16
T.D Type	Electronic	Block No.	---
T.D Number	999181002152	Layout No.	1/418
T.D Date	1445/05/08	Ownership Type	Mortgage
Owner	Saudi Real Estate Development and Economic Company	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	60m wide street	East Side	20m wide street
South Side	20m wide street	West Side	Plot No 12

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

City	Dammam	Land Area	1,500
District	Al- Aziziyah	Plot No.	16
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

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





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

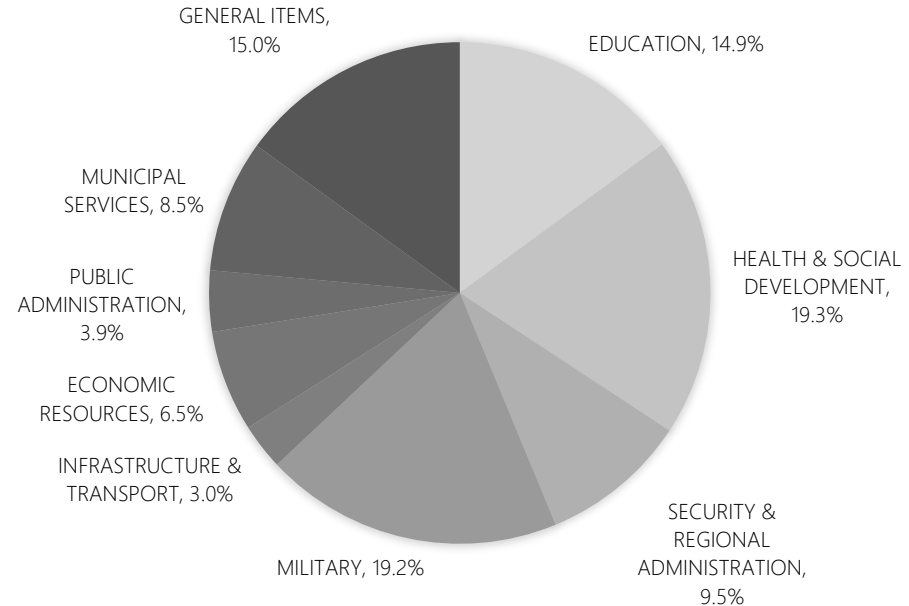
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032
		0	1	2	3	4	5	6	7
Inflation		0.0%	0.0%	4.0%	0.0%	0.0%	4.0%	0.0%	0.0%
Expected Revenue									
Commercial complex	Sqm	4,404	4,404	4,404	4,404	4,404	4,404	4,404	4,404
Rate (SAR)	SAR	910	910	946	946	984	984	984	984
Total	SAR	3,937,024	4,007,640	4,167,946	4,167,946	4,334,663	4,334,663	4,334,663	4,334,663
Overall Revenues		3,937,024	4,007,640	4,167,946	4,167,946	4,334,663	4,334,663	4,334,663	4,334,663
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		3,937,024	4,007,640	4,167,946	4,167,946	4,334,663	4,334,663	4,334,663	4,334,663
Expenses									
CapEx	0.0%	0	0	0	0	0	0	0	0
OpEx	0.0%	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0
NOI		3,937,024	4,007,640	4,167,946	4,167,946	4,334,663	4,334,663	4,334,663	4,334,663
Terminal Value	7.0%								61,923,763
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	3,676,734	3,508,076	3,218,419	3,070,785	2,817,234	2,584,618	36,245,628
Net Present Value									59,000,000

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: SAR 59,000,000.00
Fifty-Nine Million Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of RE Valuation
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of RE Valuation
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds



الرقم: 499181002146
التاريخ: 1445/5/8

وثيقة تملك عقار

السوق العقارية السعودية Real Estate Market



البيانات الأساسية			
رقم الوثيقة	499181002146	تاريخ الوثيقة	1445/5/8
المصدر	الموطين بجدة 6	الحالة	فعال
المساحة (م²)	3,000	أقود	مربعون
رقم الوثيقة السابقة	393759000192	تاريخ الوثيقة السابقة	1443/9/16
نوع العدلية	صفقة تمويل		

التقيد			
العدد	الحصة الزائدة	رقم المنشأة	لحمة الزمن
مرهون	بنك الجزيرة	7000120712	رأس 10,640,886

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

عقار 1 من 2

رقم الوثيقة العقارية	نوع العقار	مساحة العقار (م²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,500	لا يوجد

الموقع	
نموذج العقار	لا يوجد

رقم القطعة	رقم المسطط	الحي	المدينة
12	1 / 418	العزيزية	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	الكويش عرض 60 متر	30
جنوبا	شارع	عرض 20 متر	30
شرقا	قطعة	رقم 13	50
غربا	نافذ	عرض 8 متر	50

صدرت هذه الوثيقة من البورصة العقارية، ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 1 من 3



الرقم: 499181002146
التاريخ: 1445/5/8

وثيقة تملك عقار

السوق العقارية السعودية Real Estate Market



عقار 2 من 2

رقم الوثيقة العقارية	نوع العقار	مساحة العقار (م²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,500	لا يوجد

الموقع	
نموذج العقار	لا يوجد

رقم القطعة	رقم المسطط	الحي	المدينة
13	1 / 418	العزيزية	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	الكويش عرض 60 متر	30
جنوبا	شارع	عرض 20 متر	30
شرقا	قطعة	رقم 14	50
غربا	قطعة	رقم 12	50

صدرت هذه الوثيقة من البورصة العقارية، ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 2 من 2



الرقم: 999181002152
التاريخ: 1445/5/8

وثيقة تملك عقار

السوق العقارية
Real Estate Market

وزارة العدل
Ministry of Justice

وزارة الداخلية
Ministry of Interior

البيانات الأساسية

رقم الوثيقة	999181002152	تاريخ الوثيقة	1445/5/8
المصدر	الموفقين بجدة 6	الحالة	قمال
المساحة (م ²)	3,758.25	القيود	مرهون
رقم الوثيقة السابقة	393759000193	تاريخ الوثيقة السابقة	1443/9/17
نوع السلية	صفقة بنمىل		

القيود

القيود	الجهة الرامنة	رقم المنشأة	قيمة الزمن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	رسم 10,640,886	

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	2,258.25	لا يوجد
	الموقع	نموذج العقار	
	لا يوجد	لا يوجد	
رقم القطعة	رقم المخطط	الحي	البلدية
16	1 / 418	العريضة	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 60 متر	30.06
جنوبا	شارع	عرض 20 متر	61.31
شرقا	شارع	عرض 20 متر	58.96
غربا	قطعة	رقم 15	51

صدرت هذه الوثيقة من البوصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وأجهزة العامة للعقار. الصفحة 1 من 2



الرقم: 999181002152
التاريخ: 1445/5/8

وثيقة تملك عقار

السوق العقارية
Real Estate Market

وزارة العدل
Ministry of Justice

وزارة الداخلية
Ministry of Interior

عقار 2 من 2

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,500	لا يوجد
	الموقع	نموذج العقار	
	لا يوجد	لا يوجد	
رقم القطعة	رقم المخطط	الحي	البلدية
15	1 / 418	العريضة	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 60 متر	30
جنوبا	شارع	عرض 20 متر	30
شرقا	قطعة	رقم 16	51
غربا	قطعة	رقم 14	50

صدرت هذه الوثيقة من البوصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وأجهزة العامة للعقار. الصفحة 2 من 2



الرقم: 399181002150
التاريخ: 1445/5/8

وثيقة تملك عقار

الهيئة العقارية
Real Estate Market



البيانات الأساسية

رقم الوثيقة	399181002150	تاريخ الوثيقة	1445/5/8
المصدر	الموثقين جعدة 6	الحالة	فعال
المساحة (م ²)	1,500	القيود	مرهون
رقم الوثيقة السابقة	393759000194	تاريخ الوثيقة السابقة	1443/9/17
نوع العملية	صفقة تمويل		

القيود

القيود	الجهة الراحة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	ر.س 10,640,886	

الملاك

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

العقار

رقم الهوية العقارية		نوع العقار		مساحة العقار (م²)		نوع الاستخدام	
لا يوجد		قطعة الارض		1,500		لا يوجد	
الموقع		نموذج العقار					
لا يوجد		لا يوجد					
رقم القطعة		رقم المخطط		الحي		المدينة	
14		1 / 418		العزيزة		الدمام	

المحد	النوع	وصف المحد	الطول (م ²)
شمالا	شارع	عرض 60 متر	30
جنوبيا	شارع	عرض 20 متر	30
شرقا	قطعة	رقم 15	50
غربا	قطعة	رقم 13	50

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

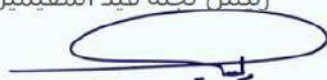
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Hayat Tower

August 2025

REF: 25-0561-1
Code: 1458580
Date: 10/08/2025

Subject: Valuation Report for Hayat Tower – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-1
Dep. Code	1458580
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 22,100,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 features a direct view of 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
	
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 deeds. 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

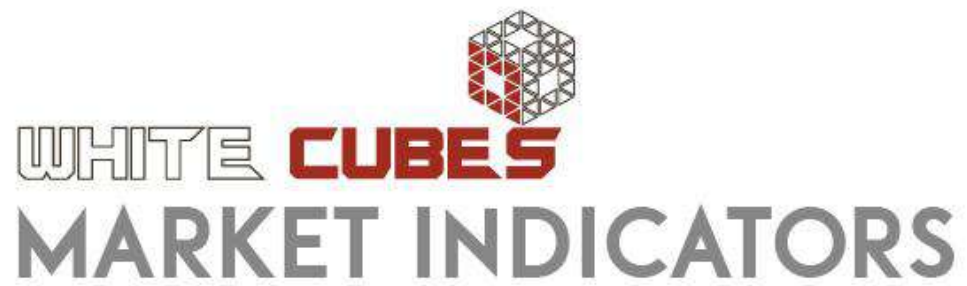
The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	New Permit	Built-Up Area (BUA)	6,574
Property Type	Commercial residential building	Actual Age	25
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

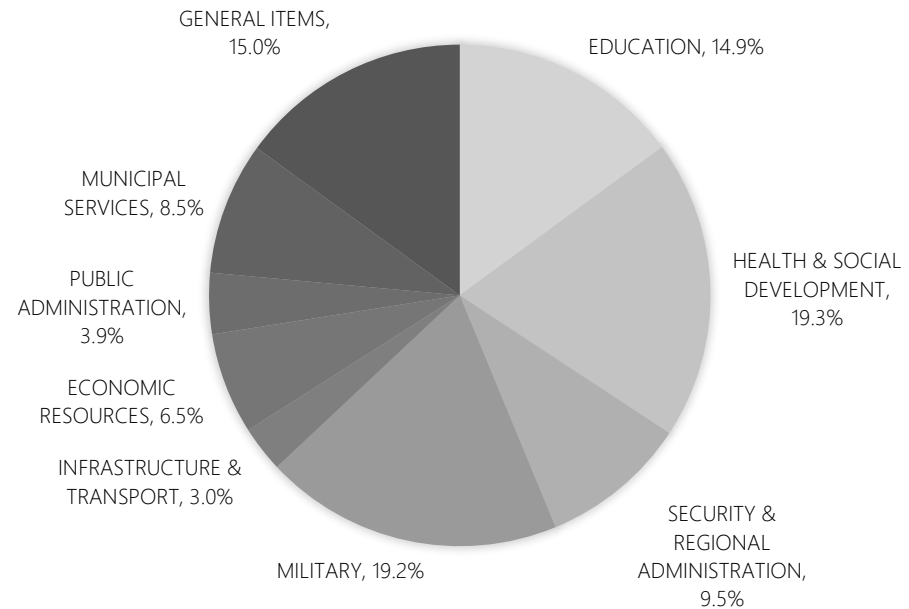
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 8%. 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)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	0.5%		Trading Economics
Company-specific Risk Premium %	0.5%		Team's experience.
Discount Rate%	8.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5
Inflation		0%	0%	5%	0%	0%	0%
Expected Revenue							
Office Building	Sqm	4,350	4,350	4,350	4,350	4,350	4,350
Rate (SAR)	SAR	368	368	386	386	386	386
Total	SAR	1,600,000	1,600,000	1,680,000	1,680,000	1,680,000	1,680,000
Overall Revenues		1,600,000	1,600,000	1,680,000	1,680,000	1,680,000	1,680,000
Vacancy and Credit Loss							
Office Building	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		1,600,000	1,600,000	1,680,000	1,680,000	1,680,000	1,680,000
Expenses							
CapEx	2.0%	32,000	32,000	33,600	33,600	33,600	33,600
OpEx	0.0%	0	0	0	0	0	0
Overall Expenses		32,000	32,000	33,600	33,600	33,600	33,600
NOI		1,568,000	1,568,000	1,646,400	1,646,400	1,646,400	1,646,400
Terminal Value	8.0%						20,580,000
Discount Rate	8.0%	1.00	0.93	0.86	0.79	0.74	0.68
Present Value		1,568,000	1,451,852	1,411,523	1,306,965	1,210,153	15,126,914
Net Present Value							22,100,000

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: SAR 22,100,000.00
Twenty-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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and construction permit

499181002158 رقم الوثيقة
1445/5/8 تاريخ الوثيقة

وزارة الشؤون البلدية والقروية
مكة المكرمة
1445/5/8

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	499181002158	تاريخ الوثيقة	1445/5/8
المصدر	الموكلين بطلبه 6	الحالة	مطلوب
المساحة (م ²)	1,494.75	النوع	مطلوب
رقم الوثيقة السابقة	393010010158	تاريخ الوثيقة السابقة	1444/11/1
نوع الملكية	عقيدة تشريعية		

التقديرات

القيمة	المساحة المبنية	رقم المبنى	رقم الترخيص
مرحون	بنك الجزيرة	7000120712	رسم 18,778,200

الملحقات

رقم المبنى	الاسم	نسبة التملك
7001902688	الشركة السعودية للأقتصاد والتنمية للصناديق العقارية	100 %

العقار

رقم الوثيقة العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	بنك	1,494.75	لا يوجد

النوع	الوصف	رقم الترخيص	البلدية
لا يوجد	بنك	لا يوجد	الرياض

المساحة	وصف المبنى	النوع	المساحة
46	معرض 10 م	شمالا	شارع
53.65	معرض 20 م	جنوبا	شارع
30	معرض 15 م	شرقا	شارع
30.96		غربا	ارض هضاب

مادة 6 من القانون رقم 10 لسنة 1402 هـ

وزارة الشؤون البلدية والقروية
مكة المكرمة
1445/5/8

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	499181002158	تاريخ الوثيقة	1445/5/8
المصدر	الموكلين بطلبه 6	الحالة	مطلوب
المساحة (م ²)	1,494.75	النوع	مطلوب
رقم الوثيقة السابقة	393010010158	تاريخ الوثيقة السابقة	1444/11/1
نوع الملكية	عقيدة تشريعية		

التقديرات

القيمة	المساحة المبنية	رقم المبنى	رقم الترخيص
مرحون	بنك الجزيرة	7000120712	رسم 18,778,200

الملحقات

رقم المبنى	الاسم	نسبة التملك
7001902688	الشركة السعودية للأقتصاد والتنمية للصناديق العقارية	100 %

العقار

رقم الوثيقة العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	بنك	1,494.75	لا يوجد

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30.96		غربا	ارض هضاب

مادة 6 من القانون رقم 10 لسنة 1402 هـ

وزارة الشؤون البلدية والقروية
مكة المكرمة
1445/5/8

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	499181002158	تاريخ الوثيقة	1445/5/8
المصدر	الموكلين بطلبه 6	الحالة	مطلوب
المساحة (م ²)	1,494.75	النوع	مطلوب
رقم الوثيقة السابقة	393010010158	تاريخ الوثيقة السابقة	1444/11/1
نوع الملكية	عقيدة تشريعية		

التقديرات

القيمة	المساحة المبنية	رقم المبنى	رقم الترخيص
مرحون	بنك الجزيرة	7000120712	رسم 18,778,200

الملحقات

رقم المبنى	الاسم	نسبة التملك
7001902688	الشركة السعودية للأقتصاد والتنمية للصناديق العقارية	100 %

العقار

رقم الوثيقة العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	بنك	1,494.75	لا يوجد

النوع	الوصف	رقم الترخيص	البلدية
لا يوجد	بنك	لا يوجد	الرياض

المساحة	وصف المبنى	النوع	المساحة
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53.65	معرض 20 م	جنوبا	شارع
30	معرض 15 م	شرقا	شارع
30.96		غربا	ارض هضاب

مادة 6 من القانون رقم 10 لسنة 1402 هـ

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

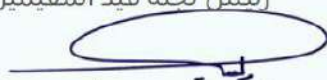
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital
(SEDCO REIT Fund)
Hokair Time
August 2025

REF: 25-0561-16
Code: 1459202
Date: 10/08/2025

Subject: Valuation Report for Commercial Building– Dammam City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-16
Dep. Code	1459202
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial Building
Property Location	Al-Awal district, Dammam City.
Title Deed No.	399684003634
Title Deed Date	1445/05/09
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Saudi Real Estate Funds Development and Economic Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 34,000,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

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

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 09/07/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The property being evaluated is a plot of land located in the Al-Awal district of Dammam, Saudi Arabia. The property's ownership documents 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 evaluation, it was noted that the property is open on three sides and has a direct view of Prince Sultan Street to the south.

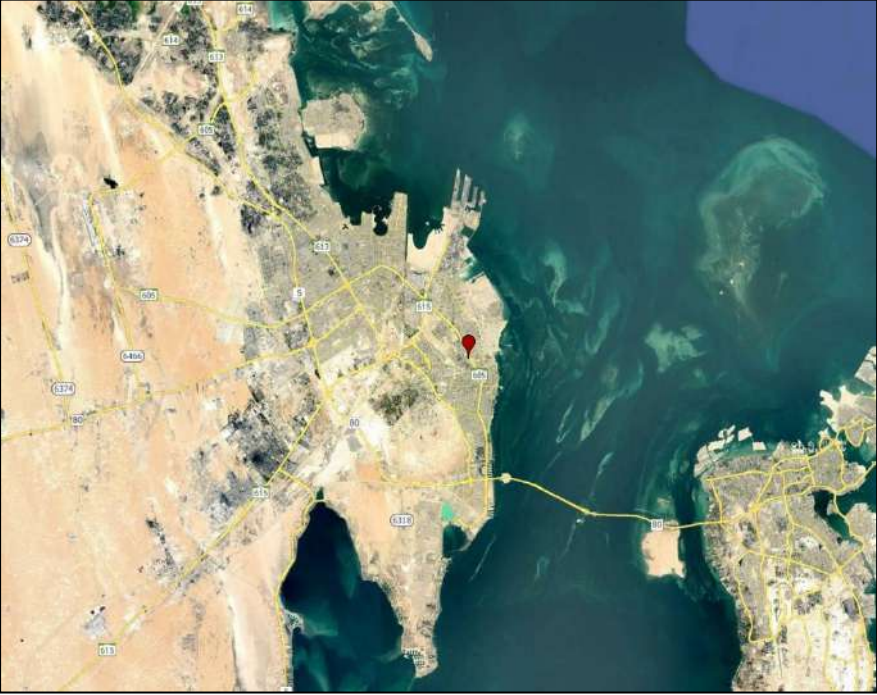
2.2 Ease of Access

The property's accessibility is considered average based on its current 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+JXF Al Khobar	
Google Maps	

2.5 Title Deed and Ownership

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

City	Dammam	Land Area	2,450
District	Al-Awal	Plot No.	3
T.D Type	Electronic	Block No.	---
T.D Number	393010010160	Layout No.	1/337
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	18m wide street	East Side	Plot No 4
South Side	60m wide street	West Side	Plot No 2

City	Dammam	Land Area	2,705.52
District	Al-Awal	Plot No.	4
T.D Type	Electronic	Block No.	---
T.D Number	393010010160	Layout No.	1/337
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	18m wide street	East Side	18m wide street
South Side	60m wide street	West Side	Plot No 3

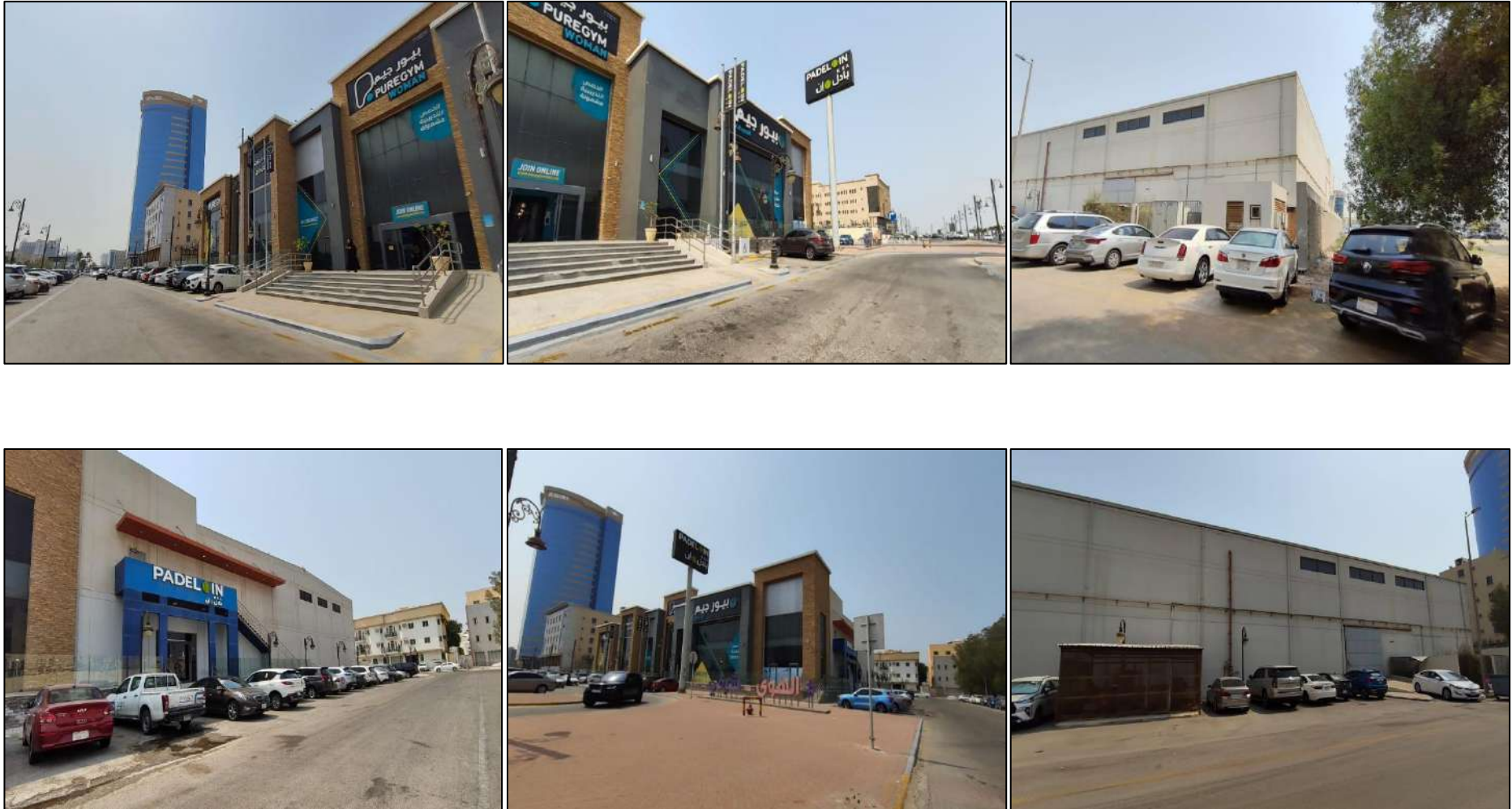
2.6 Construction Permit

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	9
Construction Permit No.	----	State of Property	Fully Constructed
Construction Permit Date	-----	Completion Rate	100%

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

2.7 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

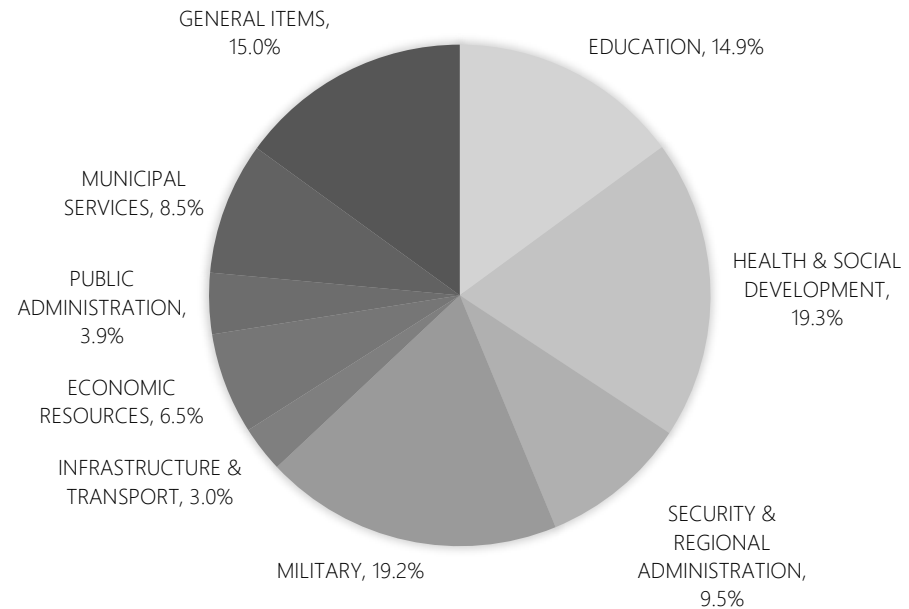
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	0.5%		Trading Economics
Company-specific Risk Premium %	0.5%		Team's experience.
Discount Rate%	8.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
		0	1	2	3	4	5	6	7	8	9	10	11	12
Inflation		0.0%	0.0%	0.0%	13.5%	0.0%	0.0%	0.0%	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	5,156	5,156	5,156	5,156	5,156	5,156	5,156
Rate (SAR)	SAR	427	427	427	484	484	484	484	484	484	484	484	484	484
Total	SAR	2,200,000	2,200,000	2,200,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Overall Revenues		2,200,000	2,200,000	2,200,000	2,500,000	2,500,000	2,500,000	2,500,000	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	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Rental Income		2,200,000	2,200,000	2,200,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Expenses														
CapEx	2.0%	44,000	44,000	44,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OpEx	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Overall Expenses		44,000	44,000	44,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
NOI		2,156,000	2,156,000	2,156,000	2,450,000	2,450,000	2,450,000	2,450,000	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%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50	0.46	0.43	0.40
Present Value		2,156,000	1,996,296	1,848,422	1,944,889	1,800,823	1,667,429	1,543,916	1,429,551	1,323,659	1,225,610	1,134,824	1,050,763	14,871,910
Net Present Value		34,000,000												

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: SAR 34,000,000.00
Thirty-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
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds

[illegible]

	رقم: 399684003634 التاريخ: 1445/3/9	وثيقة تملك عقار		الجمهورية العربية السورية REPUBLIC OF SYRIA	 
عقار 2 من 2					
رقم البنية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام		
لا يوجد	قطعة الأرض	2,705.52	لا يوجد		
نوع المرفق	نموذج العقار				
لا يوجد	لا يوجد				
رقم القطعة	رقم الناحية	الحي	البلدية		
4	1 / 337	الحي الأول	الدمام		
العدد	النوع	وصف البند	الطريق (م ²)		
شمالاً	شارع	عرض 18 متر	39		
جنوباً	شارع	عرض 40 متر	39		
شرفاً	شارع	عرض 18 متر	70		
غرباً	قطعة	رقم 3	70		

	رقم: 39968-4003634 التاريخ: 1445/5/9	وثيقة تملك عتار	
البيانات الأساسية			
رقم الوثيقة	39968-4003634	تاريخ الوثيقة	1445/5/9
المصدر	المواطنين بارتراض 9	الملاك	عتار
المساحة (م ²)	5,155.52	القيمة	محرران
رقم الوثيقة السابقة	39.3010010160	تاريخ الوثيقة السابقة	1444/11/1
نوع المسكن	مكتبة تجارية		
التقديرات			
القيمة	القيمة الزائفة	قيمة الزمن	نوع الاستعانة
محرران	بنك الجزيرة	7000120712	رأس 21,420,072.53
الملاك			
رقم الوثيقة	الاسم		
7001902688	الشركة السعودية للتأجير والتشييد والتجارة		
100 %			
عتار 1 من 2			
رقم الوثيقة	نوع العتار		
لا يوجد	مساحة العتار (م ²)		
لا يوجد	2,450		
البرج	نموذج العتار		
لا يوجد	لا يوجد		
رقم القسمة	رقم المخطط	العمى	المدنية
3	1 / 337	التي الأولى	الدائم
الحج	نوع الحج		
شمالاً	شارع		
جنوباً	شارع		
شرفاً	قطعة	رقم 4	70
غرباً	قطعة	رقم 2	70

محرران: عتار 1 من 2، الوثيقة 7001902688، المساحة 5,155.52 م²، القيمة 7000120712، نوع العتار: عتار، نوع الحج: شارع، نوع المسكن: مكتبة تجارية، رقم الوثيقة: 39.3010010160، تاريخ الوثيقة: 1444/11/1، رقم: 39968-4003634، الصفحة 1 من 2

5.2 Real Estate Valuation License



المقر الرئيسي: الرياض



وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

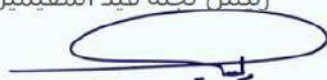
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Irqah Plaza

August 2025

REF: 25-0561-7
Code: 1458747
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-7
Dep. Code	1458747
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial project.
Property Location	Irqah district, Riyadh City.
Title Deed No.	996426005399
Title Deed Date	09/05/1445
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 85,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property features a direct view of 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	
الأمير مشعل بن عبد العزيز، عرقة، الرياض 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 deeds. 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	15/05/1446	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Street 15m width
South Side	Street 40m width	West Side	Street 20m width

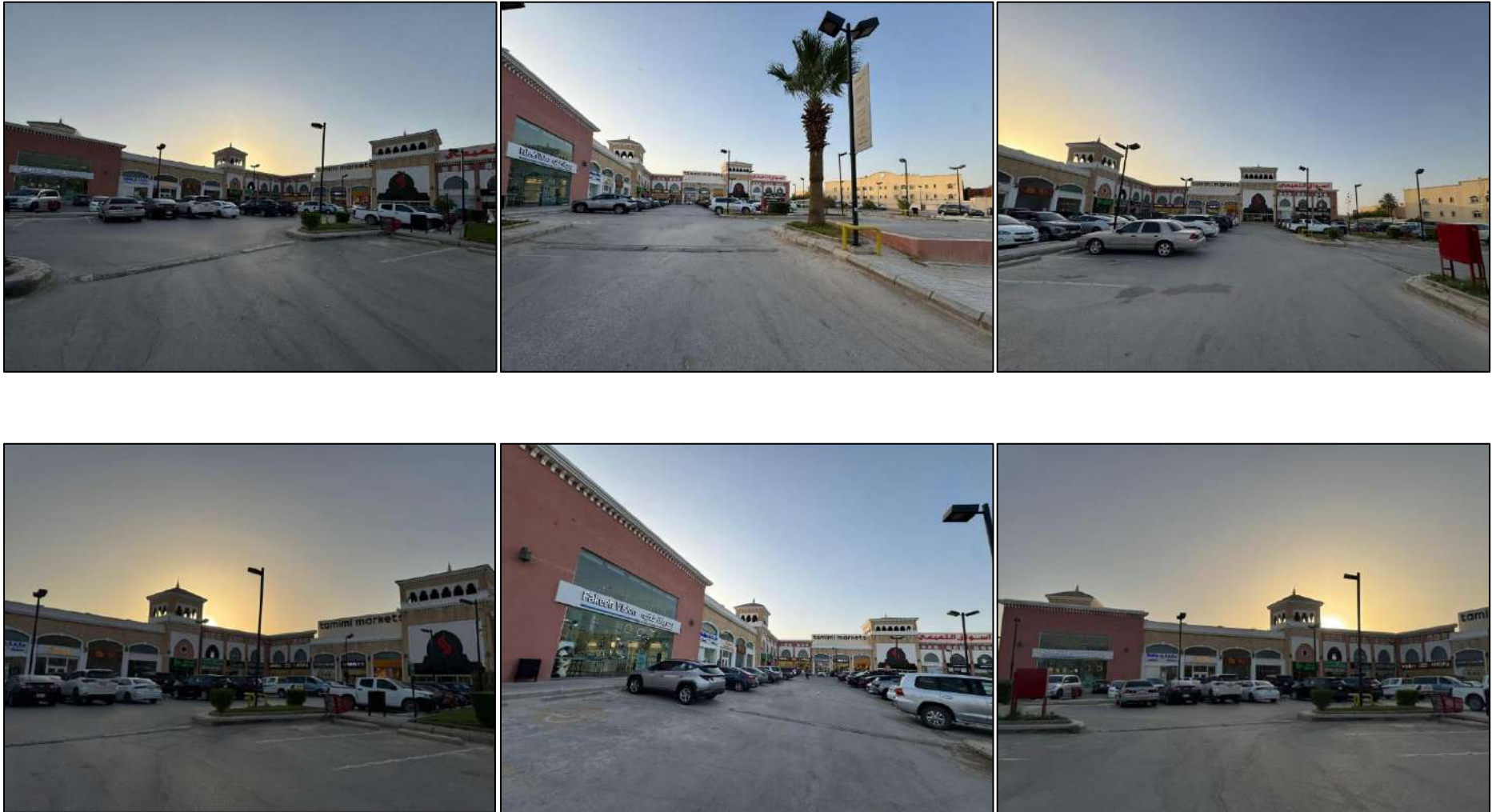
2.6 Construction Permit

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	9
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





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

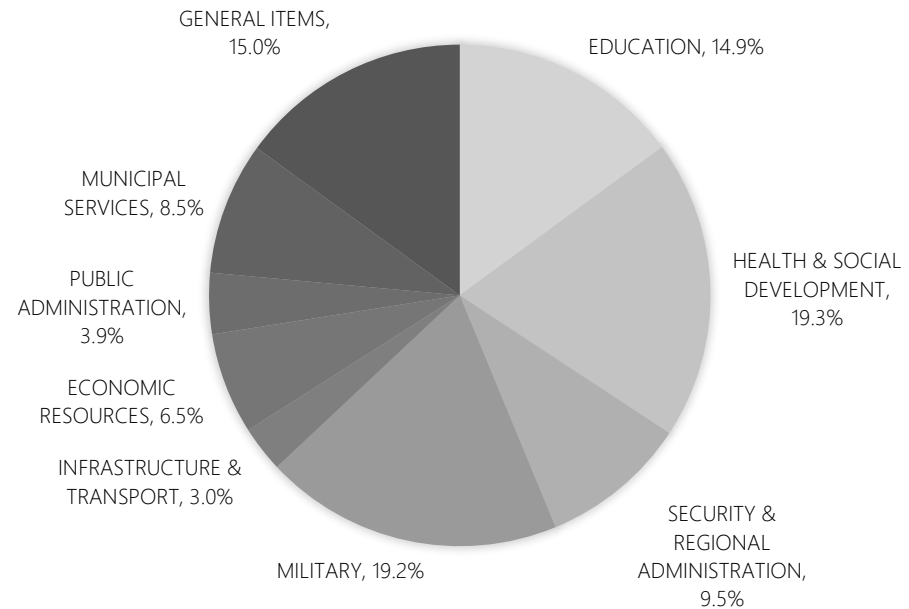
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	117,000,000.00	27,500,000.00	92,500,000.00
NOI	9,945,000	2,337,500	7,862,500
Cap Rate	8.50%	8.50%	8.50%
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	2.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	10.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		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	962	962	962	962	962	962
Total	SAR	7,220,983	7,220,983	7,220,983	7,220,983	7,220,983	7,220,983
Overall Revenues		7,220,983	7,220,983	7,220,983	7,220,983	7,220,983	7,220,983
Vacancy and Credit Loss							
Commercial complex	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		7,220,983	7,220,983	7,220,983	7,220,983	7,220,983	7,220,983
Expenses							
CapEx	3.0%	216,629	216,629	216,629	216,629	216,629	216,629
OpEx	0.0%	0	0	0	0	0	0
Overall Expenses		216,629	216,629	216,629	216,629	216,629	216,629
NOI		7,004,354	7,004,354	7,004,354	7,004,354	7,004,354	7,004,354
Terminal Value	8.5%						82,891,758
Discount Rate	10.0%	1.00	0.91	0.83	0.75	0.68	0.62
Present Value		7,004,354	6,367,594	5,788,722	5,262,474	4,784,068	55,818,412
Net Present Value							85,000,000

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: SAR 85,000,000.00
Eighty Five 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

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 License No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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.



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DOCUMENTS

DOCUMENT

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

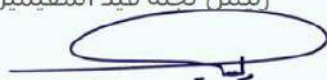
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Jazeera Compound

August 2025

REF: 25-0561-2

Code: 1458595

Date: 10/08/2025

Subject: Valuation Report for Jazeera Compound– Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-2
Dep. Code	1458595
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Residential Compound.
Property Location	As Sulimaniyah district, Riyadh City.
Title Deed No.	999684003638
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	Residential.
Land Area (Sqm)	20,758 Sqm.
BUA (Sqm)	12,696 Sqm.
GLA (Sqm)	9,291 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 90,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is residential compound. located in As Sulimaniyah district, Riyadh city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 20,758 square meters.
- Total Built-Up Area (BUA): 12,696 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 near Musa Ibn Nusair Street from the northern side.

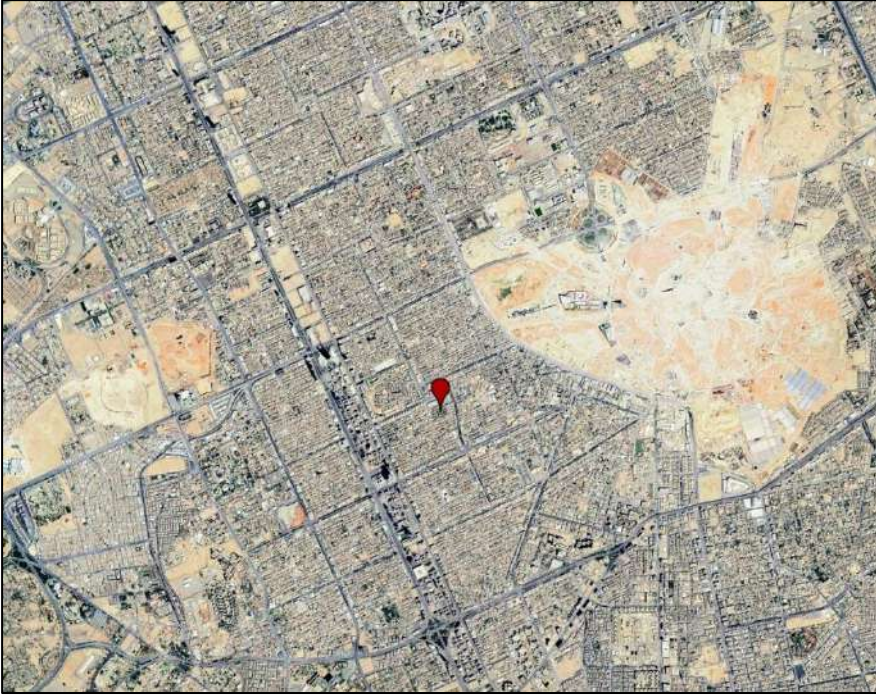
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location on Al Moughirah Ibn Ayash.

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°42'17.53"N 46°41'21.43"E	
6928 Al Moughirah Ibn Ayash, 3416, Al Olaya, Riyadh 12241	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	1,494.75 Sqm
District	As Sulimaniyah	Plot No.	68/69
T.D Type	Electronic	Block No.	---
T.D Number	999684003638	Layout No.	897
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	10 meter width street	East Side	15 meter width street
South Side	12 meter width street	West Side	12 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)	20,758
Property Type	Residential Compound	Actual Age	15
Construction Permit No.	1429/2024	State of Property	Fully Constructed
Construction Permit Date	1429/02/24	Completion Rate	100%

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

2.7 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

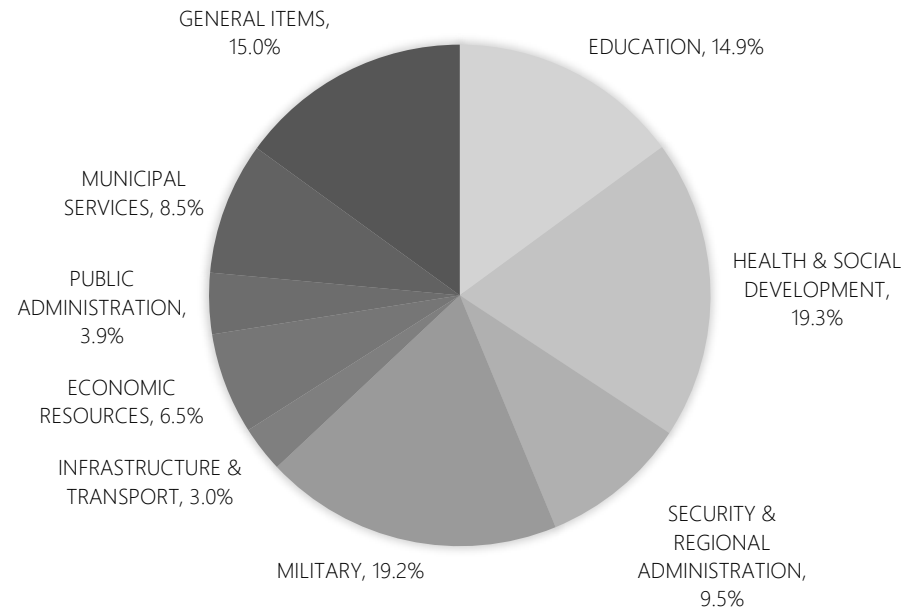
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	42,560,000.00	93,350,000.00	73,141,000.00
NOI	3,404,800	7,468,000	5,851,280
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5
Inflation		0%	0%	5%	0%	0%	5%
Expected Revenue							
Office Building	Sqm	9,560	9,560	9,560	9,560	9,560	9,560
Rate (SAR)	SAR	858	858	901	901	901	946
Total	SAR	8,300,000	8,202,480	8,612,604	8,612,604	8,612,604	9,043,234
Overall Revenues		8,300,000	8,202,480	8,612,604	8,612,604	8,612,604	9,043,234
Vacancy and Credit Loss							
Office Building	0.0%	0	0	0	0	0	0
Total		0	0	0	0	0	0
Effective Rental Income		8,300,000	8,202,480	8,612,604	8,612,604	8,612,604	9,043,234
Expenses							
CapEx	5.0%	1,875,400	1,870,524	1,891,030	1,891,030	1,891,030	1,912,562
OpEx	5.0%	415,000	0	0	0	0	0
Overall Expenses		2,290,400	1,870,524	1,891,030	1,891,030	1,891,030	1,912,562
NOI		6,009,600	6,331,956	6,721,574	6,721,574	6,721,574	7,130,672
Terminal Value	8.0%						89,133,406
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		6,009,600	5,809,134	5,657,414	5,190,288	4,761,732	62,565,046
Net Present Value							90,000,000

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: SAR 90,000,000.00
Ninety 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

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 License No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and construction permit

999634003638 الرقم: 1445/5/9 التاريخ: وثيقة تملك عقار Real Estate Market

البيانات الأساسية

رقم الوثيقة	999634003638	تاريخ الوثيقة	1445/5/9
المصدر	الموطين بالرياض 9	الحالة	فعال
المساحة (م ²)	20,758	القيود	مرهون
رقم الوثيقة السابقة	393010010251	تاريخ الوثيقة السابقة	1444/11/16
نوع المبنى	صفقة بتحويل		

القيود

القيود	الجهة الراثة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	رهن 56,611,843.56	

العلاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للاقتصاد والتنمية لمصادر الطاقة	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	20,758	لا يوجد
الموقع	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المنطقة
69 / 68	897	السلامية	الرياض

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 10 م	194
جنوبا	شارع	عرض 12 م	194
شرقا	شارع	عرض 15 م	107
غربا	شارع	عرض 12 م	107

مصدر هذه الوثيقة من لورصة العقارية ويمكن التحقق من صحة هذه الوثيقة من الخدمات الإلكترونية لوزارة العدل ووزارة الشؤون البلدية وقروية والإسكان والهيئة العامة للغاز. الصفحة 1 من 1

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
أمانة منطقة الرياض
إدارة رخص البناء

رقم الرخصة: ١٤٤٩٢٠٠١٤
تاريخ الرخصة: ١٤٤٩٠٠٠٢٤
تاريخ الإنشاء: ١٤٣٢٠٠٢٩١
نوع الرخصة: إضافة مكوّنات البناء

رخصة

اسم السيد: أحمد بن عبد العزيز بن علي
رقم التسجيل: ١٠٠٠٢٢١٢٥٧
رقم المخطط: ٧١٠١١٠٠١١٢
رقم المخطط: ٢٩/٦٨
الشارع: في السلمانية
مساحة الأرض: ٢٠٠٧٥٨ م²
محيط الأسوار: ٦٠٠٢ م

الجهة	الحدود	الأبعاد	الإرتداد
شمال	شارع عرض ١٢	١٩٤	٢,٨
شرق	شارع عرض ٢٠	١٠٧	٤
جنوب	شارع عرض ١٢	١٩٤	٤,٨
غرب	شارع عرض ١٠	١٠٧	٢

مكونات البناء	عدد الوحدات	المساحة	الإستخدام
قبو	١	٧٨,٠٠٠	ترفيهي
دور أرضي	٣٩	٧٢٠,٧٠٠	سكني
أول سكني	١	٥٢٦١,٠٠٠	سكني
ملاهي علوية	١	١٢٠,٠٠٠	خدمات
أسوار	١	٦٠,٠٠٠	خدمات

الكتب المعمم

رقم الرخصة: ١٤٤٩
رقم المشروع: ٨٢٧٩
رسم النظام: ١٥ / ٨١٤٤٠.٥
مناسيب الشوارع المحيطة: مسطوي
سند الرسم: ميلغ ولفره: ١٢٢٩٠٠٢٠١٦ هـ

ملاحظات:

- اعطى الرخصة بموجب الرخصة السابقة رقم (٨٢٣٠) وتاريخ (١٣٩٩٠٧٠١٨ هـ).
- بموجب مخطط المدينة رقم (١٤٤١) وتاريخ (١٤٢٨٠١٢٠٢٢ هـ).
- اعطى الموافقة بموجب مخطط المدينة رقم (١٤٣٩٠١) وتاريخ (١٤٢٨٠١٢٠٢٢ هـ).
- اعطى الموافقة على التوسعة لمنشئ سكني سكني بموجب توجيه سمو أمين منطقة الرياض على العرض المرفوع لسوء بتاريخ (١٤٢٩٠١٠١٤ هـ).
- الرخصة تشمل الإيجال التالي (١٤٢٩/١٠/٢٣) وتاريخ (١٤٢٩٠١٠/٢٣ هـ) *****

٢٧ شهر ١٤٢٩

الختم الرسمي

مدير إدارة الرخص
مدير عام التخطيط العمراني
م. علي صالح العليش

يجب الالتزام بالشروط والمواصفات خلف الرخصة

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

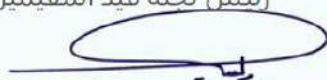
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Al Khalidiyah Center

August 2025

REF: 25-0561-11

Code: 1458834

Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-11
Dep. Code	1458834
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
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	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 140,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

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

- Total Land Area: 7,903 square meters.
- Total Built-Up Area (BUA): 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 features a direct view of Prince Sultan Road from the west side.

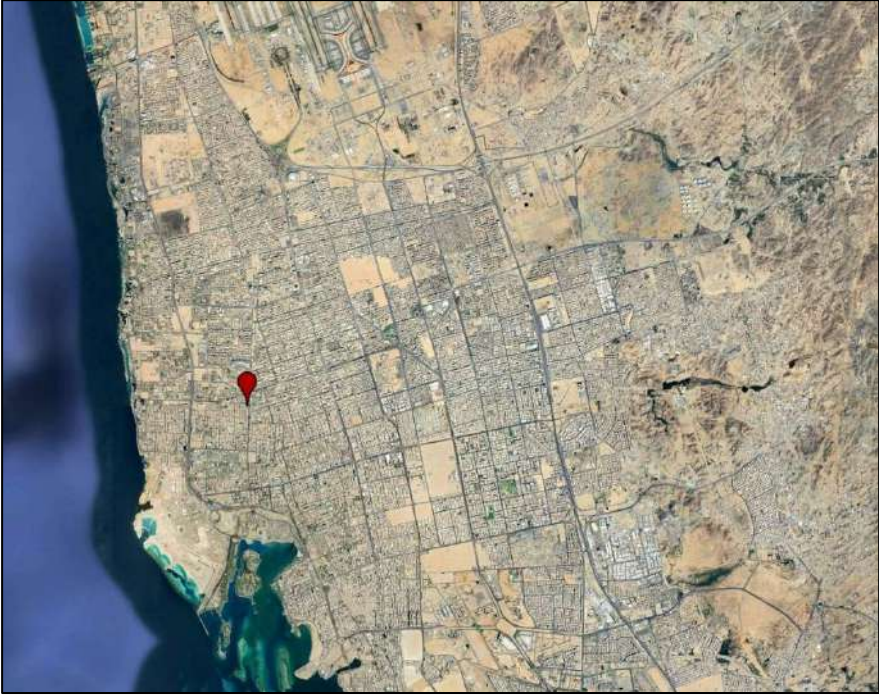
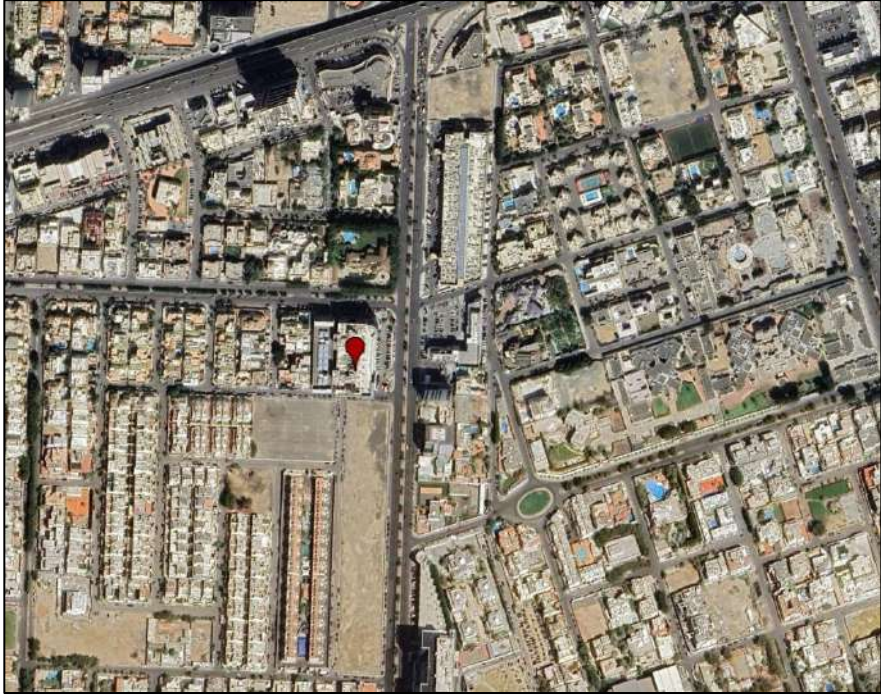
2.2 Ease of Access

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

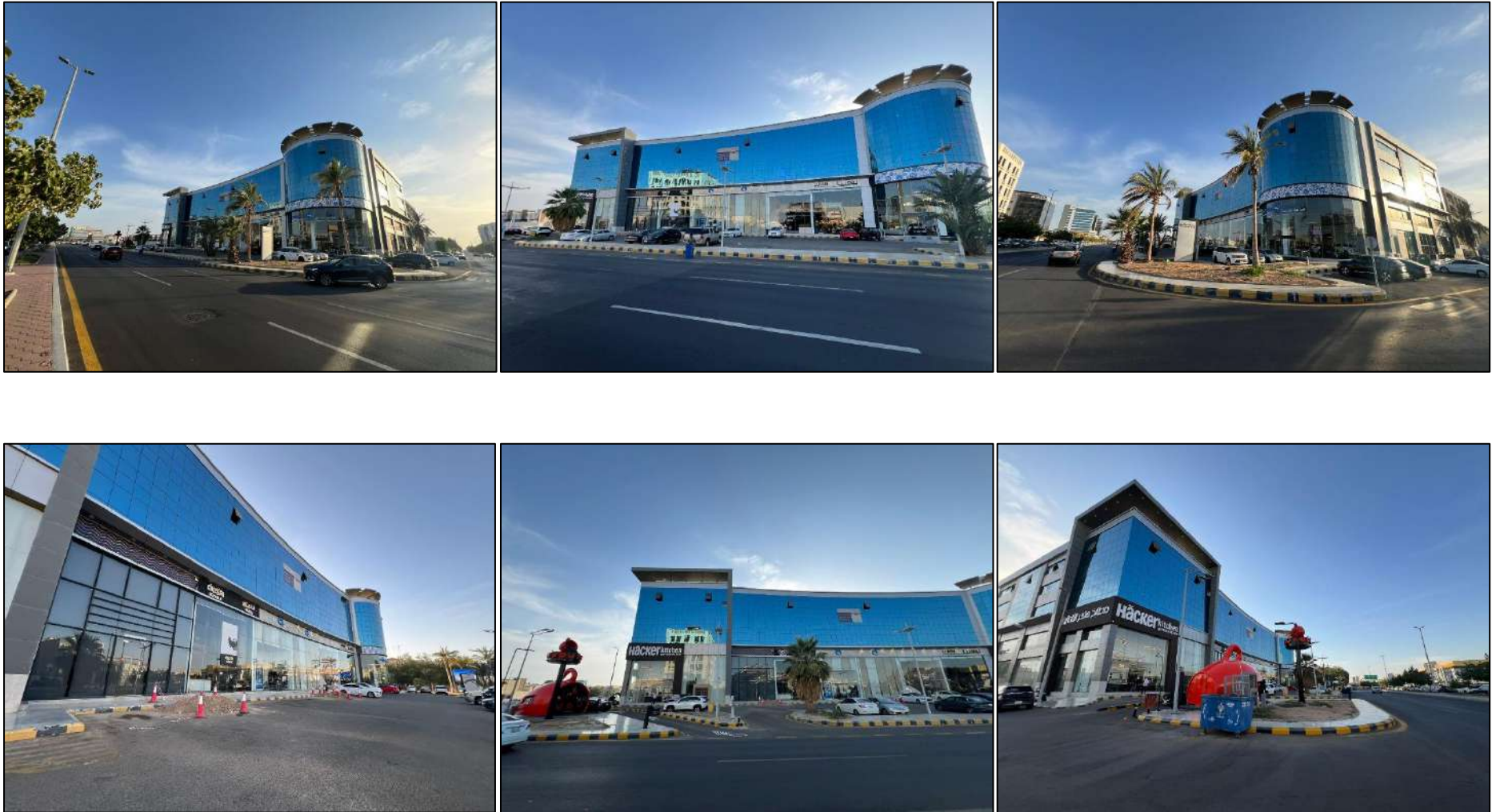
2.5 Title Deed and Ownership

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

City	Jeddah	Land Area	2,750 Sqm
District	Al Khalidiyyah	Plot No.	56
T.D Type	Electronic	Block No.	---
T.D Number	399684003642	Layout No.	2303
T.D Date	08/05/1445	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Street 32m width	East Side	Street 32m width
South Side	Street 12m width	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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

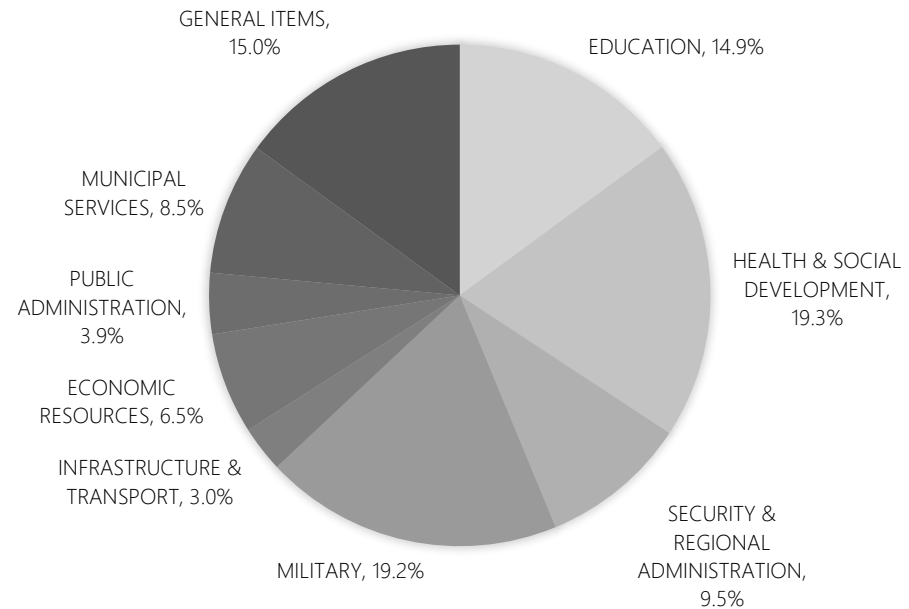
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	88,000,000.00	91,800,000.00
NOI	9,600,000	7,040,000	7,344,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0 %		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5
Inflation		0.0%	5.0%	0.0%	5.0%	0.0%	5.0%
Expected Revenue							
Office Building	Sqm	5,352	5,352	5,352	5,352	5,352	5,352
Rate (SAR)	SAR	900	945	945	992	992	1,042
Total	SAR	4,816,800	5,057,640	5,057,640	5,310,522	5,310,522	5,576,048
commercial complex	Sqm	8,979	8,979	8,979	8,979	8,979	8,979
Rate (SAR)	SAR	755	793	793	832	832	874
Total	SAR	6,779,145	7,118,102	7,118,102	7,474,007	7,474,007	7,847,708
Overall Revenues		11,595,945	12,175,742	12,175,742	12,784,529	12,784,529	13,423,756

Vacancy and Credit Loss							
Office Building	5.0%	1,445,040	252,882	252,882	265,526	265,526	278,802
commercial complex	5.0%	813,497	355,905	355,905	373,700	373,700	392,385
Total		2,258,537	608,787	608,787	639,226	639,226	671,188
Effective Rental Income		9,337,408	11,566,955	11,566,955	12,145,303	12,145,303	12,752,568

Expenses							
CapEx	0.0%	0	0	0	0	0	0
OpEx	12.5%	1,498,000	1,498,000	1,498,000	1,498,000	1,498,000	1,498,000
Overall Expenses		1,498,000	1,498,000	1,498,000	1,498,000	1,498,000	1,498,000

NOI		7,839,408	10,068,955	10,068,955	10,647,303	10,647,303	11,254,568
Terminal Value	8.0%						140,682,100
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		7,839,408	9,237,574	8,474,838	8,221,671	7,542,818	98,748,410
Net Present Value							140,000,000

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: SAR 140,000,000.00
One Hundred Forty 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

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
المصدر: الموثقين بالرياض 9
المساحة (م²): 7,903
رقم الوثيقة السابقة: 293010010159
نوع المعاملة: صفقة تمويل

القيود

القيود: مرهون
الجهة الراحة: بنك الجزيرة
رقم المنشأة: 7000120712
قيمة الرهن: 93,290,764 رس
تاريخ الاستحقاق:

الملاك

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

العقار

رقم الهوية العقارية: لا يوجد
نوع العقار: قطعة الأرض
مساحة العقار (م²): 7,903
نوع الاستخدام: لا يوجد
الموقع: لا يوجد
نموذج العقار: لا يوجد
رقم القطعة: 9
رقم المخطط: 448 / س / ت
الحي: الخالدية
المدينة: جدة

الحدود

الحد: شمالا 85 م، جنوبا 87 م، شرقا 80 م، غربا 88 م
الوصف: عرض 32 م، عرض 12 م، الامير سلطان بعرض 32 م
رقم 1 والقطعة رقم 3 والقطعة رقم 5 والقطعة رقم 7

مصدر هذه الوثيقة من البورصة العقارية يمكن 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 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

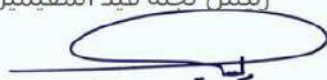
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Manahij School

August 2025

REF: 25-0561-4
Code: 1458655
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-4
Dep. Code	1458655
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	School.
Property Location	Al Olaya district, Riyadh City.
Title Deed No.	299181002147
Title Deed Date	08/05/1445
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of Real Estate Funds.
Land Use	Educational.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 58,600,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 square meters.
- Total Built-Up Area (BUA): 17,058 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 4 sides, the property features a direct view of Nahr Al Nile Street from the north side.

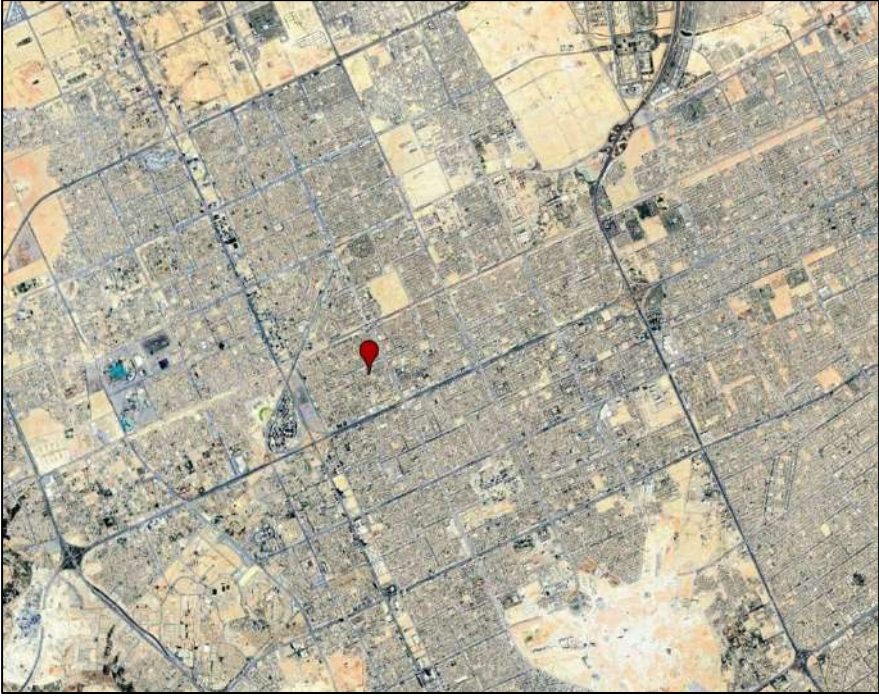
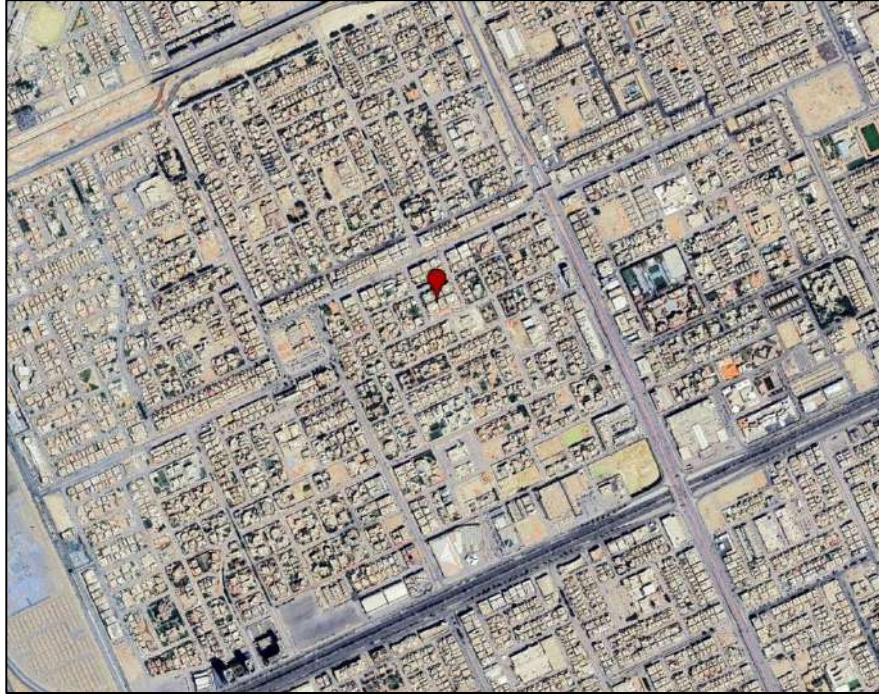
2.2 Ease of Access

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

2.3 Infrastructure

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

2.4 Location and Landmarks

City Scale	District Scale
	
24°46'32.00"N 46°39'37.55"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 deeds. 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	---	Limitation of Document	Mortgage to Bank Al Jazira
Issued From	Ministry of Justice		
North Side	Parking then 15m width street	East Side	20m width street
South Side	20m width street	West Side	20m width street

2.6 Construction Permit

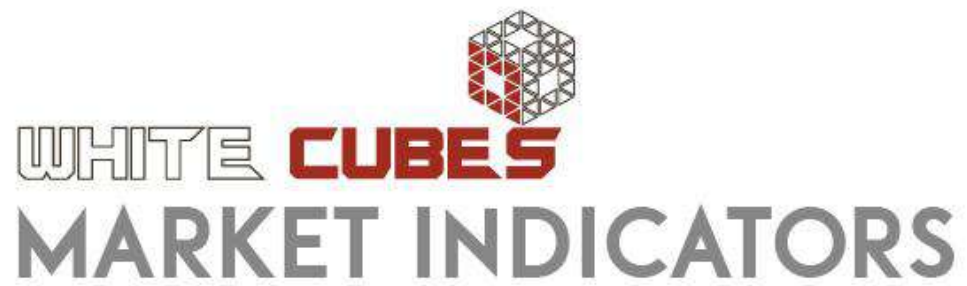
The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	New Permit	Built-Up Area (BUA)	17,058
Property Type	Educational Complex	Actual Age	18
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

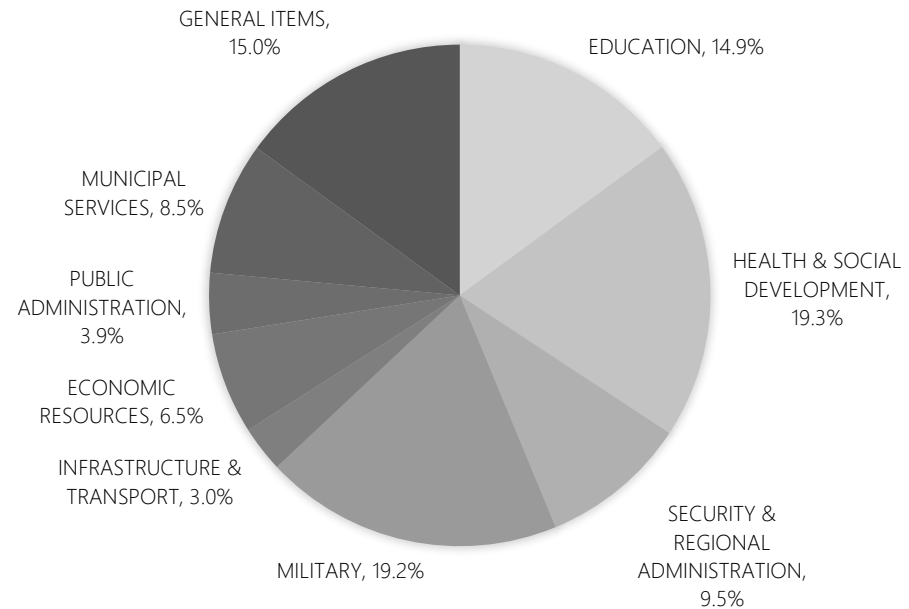
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

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

	Sample 1	Sample 2	Sample 3
Sale Price	65,000,000.00	60,000,000.00	102,000,000.00
NOI	5,200,000	4,800,000	8,160,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5	6
Inflation		0%	0%	6%	0%	0%	0%	6%
Expected Revenue								
Educational Complex	Sqm	9,200	9,200	9,200	9,200	9,200	9,200	9,200
Rate (SAR)	SAR	461	461	489	489	489	489	518
Total	SAR	4,240,000	4,240,000	4,494,400	4,494,400	4,494,400	4,494,400	4,764,064
Overall Revenues		4,240,000	4,240,000	4,494,400	4,494,400	4,494,400	4,494,400	4,764,064
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		4,240,000	4,240,000	4,494,400	4,494,400	4,494,400	4,494,400	4,764,064
Expenses								
CapEx	2.0%	84,800	84,800	89,888	89,888	89,888	89,888	95,281
OpEx	0.0%	0	0	0	0	0	0	0
Overall Expenses		84,800	84,800	89,888	89,888	89,888	89,888	95,281
NOI		4,155,200	4,155,200	4,404,512	4,404,512	4,404,512	4,404,512	4,668,783
Terminal Value	8.0%							58,359,784
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60
Present Value		4,155,200	3,812,110	3,707,190	3,401,091	3,120,267	2,862,631	37,581,875
Net Present Value								58,600,000

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: SAR 58,600,000.00
Fifty-Eight Million Six 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title Deed and Construction Permit



الرقم: 299181002147
التاريخ: 1445/5/8

وثيقة تملك عقار

الهيئة العامة للعقار
Real Estate Market



المملكة العربية السعودية
Kingdom of Saudi Arabia

رقم الوثيقة	رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
299181002147	1445/5/8	رقم الوثيقة	1445/5/8
المصدر	المصدر	المصدر	المصدر
6	6	6	6
المساحة (م ²)	المساحة (م ²)	المساحة (م ²)	المساحة (م ²)
9,200	9,200	9,200	9,200
رقم الوثيقة السابقة	رقم الوثيقة السابقة	رقم الوثيقة السابقة	رقم الوثيقة السابقة
893759000187	893759000187	893759000187	893759000187
نوع العملية	نوع العملية	نوع العملية	نوع العملية
صفقة بتحويل	صفقة بتحويل	صفقة بتحويل	صفقة بتحويل

القيود	القيود	القيود	القيود
مرهون	مرهون	مرهون	مرهون
بنك الجزيرة	بنك الجزيرة	بنك الجزيرة	بنك الجزيرة
رقم المنشأة	رقم المنشأة	رقم المنشأة	رقم المنشأة
7000120712	7000120712	7000120712	7000120712
قيمة الرهن	قيمة الرهن	قيمة الرهن	قيمة الرهن
ر.س 51,052,601.78	ر.س 51,052,601.78	ر.س 51,052,601.78	ر.س 51,052,601.78

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

المقار	المقار	المقار	المقار
رقم الهوية المقارة	رقم الهوية المقارة	رقم الهوية المقارة	رقم الهوية المقارة
لا يوجد	لا يوجد	لا يوجد	لا يوجد
نوع المقار (م ²)	نوع المقار (م ²)	نوع المقار (م ²)	نوع المقار (م ²)
لا يوجد	لا يوجد	لا يوجد	لا يوجد
نموذج المقار	نموذج المقار	نموذج المقار	نموذج المقار
لا يوجد	لا يوجد	لا يوجد	لا يوجد
رقم القطعة	رقم القطعة	رقم القطعة	رقم القطعة
105	105	105	105
الحي	الحي	الحي	الحي
الغدير	الغدير	الغدير	الغدير
البلدية	البلدية	البلدية	البلدية
الرياض	الرياض	الرياض	الرياض

الحد	الحد	الحد	الحد
شمالا	شمالا	شمالا	شمالا
مواقف سيارات	مواقف سيارات	مواقف سيارات	مواقف سيارات
إليه شارع عرض 15م	إليه شارع عرض 15م	إليه شارع عرض 15م	إليه شارع عرض 15م
جنوبيا	جنوبيا	جنوبيا	جنوبيا
شارع	شارع	شارع	شارع
عرض 20م	عرض 20م	عرض 20م	عرض 20م
شرقا	شرقا	شرقا	شرقا
شارع	شارع	شارع	شارع
عرض 20م	عرض 20م	عرض 20م	عرض 20م
غربا	غربا	غربا	غربا
شارع	شارع	شارع	شارع
عرض 20م	عرض 20م	عرض 20م	عرض 20م

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل، ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 1 من 1

أمانة منطقة الرياض
الإدارة العامة للشؤون المالية والإدارية
إدارة الخدمات العامة

مموودة رخصة بناء

التاريخ: ١٤٣٨-٠٩-١٨
الصفحة: ١/١

جهة الرخصة	جهة الرخصة	جهة الرخصة	جهة الرخصة
رقم الرخصة: ٧٣١٨٨٠٤٢٥	رقم الرخصة: ٧٣١٨٨٠٤٢٥	رقم الرخصة: ٧٣١٨٨٠٤٢٥	رقم الرخصة: ٧٣١٨٨٠٤٢٥
تاريخ الرخصة: ١٤٣٨-٠٩-١٨	تاريخ الرخصة: ١٤٣٨-٠٩-١٨	تاريخ الرخصة: ١٤٣٨-٠٩-١٨	تاريخ الرخصة: ١٤٣٨-٠٩-١٨
نوع الرخصة: إصدار	نوع الرخصة: إصدار	نوع الرخصة: إصدار	نوع الرخصة: إصدار
رخصة بناء مجمع مدارس	رخصة بناء مجمع مدارس	رخصة بناء مجمع مدارس	رخصة بناء مجمع مدارس
اسم المصنف: محمد علي سعود الصاري	اسم المصنف: محمد علي سعود الصاري	اسم المصنف: محمد علي سعود الصاري	اسم المصنف: محمد علي سعود الصاري
رقم الإثبات: ١٠١٣٣٩٦٦٧٣	رقم الإثبات: ١٠١٣٣٩٦٦٧٣	رقم الإثبات: ١٠١٣٣٩٦٦٧٣	رقم الإثبات: ١٠١٣٣٩٦٦٧٣
رقم السكن: ٢٧١٤٧٨٦	رقم السكن: ٢٧١٤٧٨٦	رقم السكن: ٢٧١٤٧٨٦	رقم السكن: ٢٧١٤٧٨٦
رقم القطعة: ١٠٥	رقم القطعة: ١٠٥	رقم القطعة: ١٠٥	رقم القطعة: ١٠٥
الشارع: حي القوير	الشارع: حي القوير	الشارع: حي القوير	الشارع: حي القوير
مساحة الأرض: ٩٩٩٩ م ²	مساحة الأرض: ٩٩٩٩ م ²	مساحة الأرض: ٩٩٩٩ م ²	مساحة الأرض: ٩٩٩٩ م ²

الجهة	الجهة	الجهة	الجهة
مواقف بالحدود ١٥ م	مواقف بالحدود ١٥ م	مواقف بالحدود ١٥ م	مواقف بالحدود ١٥ م
شمال	شمال	شمال	شمال
شرق	شرق	شرق	شرق
جنوب	جنوب	جنوب	جنوب
غرب	غرب	غرب	غرب
مواقف البناء	مواقف البناء	مواقف البناء	مواقف البناء
غير	غير	غير	غير
أور أرضي	أور أرضي	أور أرضي	أور أرضي
أور أول	أور أول	أور أول	أور أول
أور ثاني	أور ثاني	أور ثاني	أور ثاني
أور	أور	أور	أور

المطلب المصمم: موزان التالفة للاستشارات الهندسية
رقم الترخيص: ٤٩١
سند ترسيم مبالغ وقدر: ١١١٢٢٣
رقم المشروع: ٤٩ / ٨٦٩٨١٧٣
مهندس المشروع: مستوي
تاريخ: ١٤٣٨-٠٩-١٨
هـ

١- هذه الرخصة لإقامة مجمع مدارس أهلية بنين بعد أربع مدارس بارتفاع أرضي ٥ دورات.
٢- بموجب الترخيص المستندي رقم ٨١٨٣٥/١٣ وتاريخ ٨١٨٣٥/١٣ هـ والتسليم من بلدية التشكيل القارية.
٣- اعطى الموافقة بموجب خطاب وزارة التربية والتعليم بملف رقم ١٢/٣٧١٨ هـ وتاريخ ١٤٣٨-٠٩-١٨ هـ.
٤- تمت الموافقة على تقديم المخطط إلى المصنف المصنف بموجب مرسوم الأمن على العرض. تم إيداع المخطط على خصوصية المصنفين.
٥- بموجب مراجعة وزارة رخص البناء بعد الانتهاء من التأهيل للتأهيل المخططات المتعددة وصرف شهادات البناء.
٦- بموجب الترخيص مع شركة الكهرباء بخصوص غرف الكهرباء على أن تكون ضمن المبني أو بمرتبات تنظيمية.
٧- اعطى الموافقة بموجب خطاب الدفاع المدني رقم (١٢/٣٧١٨ هـ) وتاريخ ١٤٣٨-٠٩-١٢ هـ وبموجب الترخيص مع قبل صرف شهادات البناء القارية. - *****

رمز المستخدم: ٠٠٩١٢٢٢
الإدارة العامة لتقنية المعلومات و الخدمات الإلكترونية - نظام رخص البناء
BLS4600

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

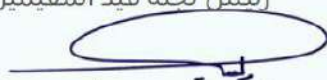
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Olaya School

August 2025

REF: 25-0561-5
Code: 1458674
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-5
Dep. Code	1458674
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
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	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 74,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 features a direct view of Abdul Aziz Aba Husain Street from the north side.

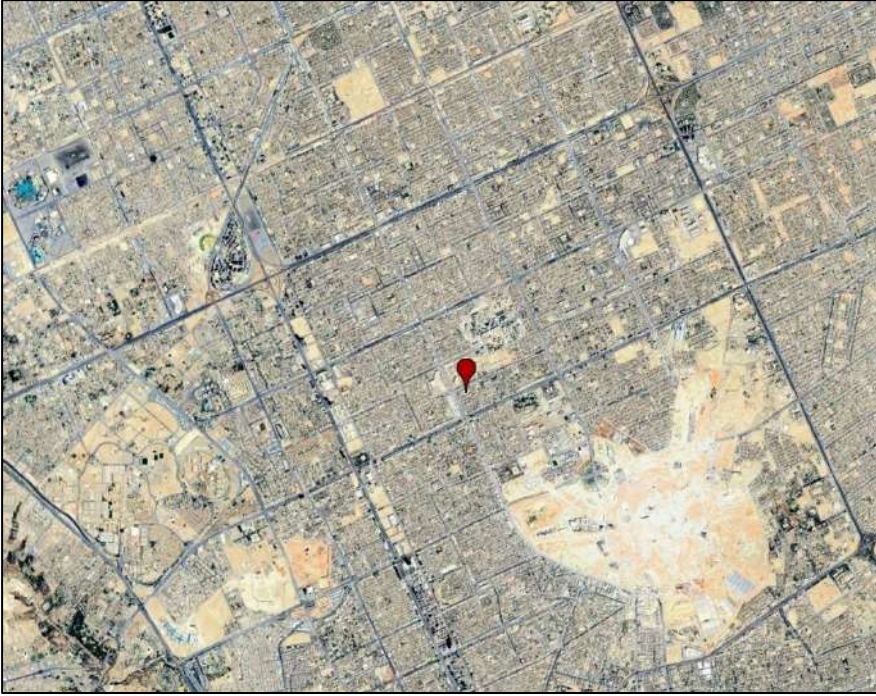
2.2 Ease of Access

The access level of the subject property is classified as moderate due to its location near King Abdul Aziz 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°44'28.05"N 46°41'6.95"E	
الزرعة، 2864 ، الرياض 12461 ، RHMA28646483	
Google Maps	

2.5 Title Deed and Ownership

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

City	Riyadh	Land Area	10,500 Sqm
District	Al Mursalat	Plot No.	---
T.D Type	Electronic	Block No.	---
T.D Number	399684003641	Layout No.	2128
T.D Date	09/05/1446	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Street 30m width	East Side	Street 20m width
South Side	Street 15m width	West Side	Street 15m width

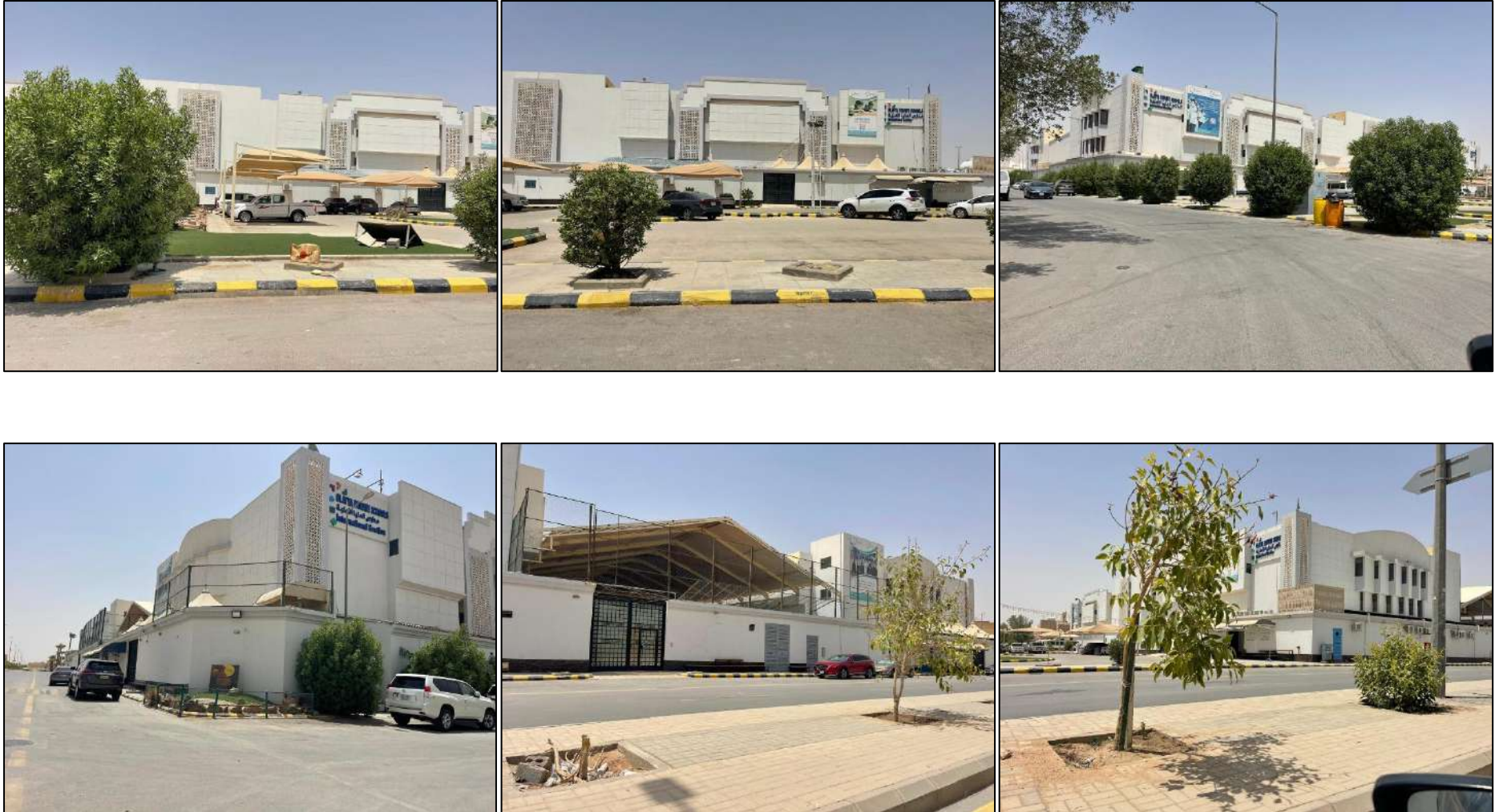
2.6 Construction Permit

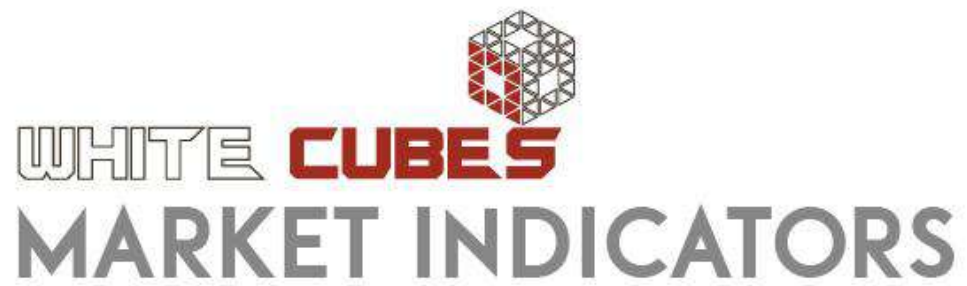
The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit with the below details:

Construction Permit Type	New Permit	Built-Up Area (BUA)	12,314
Property Type	School complex	Actual Age	22
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

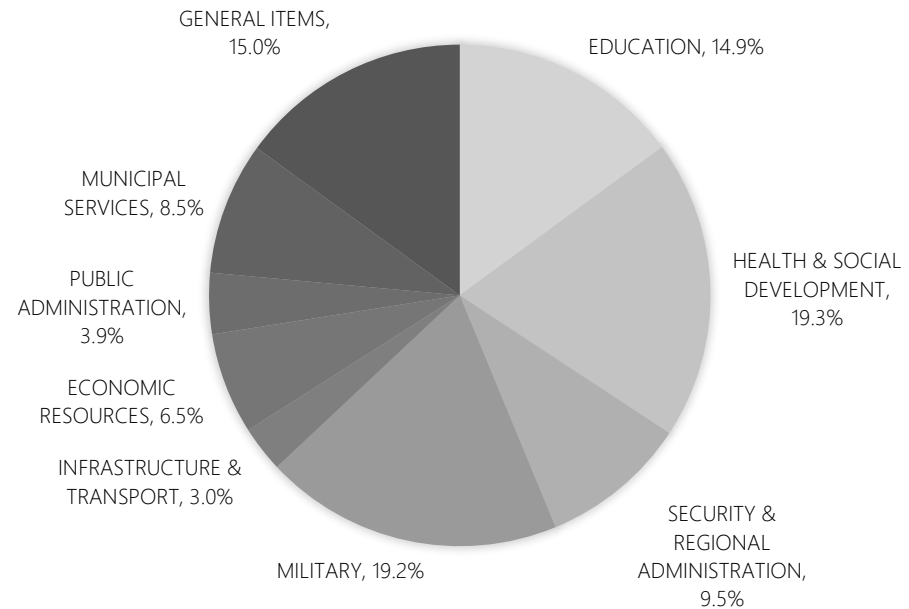
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

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

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

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

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

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

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	65,000,000.00	60,000,000.00	102,000,000.00
NOI	5,200,000	4,800,000	8,160,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032	2033
		0	1	2	3	4	5	6	7	8
Inflation		0%	0%	9%	0%	0%	0%	9%	0%	0%
Expected Revenue										
Educational Complex	Sqm	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Rate (SAR)	SAR	493	493	538	538	538	538	586	586	586
Total	SAR	5,180,116	5,180,116	5,646,326	5,646,326	5,646,326	5,646,326	6,154,496	6,154,496	6,154,496
Overall Revenues		5,180,116	5,180,116	5,646,326	5,646,326	5,646,326	5,646,326	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	0
Total		0	0	0	0	0	0	0	0	0
Effective Rental Income		5,180,116	5,180,116	5,646,326	5,646,326	5,646,326	5,646,326	6,154,496	6,154,496	6,154,496
Expenses										
CapEx	2.0%	103,602	103,602	112,927	112,927	112,927	112,927	123,090	123,090	123,090
OpEx	0.0%	0	0	0	0	0	0	0	0	0
Overall Expenses		103,602	103,602	112,927	112,927	112,927	112,927	123,090	123,090	123,090
NOI		5,076,514	5,076,514	5,533,400	5,533,400	5,533,400	5,533,400	6,031,406	6,031,406	6,031,406
Terminal Value	8.0%									75,392,574
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50
Present Value		5,076,514	4,657,352	4,657,352	4,272,800	3,920,000	3,596,330	3,596,330	3,299,386	40,863,950
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: SAR 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



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DOCUMENTS

DOCUMENT

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

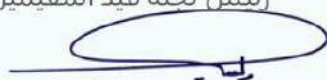
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital
(SEDCO REIT Fund)
Palm View
August 2025

REF: 25-0561-23

Code: 1459215

Date: 10/08/2025

Subject: Valuation Report for Administrative Complex– Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-23
Dep. Code	1459215
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Administrative complex.
Property Location	Capital District, Ad Diriyah City, Kingdom of Saudi Arabia.
Title Deed No.	560001291473
Title Deed Date	1445/09/03
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Basateen Al Wadi Real Estate Company is one person.
Land Use	Administrative.
Land Area (Sqm)	10,325.82 Sqm
BUA (Sqm)	48,180.80 Sqm
GLA (Sqm)	16,9655.00 Sqm
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 654,000,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 8.5%. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The property being evaluated is an administrative complex located in the Capital District, Diriyah City, Kingdom of Saudi Arabia. The property's ownership documents confirm the following:

- Total land area: 10,325.82 square meters.
- Built-up area: 48,180.80 square meters.
- Rental area: 16,965.00 square meters.

During the site inspection conducted for the evaluation, it was noted that the property is open on four sides. The property is located on Imam Saud bin Faisal Road and near King Khalid Road.

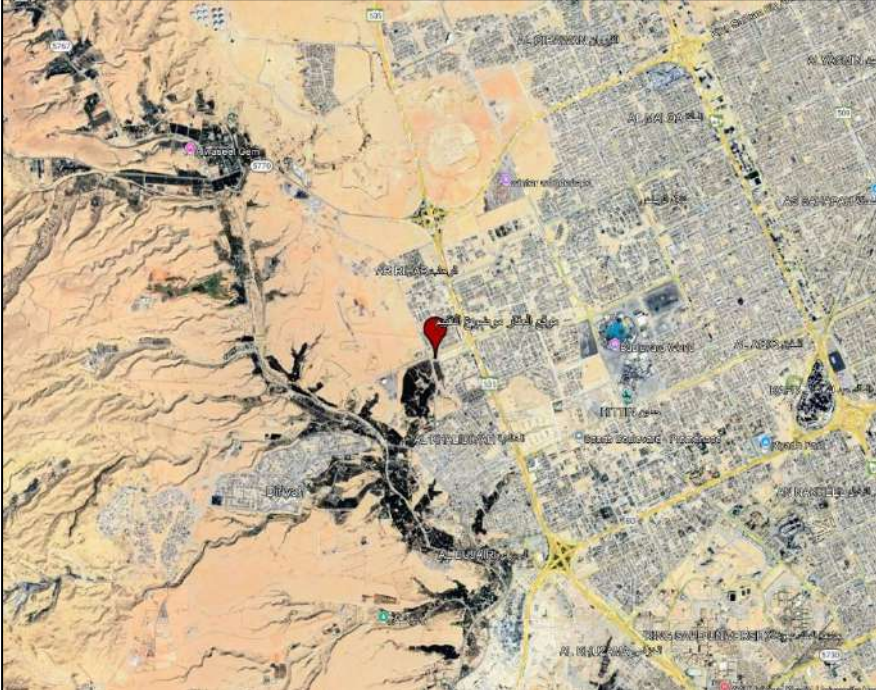
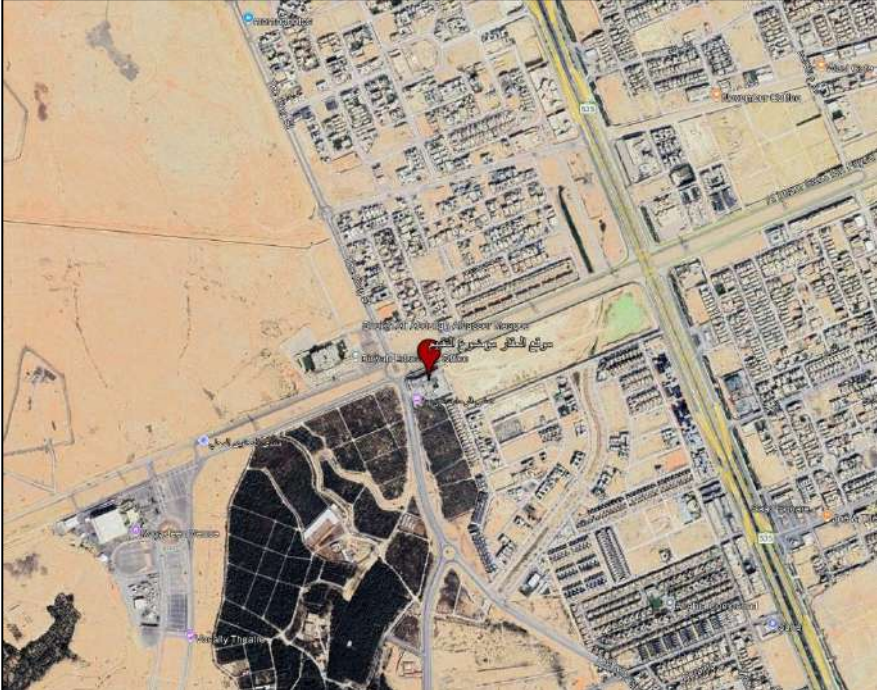
2.2 Ease of Access

The accessibility of the property is considered average based on its current location, which is close to King 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	
Diriyah 13714 تقاطع طريق الإمام سعود بن فيصل مع شارع الملك الرياض	
Google Maps	

2.5 Title Deed and Ownership

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

City	Diriyah	Land Area	10,325.82 Sqm
District	Al-Asimah	Plot No.	327
T.D Type	Electronic	Block No.	---
T.D Number	560001291473	Layout No.	136
T.D Date	1445/09/03	Ownership Type	Mortgage
Owner	Basateen Al Wadi Real Estate Company is one person	Limitation of Document	Mortgaged in favor of the Arab National Bank
Issued From	Ministry of Justice		
North Side	80m wide street	East Side	18m wide street
South Side	18m wide street	West Side	36m 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 details below:

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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

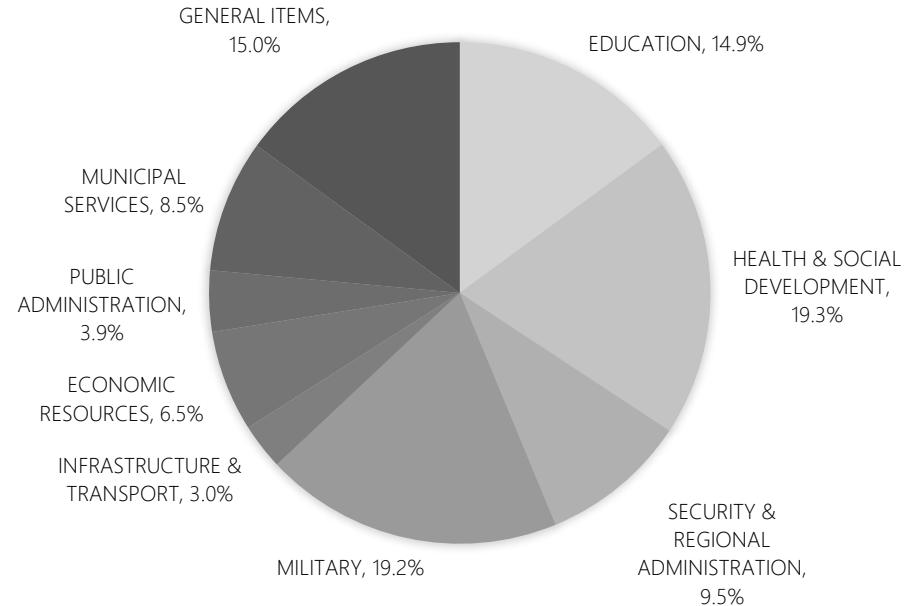
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	8 Points				

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

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

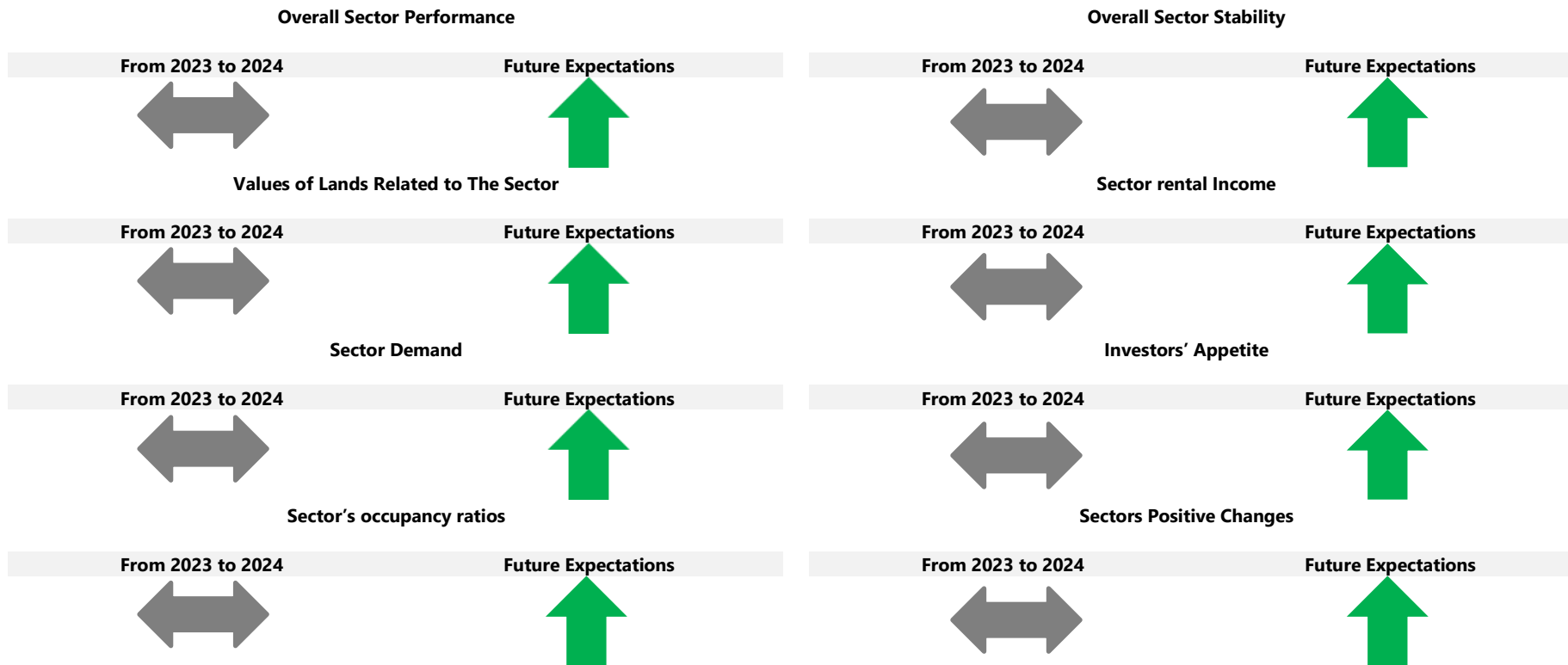
Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	-----	✓	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	-----	✓	-----	-----
Risk Points	8 Points				

The subject property has a total risk score of **31 points**, placing it in the **medium risk** category. This rating indicates that the property faces a moderate level of operational, market, or location-related risk, with some challenges that can be addressed through effective management and appropriate mitigation plans.

3.5 Sector Brief

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

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



White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 7% 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	35,000,000.00	50,000,000.00	28,900,000.00
NOI	2,975,000	4,250,000	2,456,500
Cap Rate	8.50%	8.50%	8.50%
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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	2.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	10.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032
		0	1	2	3	4	5	6	7
Inflation		0%	0%	0%	0%	0%	10%	0%	0%
Expected Revenue									
Offices	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	2,666	2,932	2,932	2,932
Total	SAR	55,550,660	55,550,660	55,550,660	55,550,660	55,550,660	61,105,726	61,105,726	61,105,726
Overall Revenues		55,550,660	55,550,660	55,550,660	55,550,660	55,550,660	61,105,726	61,105,726	61,105,726
Vacancy and Credit Loss									
Offices	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	55,550,660	61,105,726	61,105,726	61,105,726
Expenses									
CapEx	0.0%	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
OpEx	2.1%	1,155,454	1,155,454	1,155,454	1,155,454	1,155,454	1,270,999	1,270,999	1,270,999
Overall Expenses		4,155,454	4,155,454	4,155,454	4,155,454	4,155,454	4,270,999	4,270,999	4,270,999
NOI		51,395,206	51,395,206	51,395,206	51,395,206	51,395,206	56,834,727	56,834,727	56,834,727
Terminal Value	8.5%								668,643,846
Discount Rate	10.0%	1.00	0.91	0.83	0.75	0.68	0.62	0.56	0.51
Present Value		51,395,206	46,722,915	42,475,377	38,613,979	35,103,617	35,289,894	32,081,722	372,285,219
Net Present Value									654,000,000

Note: The value has been calculated based on the contracts and offers provided by the client. As none of these contracts have been finalized to date, the intention to sign them in the near future, as stated by the client, has been taken into consideration.

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: SAR 654,000,000.00
Six 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
Membership No. 1210002782

Farah E. Al Husaini
Valuation Manager



Member of RE Valuation
Membership No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE
Valuation)
License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds

[illegible]

	الرقم: 560001291473 التاريخ: 2024/03/13 1445/9/3	وثيقة تملك عقار		السوق العقارية Real Estate Market		 المملكة العربية السعودية Kingdom of Saudi Arabia	
	البيانات الأساسية						
	رقم الوثيقة	560001291473	تاريخ الوثيقة	1445/9/3	رقم الوثيقة	1445/9/3	رقم الوثيقة
	القود	مرحون	الحالة	فعال	رقم الوثيقة	1445/7/24	رقم الوثيقة
نوع العملية		صفحة تمويل	رقم الوثيقة السابقة	696426005837	رقم الوثيقة	1445/7/24	رقم الوثيقة
القيود							
الجهة المرصنة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق	مرحون	البك الوطني	7000018007	2028/12/31
المالك							
رقم الهوية	الاسم	نسبة التملك	شركة بساتين الوادي العقارية شخص واحد	% 100	رقم الوثيقة	7037283830	رقم الوثيقة
العقار							
رقم البعثة العقارية	نوع العقار	مساحة العقار (م²)	نوع الاستخدام	لا يوجد	قطعة الأرض التجارية	10,325.82	لا يوجد
لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد
لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد
لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد	لا يوجد
رقم المنطقة	رقم المخطط	الحي	المدينة	327	136	العاصمة	الدوحة
الحد							
الحد	النوع	وصف الحد	الطول م	شمالا	شارع	عرضه 80م	111.51
جنوبا	شارع	عرضه 18م + جار	م 84.31+ شمس وخسوس متر وسبعة وعشرون 59.27 مستثمر أربعة ومعاون متر واحد ولاتلون مستثمر	شرقا	شارع	عرضه 18م	100
غربا	شارع	عرضه 36م + جار	م 84.31+ سبعة وأربعون متر وأربعة ومعاون متر واحد ولاتلون مستثمر				

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

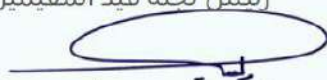
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital
(SEDCO REIT Fund)
Panda - Al Rayyan
August 2025

REF: 25-0561-20

Code: 1459211

Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-20
Dep. Code	1459211
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial complex
Property Location	Al Rayyan District, Dammam City.
Title Deed No.	994091001585
Title Deed Date	1445/05/08
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Saudi Real Estate Funds Development and Economic Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 73,500,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 9%. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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.
- Building area: 9,800 square meters.

During the site inspection conducted for evaluation purposes, it was noted that the property is open from 4 sides and is distinguished by its proximity to Imam Ali bin Abi Talib Road.

2.2 Ease of Access

The property's accessibility is considered average based on its current 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

City Scale	District Scale
	
26°24'09.6"N 50°06'00.3"E	
C432+328 Dammam	
Google Maps	

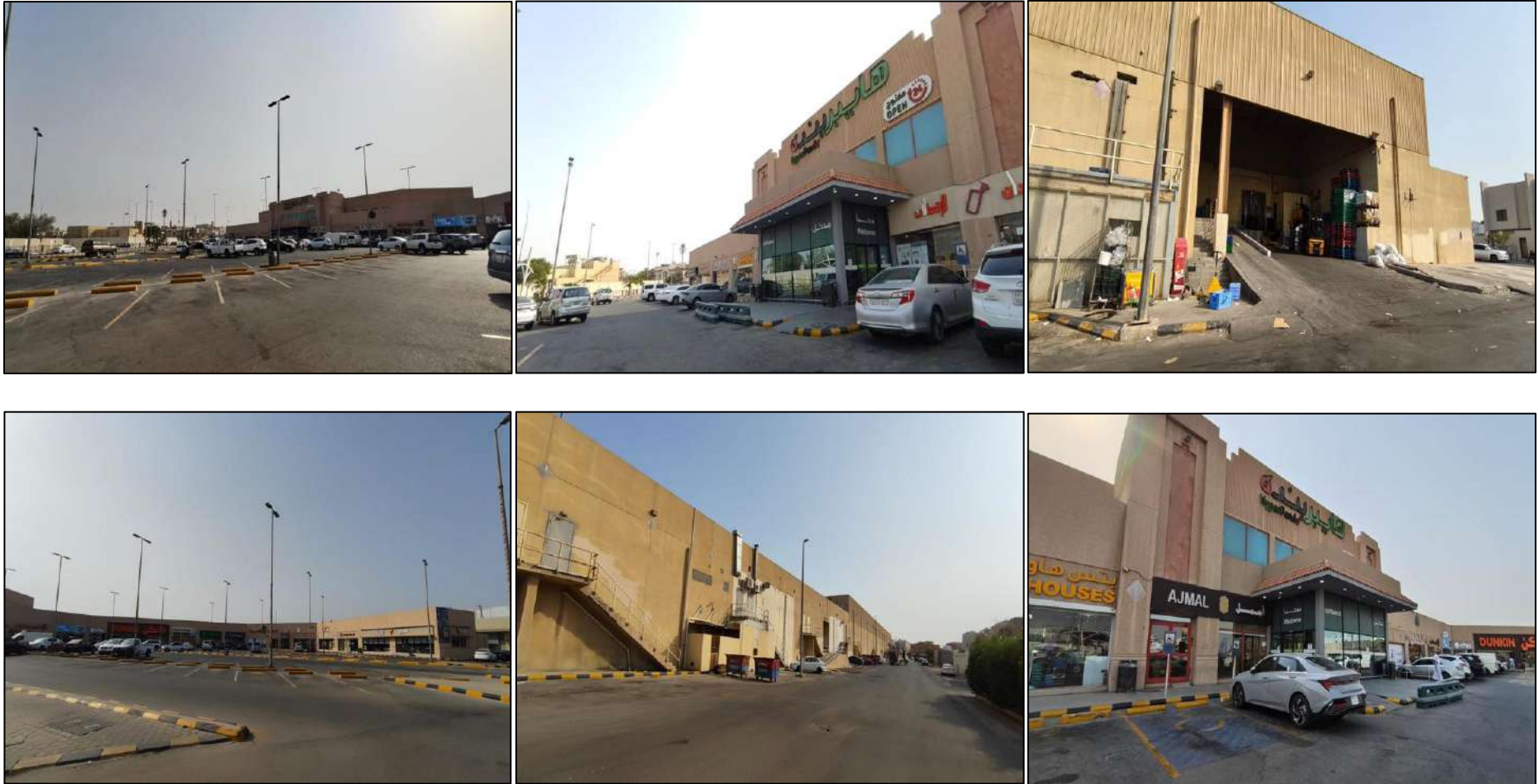
2.5 Title Deed and Ownership

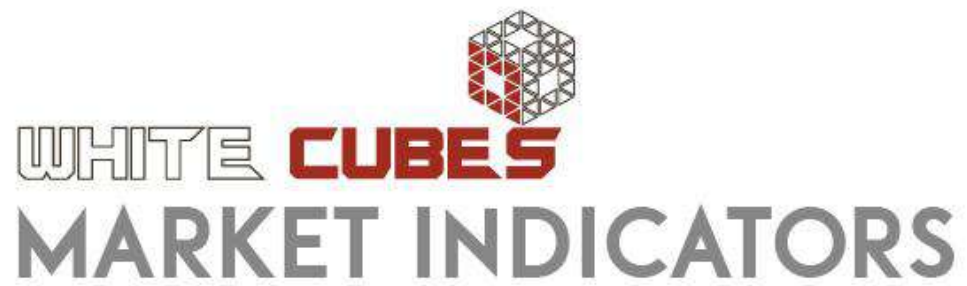
The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject:

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

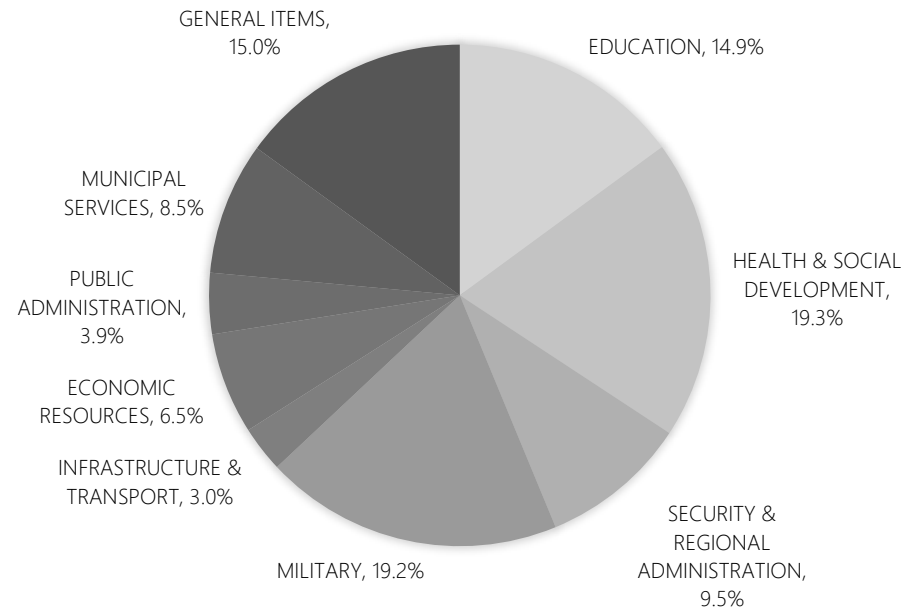
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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	35,000,000.00	50,000,000.00	28,900,000.00
NOI	3,150,000	4,500,000	2,601,000
Cap Rate	9.00%	9.00%	9.00%
Average Cap Rate	9.00%		

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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	2.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	10.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029
		0	1	2	3	4
Inflation		0%	0%	0%	0%	0%
Expected Revenue						
Commercial complex	Sqm	18,145	18,145	18,145	18,145	18,145
Rate (SAR)	SAR	344	344	344	344	344
Total	SAR	6,313,500	6,241,811	6,241,811	6,241,811	6,241,811
Overall Revenues		6,313,500	6,241,811	6,241,811	6,241,811	6,241,811
Vacancy and Credit Loss						
Commercial complex	0.0%	0	0	0	0	0
Total		0	0	0	0	0
Effective Rental Income		6,313,500	6,241,811	6,241,811	6,241,811	6,241,811
Expenses						
CapEx	0.0%	0	0	0	0	0
OpEx	0.0%	0	0	0	0	0
Overall Expenses		0	0	0	0	0
NOI		6,313,500	6,241,811	6,241,811	6,241,811	6,241,811
Terminal Value	9.0%					69,353,458
Discount Rate	10.0%	1.00	0.91	0.83	0.75	0.68
Present Value		6,313,500	5,674,374	5,158,522	4,689,565	51,632,586
Net Present Value						73,500,000

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: SAR 73,500,000.00
Seventy-Three Million Five Hundred Thousand Saudi Riyals.

4.4 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of RE Valuation
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of RE Valuation
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds



الرقم: 994091001585
التاريخ: 1445/5/13

وثيقة تملك عقار

السجل العقاري
Real Estate Market



البيانات الأساسية

رقم الوثيقة	994091001585	تاريخ الوثيقة	1445/5/13
المصدر	المرافق بالدعوى 1	الحالة	فعال
المساحة (م ²)	18,144.8	القيود	مرهون
رقم الوثيقة السابقة	430127007015	تاريخ الوثيقة السابقة	1444/11/12
نوع المسلة	صفقة بتحويل		

القيود

القيود	الجهة الراحة	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	رهن 50,696,145.78	

المالك

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

عقار 1 من 18

رقم الهوية العقارية	لا يوجد	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
		قطعة الأرض	1,112.9	لا يوجد
الموقع	لا يوجد	نموذج العقار		
		لا يوجد		
رقم القطعة	136	رقم المخطط	832 / ش.د	الحي
				الدمام
الحد	الترع	وصف الحد	الطول (م)	
شمالا	قطعة	رقم 135	27.27	
جنوبا	شارع	عرض 30 متر	29.55	
شرقا	قطعة	رقم 134	40	
غربا	شارع	عرض 20 متر	40.07	

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وإمارة المنطقة الشرقية - الصفحة 1 من 10



الرقم: 994091001585
التاريخ: 1445/5/13

وثيقة تملك عقار

السجل العقاري
Real Estate Market



عقار 2 من 18

رقم الهوية العقارية	لا يوجد	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
		قطعة الأرض	1,000	لا يوجد
الموقع	لا يوجد	نموذج العقار		
		لا يوجد		
رقم القطعة	120	رقم المخطط	832 / ش.د	الحي
				الدمام
الحد	الترع	وصف الحد	الطول (م)	
شمالا	قطعة	رقم 119	25	
جنوبا	شارع	عرض 30 متر	25	
شرقا	نافذ	عرض 8 متر	40	
غربا	قطعة	رقم 122	40	

عقار 3 من 18

رقم الهوية العقارية	لا يوجد	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
		قطعة الأرض	1,000	لا يوجد
الموقع	لا يوجد	نموذج العقار		
		لا يوجد		
رقم القطعة	122	رقم المخطط	832 / ش.د	الحي
				الدمام
الحد	الترع	وصف الحد	الطول (م)	
شمالا	قطعة	رقم 121	25	
جنوبا	شارع	عرض 30 متر	25	
شرقا	قطعة	رقم 120	40	
غربا	قطعة	رقم 124	40	

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وإمارة المنطقة الشرقية - الصفحة 2 من 10

وثيقة تملك عقار

الرقم: 994091001585 التاريخ: 1445/5/13

المملكة العربية السعودية Real Estate Market

عقار 4 من 18

رقم الهوية المقارنة	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج المقار	
لا يوجد	لا يوجد	لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
124	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 123	25
جنوبا	شارع	عرض 30 متر	25
شرقا	قطعة	رقم 122	40
غربا	قطعة	رقم 126	40

عقار 5 من 18

رقم الهوية المقارنة	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج المقار	
لا يوجد	لا يوجد	لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
126	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 125	25
جنوبا	شارع	عرض 30 متر	25
شرقا	قطعة	رقم 124	40
غربا	قطعة	رقم 128	40

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 3 من 10

وثيقة تملك عقار

الرقم: 994091001585 التاريخ: 1445/5/13

المملكة العربية السعودية Real Estate Market

عقار 6 من 18

رقم الهوية المقارنة	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج المقار	
لا يوجد	لا يوجد	لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
128	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 127	25
جنوبا	شارع	عرض 30 متر	25
شرقا	قطعة	رقم 126	40
غربا	قطعة	رقم 130	40

عقار 7 من 18

رقم الهوية المقارنة	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج المقار	
لا يوجد	لا يوجد	لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
130	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 129	25
جنوبا	شارع	عرض 30 متر	25
شرقا	قطعة	رقم 128	40
غربا	قطعة	رقم 132	40

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 4 من 10



الرقم: 994091001585
التاريخ: 1445/5/13

وثيقة تملك عقار



عقار 10 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
119	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 18 متر	25
جنوبا	قطعة	رقم 120	25
شرقا	ناظ	عرض 8 متر	40
غربا	قطعة	رقم 121	40

عقار 11 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
121	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 18 متر	25
جنوبا	قطعة	رقم 122	25
شرقا	قطعة	رقم 119	40
غربا	قطعة	رقم 123	40

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 6 من 10



الرقم: 994091001585
التاريخ: 1445/5/13

وثيقة تملك عقار



عقار 8 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
132	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 131	25
جنوبا	شارع	عرض 30 متر	25
شرقا	قطعة	رقم 130	40
غربا	قطعة	رقم 134	40

عقار 9 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع	نموذج العقار		
لا يوجد	لا يوجد		
رقم القطعة	رقم المخطط	الحي	المدينة
134	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	قطعة	رقم 133	25
جنوبا	شارع	عرض 30 متر	25
شرقا	قطعة	رقم 132	40
غربا	قطعة	رقم 136	40

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 5 من 10



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وثيقة تملك عقار

السوق العقارية
Real Estate Market



عقار 14 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
127	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م ²)
شمالا	شارع	عرض 18 متر	25
جنوبا	قطعة	رقم 128	25
شرقا	قطعة	رقم 125	40
غربا	قطعة	رقم 129	40

عقار 15 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
129	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م ²)
شمالا	شارع	عرض 18 متر	25
جنوبا	قطعة	رقم 130	25
شرقا	قطعة	رقم 127	40
غربا	قطعة	رقم 131	40

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 8 من 10



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وثيقة تملك عقار

السوق العقارية
Real Estate Market



عقار 12 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
123	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م ²)
شمالا	شارع	عرض 18 متر	25
جنوبا	قطعة	رقم 124	25
شرقا	قطعة	رقم 121	40
غربا	قطعة	رقم 125	40

عقار 13 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
125	832 / ش.د	الريان	الدمام

الحد	النوع	وصف الحد	الطول (م ²)
شمالا	شارع	عرض 18 متر	25
جنوبا	قطعة	رقم 126	25
شرقا	قطعة	رقم 123	40
غربا	قطعة	رقم 127	40

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للعقار. الصفحة 7 من 10



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وثيقة تملك عقار



عقار 16 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
131	832 / ش.د	الريان	الدامم

الحد	النوع	وصف الحد	الطول (م ²)
شمالاً	شارع	عرض 18 متر	25
جنوباً	قطعة	رقم 132	25
شرقاً	قطعة	رقم 129	40
غرباً	قطعة	رقم 133	40

عقار 17 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,000	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
133	832 / ش.د	الريان	الدامم

الحد	النوع	وصف الحد	الطول (م ²)
شمالاً	شارع	عرض 18 متر	25
جنوباً	قطعة	رقم 134	25
شرقاً	قطعة	رقم 131	40
غرباً	قطعة	رقم 135	40

صدرت هذه الوثيقة من البورصة العقارية، ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 9 من 10



الرقم: 994091001585
التاريخ: 1445/5/13

وثيقة تملك عقار



عقار 18 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,031.9	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
135	832 / ش.د	الريان	الدامم

الحد	النوع	وصف الحد	الطول (م ²)
شمالاً	شارع	عرض 18 متر	25
جنوباً	قطعة	رقم 136	27.27
شرقاً	قطعة	رقم 133	40
غرباً	شارع	عرض 20 متر	40.07

صدرت هذه الوثيقة من البورصة العقارية، ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 10 من 10

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

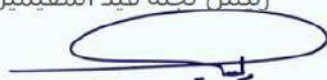
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital
(SEDCO REIT Fund)
Panda - Al Noor
August 2025

REF: 25-0561-21
Code: 1459213
Date: 10/08/2025

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

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-21
Dep. Code	1459213
Report Type	Detailed Report.
Client	SEDCO REIT Fund
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial complex
Property Location	Al -Noor District, Dammam City.
Title Deed No.	799684003632 - 494091001583
Title Deed Date	1445/05/09- 1445/05/13
Ownership Type	Title deed-restricted
Limitations	Mortgaged.
Owner	Saudi Real Estate Funds Development and Economic Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 71,100,000.00
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

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

1.6 Scope of Research

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

1.7 Information Sources

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

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

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to have absolute ownership, implying that there are no legal or ownership disputes affecting its value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Capitalization Rate:** The capitalization rate used to determine the property's value is assumed to be 9%. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is 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 evaluation purposes, it was noted that the property is open on 4 sides and has a direct view of King Saud bin Abdulaziz Road.

2.2 Ease of Access

The property's accessibility is considered average based on its current location on 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.

2.4 Location and Landmarks

City Scale	District Scale
	
26°25'34.0"N 50°02'03.5"E	
C2GM+CPM Damman	
Google Maps	

2.5 Title Deed and Ownership

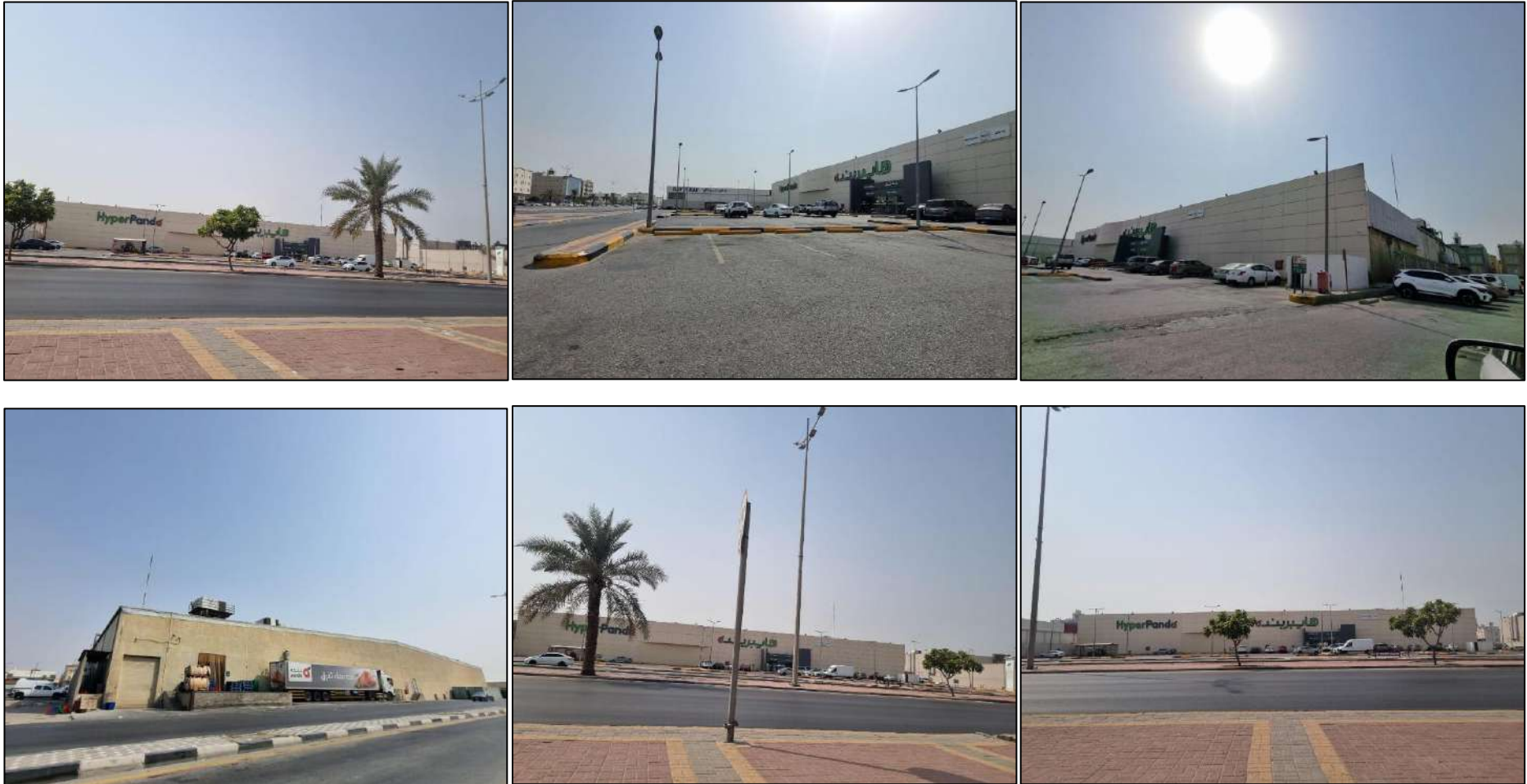
The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject:

City	Dammam	Land Area	18,144.8
District	Al Noor	Plot No.	ب/198 – 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 Rayyan	Plot No.	ب / 191
T.D Type	Electronic	Block No.	---
T.D Number	994091001585	Layout No.	ش.د. / 742
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	25m wide street	East Side	Plot No 197 - 198
South Side	60m wide street	West Side	Plot No 189 - 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





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

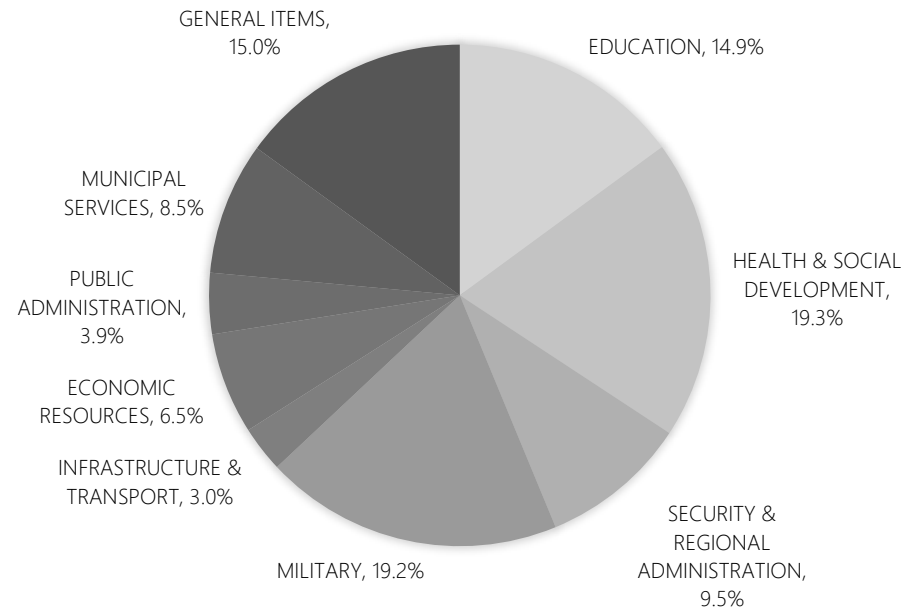
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed 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 income method was selected as the most appropriate method 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 8% to 10%. 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	35,000,000.00	50,000,000.00	28,900,000.00
NOI	3,150,000	4,500,000	2,601,000
Cap Rate	9.00%	9.00%	9.00%
Average Cap Rate	9.00%		

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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	2.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	10.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		0	1	2	3	4	5	6	7	8	9
Inflation		0%	0%	0%	0%	5%	0%	0%	0%	0%	0%
Expected Revenue											
Commercial complex	Sqm	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Rate (SAR)	SAR	816	816	816	816	857	857	857	857	857	857
Total	SAR	4,450,240	4,406,400	4,406,400	4,406,400	4,626,720	4,626,720	4,626,720	4,626,720	4,626,720	4,626,720
Parking	Sqm	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378
Rate (SAR)	SAR	468	468	468	468	491	491	491	491	491	491
Total	SAR	1,596,200	1,581,007	1,581,007	1,581,007	1,660,057	1,660,057	1,660,057	1,660,057	1,660,057	1,660,057
Overall Revenues		6,046,440	5,987,407	5,987,407	5,987,407	6,286,777	6,286,777	6,286,777	6,286,777	6,286,777	6,286,777
Vacancy and Credit Loss											
Commercial complex	0.0%	0	0	0	0	0	0	0	0	0	0
Parking	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		6,046,440	5,987,407	5,987,407	5,987,407	6,286,777	6,286,777	6,286,777	6,286,777	6,286,777	6,286,777
Expenses											
CapEx	0.0%	0	0	0	0	0	0	0	0	0	0
OpEx	0.0%	0	0	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0	0	0
NOI		6,046,440	5,987,407	5,987,407	5,987,407	6,286,777	6,286,777	6,286,777	6,286,777	6,286,777	6,286,777
Terminal Value	9.0%										69,853,081
Discount Rate	10.0%	1.00	0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47	0.42
Present Value		6,046,440	5,443,097	4,948,270	4,498,427	4,293,953	3,903,594	3,548,722	3,226,111	2,932,828	32,290,733
Net Present Value											71,100,000

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: SAR 71,100,000.00
Seventy-One 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
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds



الرقم: 799684003632
التاريخ: 1445/5/9

وثيقة تملك عقار

السوق العقارية
Real Estate Market



البيانات الأساسية

رقم الوثيقة	799684003632	تاريخ الوثيقة	1445/5/9
المصدر	الرواقين بالرياض 9	الحالة	قال
المساحة (م ²)	3,378.22	القيود	مرحون
رقم الوثيقة السابقة	393759000191	تاريخ الوثيقة السابقة	1443/9/16
نوع العملية	صفقة بتحويل		

القيود

التيد	الجهة الراحة	رقم المنشأ	قيمة الرهن	تاريخ الاستحقاق
مرحون	بنك الجزيرة	7000120712	ر.س 5,104,865.78	

الملاك

رقم الهوية	الاسم	نسبة الملاك
7001902688	الشركة السعودية للاستثمار والتنمية للصناعات العقارية	100 %

عقار 1 من 2

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	1,320	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
197 / ب	742 / ش.د	النور	الدمام

الحد	النوع	وصف الحد	الطول (م ²)
شمالاً	قطعة	رقم 197	33
جنوباً	شارع	الملك سعود عرض 60 متر	33.05
شرقاً	قطعة	رقم 200	61.45
غرباً	قطعة	رقم 196	63.25

صدرت هذه الوثيقة من البورصة العقارية بسكن الحق من سعة هذه الوثيقة عبر العدادات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 1 من 2



الرقم: 799684003632
التاريخ: 1445/5/9

وثيقة تملك عقار

السوق العقارية
Real Estate Market



عقار 2 من 2

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	2,058.22	لا يوجد
الموقع		نموذج العقار	
لا يوجد		لا يوجد	
رقم القطعة	رقم المخطط	الحي	المدينة
198 / ب	742 / ش.د	النور	الدمام

الحد	النوع	وصف الحد	الطول (م ²)
شمالاً	قطعة	رقم 197	33
جنوباً	شارع	الملك سعود عرض 60 متر	33.05
شرقاً	قطعة	رقم 200	61.45
غرباً	قطعة	رقم 196	63.25

صدرت هذه الوثيقة من البورصة العقارية بسكن الحق من سعة هذه الوثيقة عبر العدادات الإلكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان وهيئة العامة للعقار. الصفحة 2 من 2



الرقم: 494091001583
التاريخ: 1445/5/13

وثيقة تملك عقار

السوق العقاري
Real Estate Market



البيانات الأساسية

رقم الوثيقة	رقم الوثيقة	تاريخ الوثيقة	رقم الوثيقة
494091001583	1445/5/13	الحالة	لعل
الموطين بالدمام 1	الحالة	القيود	مرهون
10,427.95	تاريخ الوثيقة السابقة	رقم الوثيقة السابقة	1444/1/20
330127004587	صفحة تمويل	رقم الوثيقة السابقة	1444/1/20
10,427.95	صفحة تمويل	رقم الوثيقة السابقة	1444/1/20

القيود

رقم الوثيقة	الجهة الراعية	رقم المنشأة	قيمة الرهن	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	ر.س 22,121,665.56	

الملاك

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

العقار

رقم الوثيقة المقارنة	نوع العقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	10,427.95	لا يوجد
الرقم	نوع	نموذج المقار	نوع الاستخدام
لا يوجد	لا يوجد	لا يوجد	لا يوجد
رقم القطعة	رقم المخطط	الحي	المدينة
191 / ب	742 / ش.د	التور	الدمام

الحد	النوع	وصف الحد	الطول (م)
شمالا	شارع	عرض 25 متر	99
جنوبا	شارع	الملاك سمود عرض 60 متر	99.07
شرقا	قطعة	رقم 197 والقطعة رقم 198	103.25
غربا	قطعة	رقم 189 والقطعة رقم 190	107.01

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

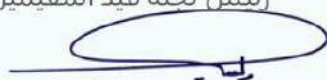
فئة العضوية: أساسي

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

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

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Panda Riyadh

August 2025

REF: 25-0561-9

Code: 1458796

Date: 10/08/2025

Subject: Valuation Report for Panda – Riyadh City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-9
Dep. Code	1458796
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial complex.
Property Location	Ashbilia district, Riyadh, Saudi Arabia.
Title Deed No.	499684003637
Title Deed Date	1445/05/09
Ownership Type	Mortgaged
Limitations	Mortgaged to Bank AL Jazira.
Owner	Saudi Real Estate Development and Investment Company.
Land Use	Hospitality.
Land Area (Sqm)	23,604 2م
BUA (Sqm)	2م 10,784
GLA (Sqm)	---
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Income Approach, Discounted Cash Flow method (DCF)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 82,400,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property subject to the appraisal is assumed to be mortgaged to Bank AL Jazira, meaning 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 9%. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The property being evaluated is a commercial complex located in the Ashbilia district of Riyadh, Saudi Arabia. The property's ownership documents confirm the following:

- Total land area: 23,604 square meters.
- Built-up area: 10,784 square meters.

During the site inspection conducted for the evaluation, it was noted that the property is open on four sides and is located on Sheikh Jaber Al-Ahmad Al-Sabah Street on the eastern side.

2.2 Ease of Access

The property is highly accessible based on its current 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 deeds. Here are the details of the subject property:

City	Riyadh	Land Area	23,604
District	Ashbilia	Plot No.	3/1/1/ع/4
T.D Type	Electronic	Block No.	N/A
T.D Number	499684003637	Layout No.	N/A
T.D Date	1445/05/09	Ownership Type	Mortgage
Owner	Saudi Economic and Development Company for Real Estate Funds	Limitation of Document	Mortgaged 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

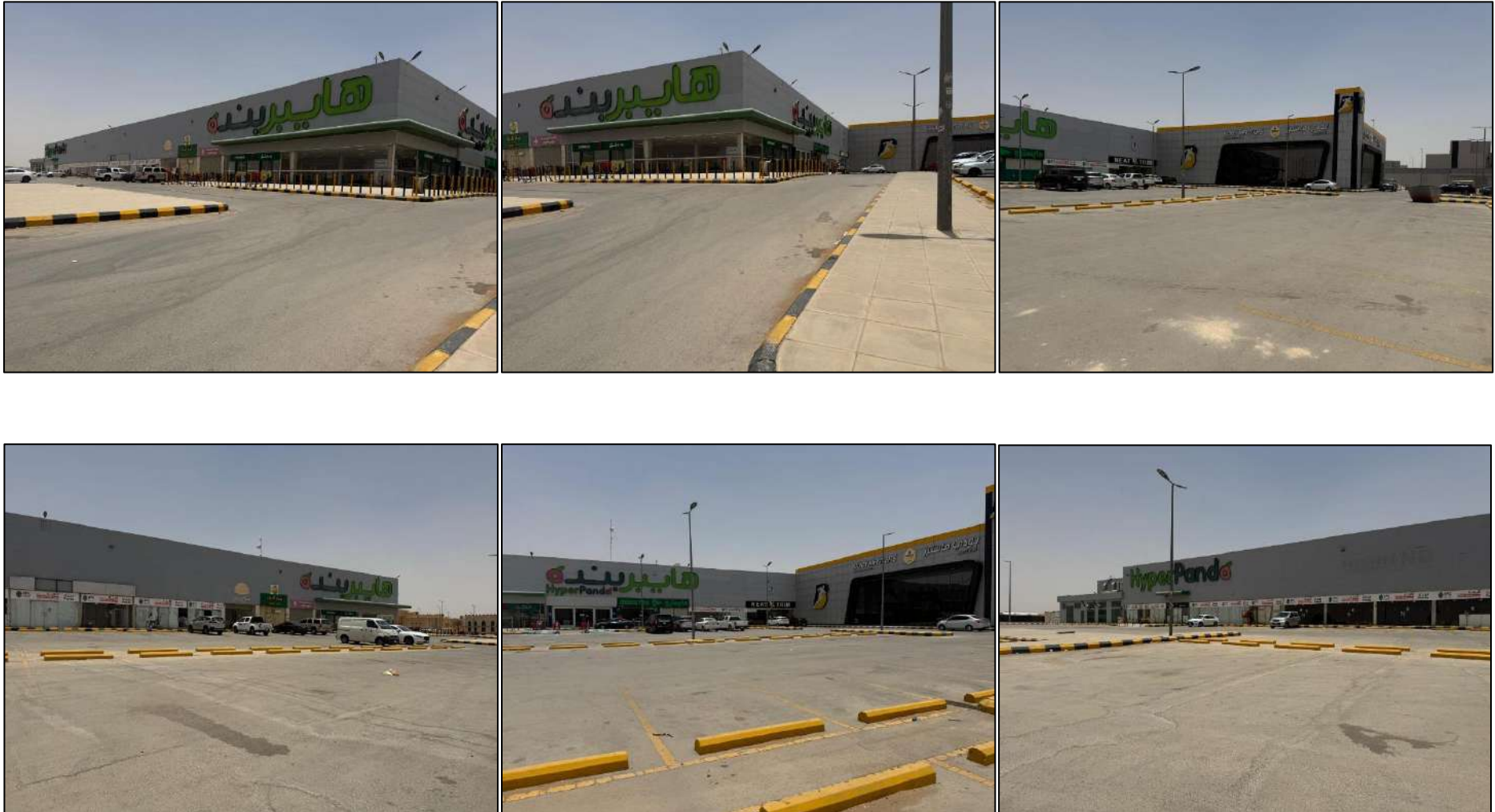
2.6 Construction Permit

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	7
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





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

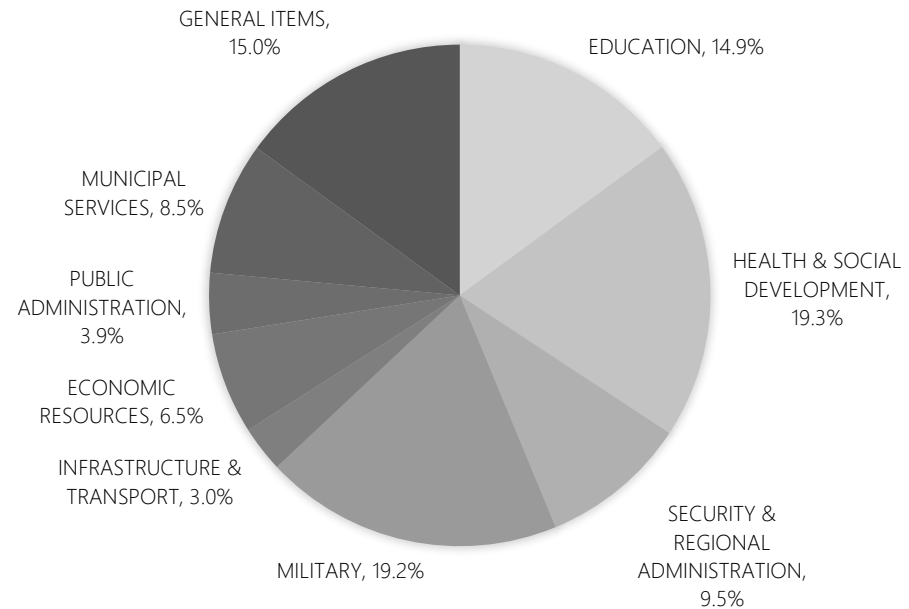
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

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

5. Industrial and Logistics Sector Development

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

Future Outlook and Investment Opportunities

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

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

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

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

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

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

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

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

3.5 Sector Brief

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



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

Overall Sector Performance

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

Overall Sector Stability

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

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

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

First: Market Approach

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

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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)

Market Cap Analysis

The capitalization rate is the ratio used to determine a property's value based on its net operating income. It is calculated by dividing the property's annual net income by its market value or price. The capitalization rate is determined by a market study of similar properties in the same area, considering factors such as location, property type, and economic conditions.

The capitalization rate typically ranges between 7% and 9% but may vary based on local market supply and demand, property type, and economic conditions. This rate is applied to the property's net operating income to determine its market value.

Project revenues

The client provided us with a copy of the lease contract, which indicates that the project is leased quarterly until 2028. According to the contract, the project's revenue for the current year (2025) is 7,033,688 Saudi riyals. An illustrative table of the project's revenue over the next four years:

year	Rental value
1	7,033,688
2	7,033,688
3	7,033,688
4	7,033,688

Capitalization Rate Used for the Valuation

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

	Sample 1	Sample 2	Sample 3
Sale Price	117,000,000.00	27,500,000.00	92,500,000.00
NOI	10,530,000	2,475,000	8,325,000
Cap Rate	9.00%	9.00%	9.00%
Average Cap Rate	9.00%		

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 considers the latest developments in the real estate market.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	2.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	10.00%		

Discounted Cash Flows		2025	2026	2027	2028
		0	1	2	3
Inflation		0%	0%	0%	0%
Expected Revenue					
commercial complex	Sqm	23,604	23,604	23,604	23,604
Rate (SAR)	SAR	295	295	295	295
Total	SAR	7,033,688	6,951,378	6,951,378	6,951,378
Overall Revenues		7,033,688	6,951,378	6,951,378	6,951,378
Vacancy and Credit Loss					
commercial complex	0.0%	0	0	0	0
Total		0	0	0	0
Effective Rental Income		7,033,688	6,951,378	6,951,378	6,951,378
Expenses					
CapEx	0.0%	0	0	0	0
OpEx	0.0%	0	0	0	0
Overall Expenses		0	0	0	0
NOI		7,033,688	6,951,378	6,951,378	6,951,378
Terminal Value	9.0%				77,237,533
Discount Rate	10.0%	1.00	0.91	0.83	0.75
Present Value		7,033,688	6,319,435	5,744,940	63,252,375
Net Present Value					82,400,000

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: SAR 82,400,000.00
Eighty-Two 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
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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

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

4.6 Conclusion

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

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



WHITE **CUBES**
DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deeds

499684003637 رقم الوثيقة
1445/5/9 تاريخ

وزارة الشؤون البلدية والقروية
MUNICIPALITY OF RIYADH

وثيقة تملك عقار

البيانات الأساسية

رقم الوثيقة	499684003637	تاريخ الزينة	1445/5/9
المصدر	الوقت بالرياض 9	المساحة	خال
المساحة (م ²)	23,604	القيود	مرهون
رقم الوثيقة السابقة	993010010252	تاريخ الوثيقة السابقة	1444/11/16
نوع الوثيقة	مفقة بتسليم		

التقيد

القيود	الجهة الراعية	رقم المنشأة	قيمة الزين	تاريخ الاستحقاق
مرهون	بنك الجزيرة	7000120712	ر.س 60,835,520	

الملاك

رقم الوثيقة	الاسم	نسبة التملك
7001902688	الشركة السعودية للاستثمار والتشييد للمباني التجارية	100 %

المقار

رقم الهوية المقارة	نوع المقار	مساحة المقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	23,604	لا يوجد
المرجع	رقم المقار	نوع المقار	نوع الاستخدام
لا يوجد	لا يوجد	لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	البلدية
4 / ح / 1 / 1	دون	إثلية	الرياض

الحد	النوع	رصف الحد	الطول (م ²)
شمالاً	شارع	عرض 36 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 يتم أي تعديل تقني جديد. صدرت هذه الوثيقة من الوزارة البلدية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة الشؤون البلدية والقروية والإسكان. الصفحة 1 من 1

إدارة رخص البناء
نوع الوثيقة: رخصة
الرقم: ١٤٣٧١١٧٢٢
تاريخ: ١٤٣٧/١١/٢٢
الموقع: الرياض
الرقم الموحّد: ٩٢٠٠٢٦٥٨٩
www.abrd.gov.sa

رخصة بناء مركز تجاري (تطوير شامل)

رقم الرخصة: ١٤٣٧/١١/٢٢
تاريخ الرخصة: ١٤٣٧/١١/٢٢
تاريخ الانتهاء: ١٤٤٠/١١/٢٢
نوع الرخصة: تجديدي

اسم المستفيد: شركة السعودية للاستثمار والتشييد للمباني التجارية

رقم الإيجاز: ١٤٣٧/١١/٢٢
رقم المخطط: ١٤٣٧/١١/٢٢
رقم القطعة: ٤/ح/١/١
الشماري: ١٤٣٧/١١/٢٢
الحي: حي النخيل
مساحة الأرض: ٢٣٦٠٤ م²

الجهة	الحدود	الأبعاد	الارتفاع
شمالاً	شارع عرض ٣٠ م	٨٩,٠٤	٦,٠٩
شرقاً	شارع عرض ٣٠ م	٢١٣,٤٣	٩,٠
جنوباً	شارع عرض ٣٠ م	١٩٩,٦٨	١٨,٩
غرباً	شارع عرض ٣٠ م	٢١٠,٩	٦

مكونات البناء

عدد الوحدات	المساحة	الاستخدام
١	١٤٣٠,٠٠	تجاري
١	١٠٢٣,٠٠	مخازن

ملاحظات: لا يوجد أي تعديل تقني جديد.

المكتب المصمم: بين
رقم الترخيص: ١٧٨١
سند الرسوم مبلغ وقدره: ١٧٨١ ريال بموجب الإيصالات رقم: ١٧٨١
ملاحظات: لا يوجد أي تعديل تقني جديد.

الختم الرسمي

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

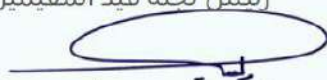
فئة العضوية: أساسي

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

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

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

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Panda

August 2025

REF: 25-0561-13
Code: 1458877
Date: 10/08/2025

Subject: Valuation Report for Panda– Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

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

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

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

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

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-13
Dep. Code	1458877
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial project.
Property Location	Al-Hamdaniya district, Riyadh City.
Title Deed No.	399181002206
Title Deed Date	15/05/1445
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	~~SR~~ 40,600,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

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

1.4 Valuation Methods

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

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

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

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

1.8 Assumptions and Special Assumptions

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

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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 9 %. 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

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

1.11 Legal Notes

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



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Al-Hamdaniya district, 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 features a direct view of Al-Hamdaniya Street from the north side.

2.2 Ease of Access

The access level of the subject property is classified as high due to its location on Al-Hamdaniya 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
 A satellite map of Jeddah, Saudi Arabia, showing the city's location along the Red Sea coast. A red pin marks the specific location of the project in the central part of the city. Major roads and the coastline are visible.	 A detailed satellite map of the Al Hamadaniyyah district in Jeddah. A red pin indicates the project location within a dense urban area characterized by a grid of streets and numerous buildings. A large highway interchange is visible on the left side of the map.
21°45'19.7"N 39°11'45.0"E	
Q54W+58P Al Hamadaniyyah, Jeddah	
Google Maps	

2.5 Title Deed and Ownership

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

City	Jeddah	Land Area	13,685.85 Sqm
District	Al-Hamdaniya	Plot No.	ب/أ/2
T.D Type	Electronic	Block No.	---
T.D Number	399181002206	Layout No.	س/ج/385
T.D Date	15/05/1445	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Street 30m width	East Side	Parking lot
South Side	Pedestrian path	West Side	Pedestrian path

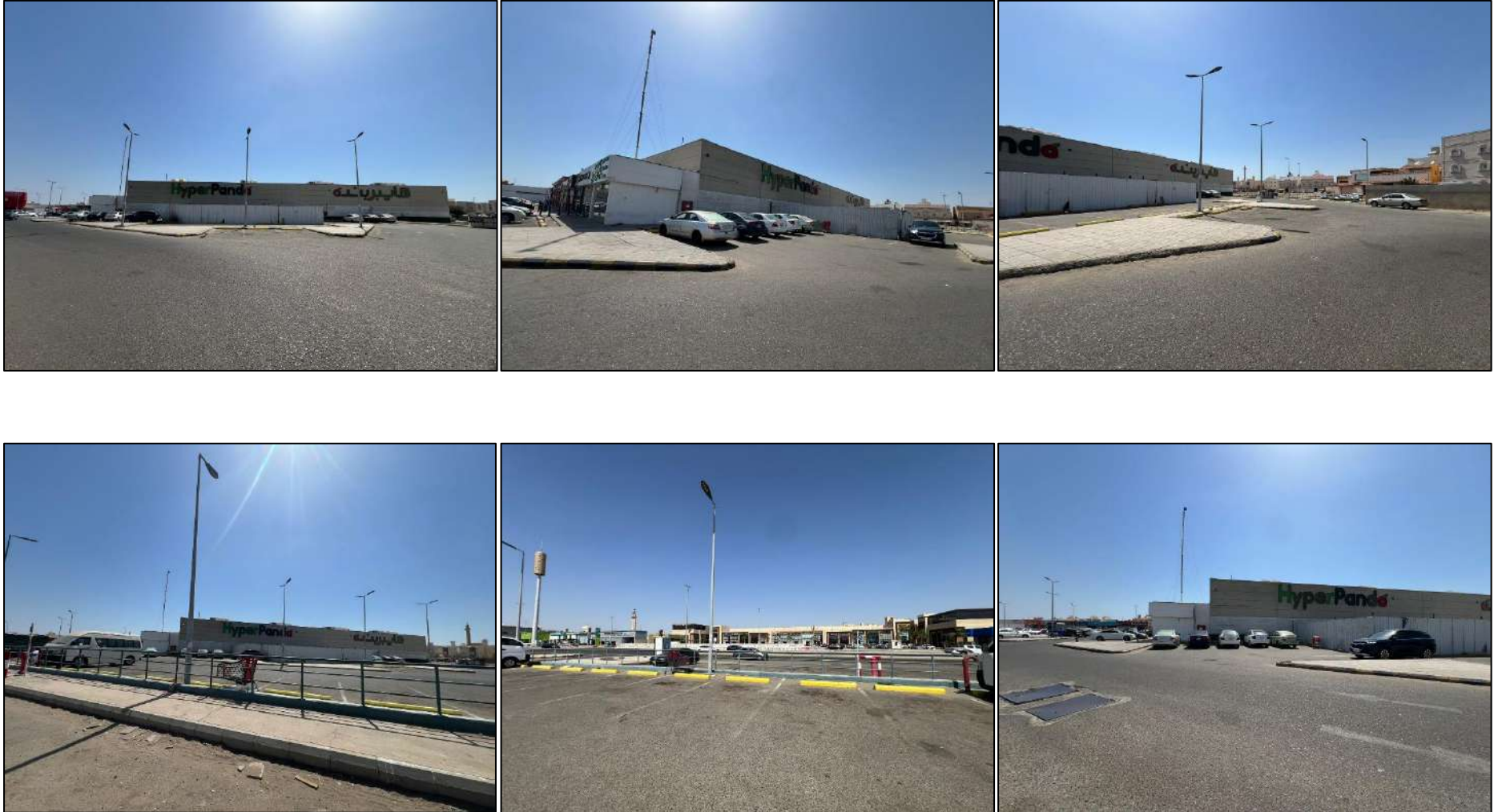
2.6 Construction Permit

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	14
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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

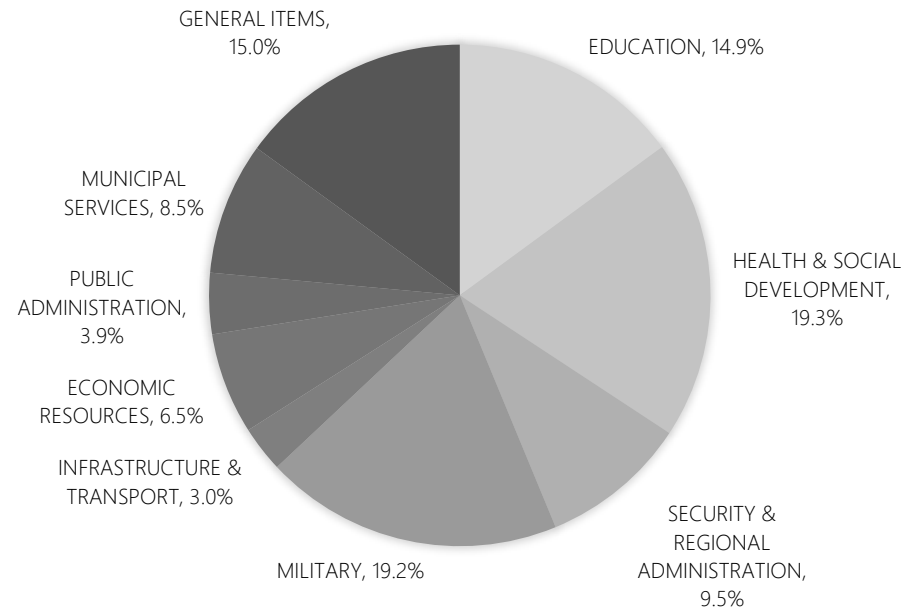
3.1 Saudi Arabia Economic Indicators

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

3.2 Budget Allocation for 2024

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

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

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

1. Economic Landscape and Market Drivers

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

2. Residential Market Growth and Shifting Preferences

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

3. Hospitality and Tourism Expansion

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

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication of the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.



-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance

From 2023 to 2024	Future Expectations
	
Values of Lands Related to The Sector	
From 2023 to 2024	Future Expectations
	
Sector Demand	
From 2023 to 2024	Future Expectations
	
Sector's occupancy ratios	
From 2023 to 2024	Future Expectations
	

Overall Sector Stability

From 2023 to 2024	Future Expectations
	
Sector rental Income	
From 2023 to 2024	Future Expectations
	
Investors' Appetite	
From 2023 to 2024	Future Expectations
	
Sectors Positive Changes	
From 2023 to 2024	Future Expectations
	

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, 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 8% to 10%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 10.0% 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.

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	2.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	10.00%		

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.

	Sample 1	Sample 2	Sample 3
Sale Price	35,000,000.00	50,000,000.00	28,900,000.00
NOI	3,150,000	4,500,000	2,601,000
Cap Rate	9.00%	9.00%	9.00%
Average Cap Rate	9.00%		

Discounted Cash Flows		2025	2026	2027
		0	1	2
Inflation		0%	0%	0%
Expected Revenue				
Commercial complex	Sqm	13,686	13,686	13,686
Rate (SAR)	SAR	249	249	249
Total	SAR	3,437,168	3,407,777	3,407,777
Overall Revenues		3,437,168	3,407,777	3,407,777
Vacancy and Credit Loss				
Commercial complex	0.0%	0	0	0
Total		0	0	0
Effective Rental Income		3,437,168	3,407,777	3,407,777
Expenses				
CapEx	0.0%	0	0	0
OpEx	0.0%	0	0	0
Overall Expenses		0	0	0
NOI		3,437,168	3,407,777	3,407,777
Terminal Value	9.0%			37,864,185
Discount Rate	10.0%	1.00	0.91	0.83
Present Value		3,437,168	3,097,979	34,109,059
Net Present Value				40,600,000

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: SAR 40,600,000.00
Forty Million Six Hundred Thousand 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



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DOCUMENTS

DOCUMENT

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

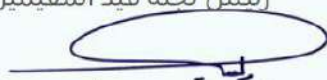
فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Jeddah Public Prosecution

August 2025

REF: 25-0561-10
Code: 1458816
Date: 10/08/2025

Subject: Valuation Report for an Office Tower in Jeddah, Saudi Arabia.

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

Issued: 01/08/1437 Exp: 24/08/1447

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-10
Dep. Code	1458816
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Office tower.
Property Location	Al Rayyan district, Jeddah, Saudi Arabia.
Title Deed No.	499684003639
Title Deed Date	1445/05/09
Ownership Type	Mortgage
Limitations	Mortgaged to Bank Aljazeera.
Owner	Saudi Economic and Development Real Estate Funds Company.
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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ65,900,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property subject to the appraisal is assumed to be mortgaged to Bank Al Jazira, meaning 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The property being evaluated is a hotel tower located in the Al Rayyan district of Jeddah, Saudi Arabia. The property's ownership documents 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 evaluation, it was noted that the property is open on two sides and is located on Al-Rahmaniyah Road to the east.

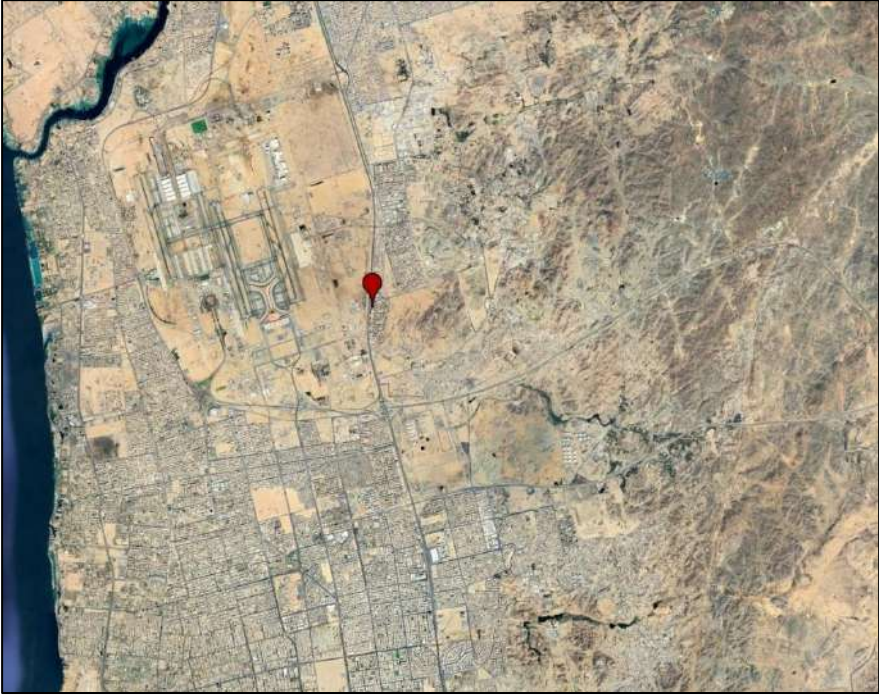
2.2 Ease of Access

The property is highly accessible based on its current 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 deeds. Here are the details of the subject property:

City	Jeddah	Land Area	58,572.20 Sqm
District	Al Rayyan	Plot No.	N/A
T.D Type	Electronic	Block No.	N/A
T.D Number	499684003639	Layout No.	N/A
T.D Date	09/05/1445	Ownership Type	Mortgage
Owner	Saudi Real Estate Funds Development Company	Limitation of Document	Mortgaged to Bank AL Jazira
Issued From	Ministry of Justice		
North Side	Vacant Land	East Side	16m wide street
South Side	Vacant Land	West Side	25m wide street

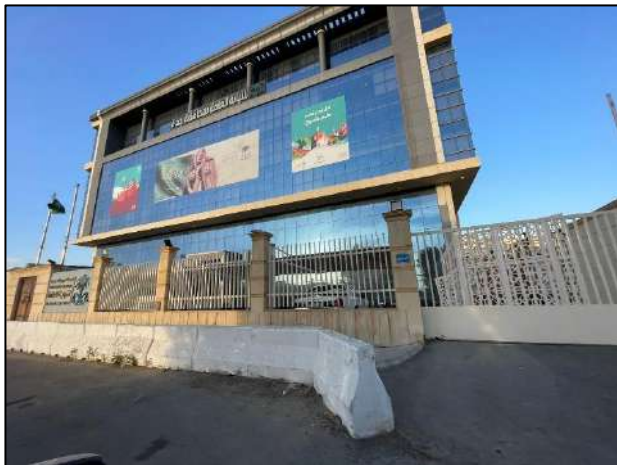
2.6 Construction Permit

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	Add and modify	Built-Up Area (BUA)	19,342.10
Property Type	Commercial and administrative building	Actual Age	9
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





WHITE **CUBES**

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

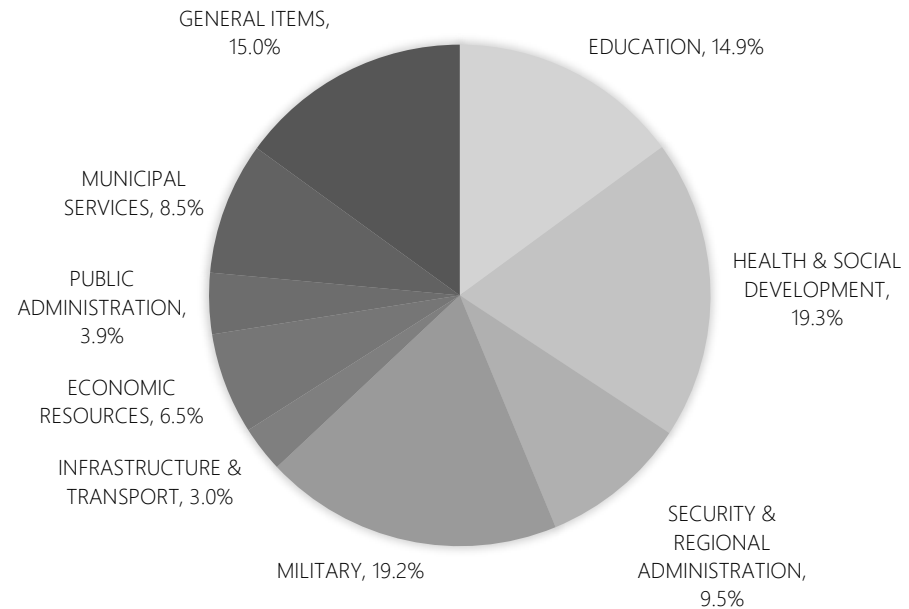
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	SAR 53.00	bn
Military Sector	SAR 259.00	bn
Security and Regional Administration Sector	SAR 128.00	bn
Municipal Services Sector	SAR 115.00	bn
Education Sector	SAR 201.00	bn
Health and Social Development Sector	SAR 260.00	bn
Economic Resources Sector	SAR 88.00	bn
Infrastructure and Transportation Sector	SAR 40.00	bn
General Items	SAR 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	✓	-----	-----	-----	-----
Interest Rate	-----	✓	-----	-----	-----
Overall economic conditions	-----	✓	-----	-----	-----
Risk Points	8 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication of the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.



-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance

From 2023 to 2024	Future Expectations
	
Values of Lands Related to The Sector	
From 2023 to 2024	Future Expectations
	
Sector Demand	
From 2023 to 2024	Future Expectations
	
Sector's occupancy ratios	
From 2023 to 2024	Future Expectations
	

Overall Sector Stability

From 2023 to 2024	Future Expectations
	
Sector rental Income	
From 2023 to 2024	Future Expectations
	
Investors' Appetite	
From 2023 to 2024	Future Expectations
	
Sectors Positive Changes	
From 2023 to 2024	Future Expectations
	

White Cubes Team's Analysis



WHITE **CUBES**

PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzing 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) - According to contracts

Market Cap Analysis

The capitalization rate is the ratio used to determine a property's value based on its net operating income. It is calculated by dividing the property's annual net income by its market value or price. The capitalization rate is determined by a market study of similar properties in the same area, considering factors such as location, property type, and economic conditions.

The capitalization rate typically ranges between 7% and 9% but may vary based on local market supply and demand, property type, and economic conditions. This rate is applied to the property's net operating income to determine its market value.

Project revenues

The client provided us with a copy of the lease agreement, which showed that the project was fully leased to one party. According to the client, the project's revenue for the year 2025 is 4,620,000 Saudi Riyals.

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 7.0% was deemed reasonable. This rate represents the expected return the property is anticipated to generate at the end of the period. It will be applied to the net operating income of the property during the valuation process.

	Sample 1	Sample 2	Sample 3
Sale Price	104,000,000.00	88,500,000.00	90,000,000.00
NOI	8,320,000	7,522,500	8,100,000
Cap Rate	8.00%	8.50%	9.00%
Average Cap Rate	8.50%		

Discount Rate of Cash Flows

Discount Rate% (The Build-Up Model)			
Free-Risk rate%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		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							
CapEx	0.0%	0	0	0	0	0	0
OpEx	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: SAR 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
 Membership No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of RE Valuation
 Membership No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

WHITE CUBES 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 considered during the appraisal, including market comparison studies, costs, expected returns, and potential risks. Additionally, the appropriate methodologies were applied, such as (describe the methodology used, such as the income approach, market approach, or cost approach), while factoring in the rates commonly accepted in the local market.

Through this appraisal, it can be stated that the estimated value is reasonable and reflects the current market conditions, while also indicating factors that may affect the property's future value. Therefore, I consider the derived value to be a fair and balanced reflection of the property's actual condition at present.

4.6 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



WHITE **CUBES**
DOCUMENTS

DOCUMENT

5.1 Title deeds



أمانة جدة

رخصة بناء

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
الهيئة العامة للغرفة
إدارة رخصي البناء

رقم الرخصة

3310312619

التاريخ

14/04/2018

الملاحق

رقم الملاحق: 10

الاستخدام

المنطقة السكنية للأغراض السكنية والتجارية

البلدية

رقم البلديات: 0640735064

رقم التوكيلات

رقم التوكيلات: 23804042521

رقم المخطط

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رقم المنطقة

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5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

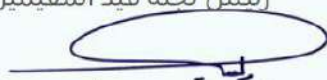
فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة





Shaping visions

Building values



SEDCO Capital

SEDCO REIT Fund

Ar Rawdah Business Center

August 2025

REF: 25-0561-12

Code: 1458861

Date: 10/08/2025

Subject: Valuation Report for Ar Rawdah Business Center– Jeddah City, Saudi Arabia

Dear SEDCO REIT Fund,

Pursuant to your request dated 16th June 2025, we are pleased to submit our comprehensive valuation report for the subject property. This report includes an in-depth market assessment, an economic analysis, and a detailed explanation of the valuation methodologies adopted.

At WHITE CUBES, we place the highest priority on maintaining the confidentiality of our clients' information. Our rigorous protocols ensure the protection of all sensitive data. Additionally, we affirm our commitment to delivering impartial and objective valuations. WHITE CUBES maintains no vested interests or affiliations that could compromise the transparency, accuracy, or integrity of this evaluation.

We trust that this report will meet your expectations and provide valuable insights to support your decision-making process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

Issued: 01/08/1437 Exp: 24/08/1447

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	25-0561-12
Dep. Code	1458861
Report Type	Detailed Report.
Client	SEDCO REIT Fund.
Report user	The Client.
Purpose of Valuation	Accounting Purposes.
Subject Property	Commercial project.
Property Location	Ar Rawdah district, Riyadh City.
Title Deed No.	399684003640
Title Deed Date	09/05/1445
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Bank Al Jazira.
Owner	Saudi Company for Economics and Development of 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)
Currency	Saudi Arabian Riyal
Final Property Value	ﷲ 107,000,000
Report Date	10/08/2025
Valuation Date	30/06/2025
Inspection Date	22/06/2025



WHITE **CUBES**

SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report has been prepared by WHITE CUBES Co. in compliance with the International Valuation Standards (IVS 2025) issued by the International Valuation Standards Council (IVSC) and the Practice and Regulatory Guidelines set forth by the Saudi Authority for Accredited Valuers (Taqeem). The report aims to ensure accurate and complete access to information and must be read in its entirety. Our firm is pleased to provide its valuation services to: **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 **Accounting Purposes**, in accordance with the client's request.

1.3 Basis of Valuation

Fair Value: Defined in line with IFRS 13 as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date. This valuation reflects the principle of an exit price as determined under current market conditions.

1.4 Valuation Methods

To meet the objectives of this valuation and at the request of the client, we have applied the following recognized valuation approaches:

1. Income Approach: Discounted Cash Flow (DCF) Method.

1.5 Currency

All values in this report are stated in Saudi Arabian Riyals (SAR) 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 permit.
2. **Market Trends:** Analysis of current market conditions and comparable property transactions.
3. **Income Analysis:** Review of income streams, operating expenses, and potential cash flows.
4. **Inspection:** On-site visual assessment of the property's physical condition and attributes.
5. **Historical Data:** Reference to market data and historical trends for comparable assets.
6. **Specialist Input:** Consultations with industry experts and agents for market insights.

By employing these comprehensive research methods, we have ensured the collection of accurate and relevant data, forming the solid foundation for determining the true market value of the asset under evaluation.

1.8 Assumptions and Special Assumptions

In addition to the standard assumptions outlined above, the following special assumptions have been applied for this specific valuation project. These assumptions are subject to change depending on the property type, client request, or specific valuation circumstances:

1. **Absolute Ownership:** The property under evaluation is assumed to be mortgage 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.

1.9 Property Inspection

As part of this valuation report, an extensive site visit was conducted to assess the physical attributes, performance, and relevant factors of the subject property. This inspection, carried out on 22/06/2025, involved the examination of key specifications such as land area, building design, rental rates, services, public utilities, and various other components. It should be noted that the inspection was not a technical evaluation but rather a visual overview and documentation of the observed characteristics. The information gathered forms the foundation for expressing an opinion on the property's value in this report.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge and based on the available information, there are no ongoing or pending legal notices affecting the subject property as of the valuation date. This assessment is based solely on the documents and data provided to us at the time of the report preparation.



WHITE **CUBES**

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Ar Rawdah district, Jeddah city, Saudi Arabia. The property's title deed and construction permit confirm the following:

- Total Land Area: 2,462.50 square meters.
- Total Built-Up Area (BUA): 17,526.74 square meters.

During the site inspection conducted for the purpose of valuation, it was observed that the property is open from 3 sides, the property features a direct view of 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 deeds. 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	09/05/1446	Ownership Type	Mortgage
Owner	Saudi Company for Economics and Development of Real Estate Funds	Limitation of Document	Mortgaged to Bank Al Jazira
Issued From	Mistry of justice		
North Side	Privet property	East Side	Privet property
South Side	Street 32m width	West Side	Street 15m width

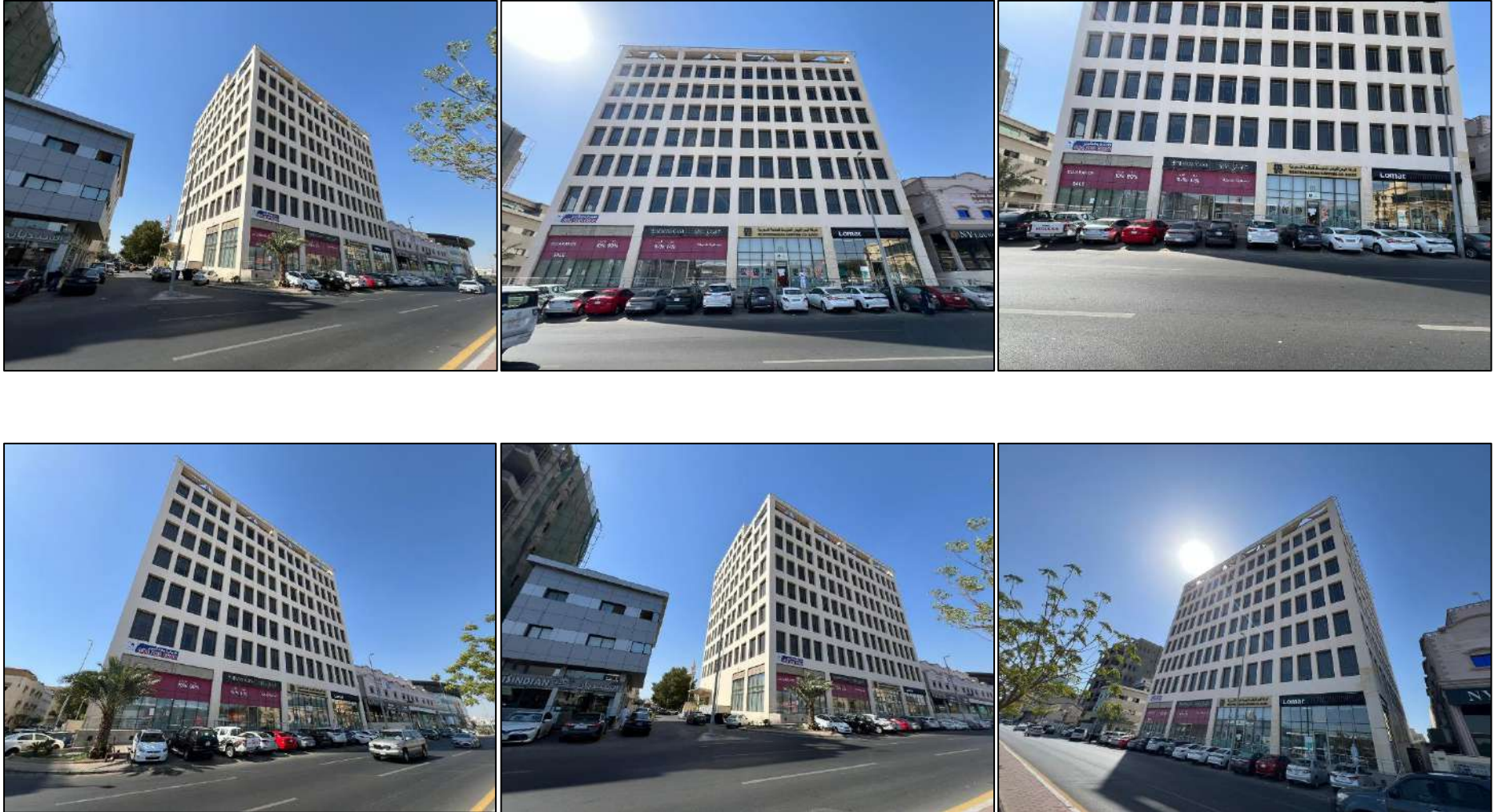
2.6 Construction Permit

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	8
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





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

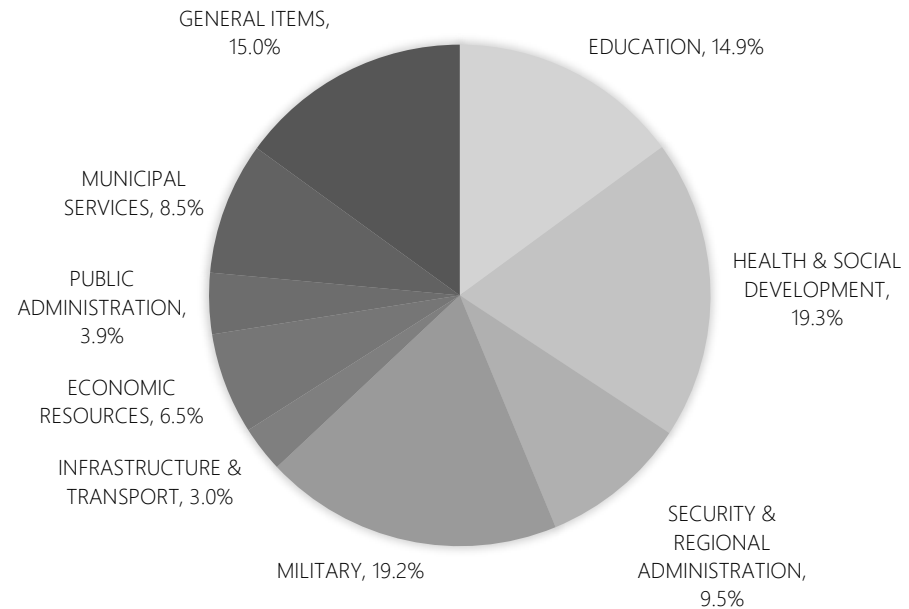
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Actual	Estimates	Budget	Projections	
	2023	2024	2025	2026	2027
Total Revenue	1,2121	1,230	1,184	1,198	1,289
Total Expenses	1,293	1,345	1,285	1,328	1,429
Budget Surplus	-81	-115	-101	-130	-140
Debt	1,050	1,199	1,300	1,430	1,570
GDP growth	-0.8%	0.8%	4.60%	3.50%	4.1070
Nominal GDP	4,003	4,091	4,352	4,431	4,718
Inflation	2.30%	1.70%	1.90%	1.90%	1.90%

3.2 Budget Allocation for 2024

Public Administration Sector	SAR 53.00	bn
Military Sector	SAR 259.00	bn
Security and Regional Administration Sector	SAR 128.00	bn
Municipal Services Sector	SAR 115.00	bn
Education Sector	SAR 201.00	bn
Health and Social Development Sector	SAR 260.00	bn
Economic Resources Sector	SAR 88.00	bn
Infrastructure and Transportation Sector	SAR 40.00	bn
General Items	SAR 202.00	bn

Source: Ministry of Finance



3.3 Real Estate Market Overview 2024

Saudi Arabia's real estate market is undergoing a major transformation, driven by Vision 2030, government-backed investments, and rapid urbanization. Despite economic fluctuations, non-oil sector growth remains robust, fueling demand across residential, commercial, hospitality, and industrial sectors.

1. Economic Landscape and Market Drivers

The economy is expanding, with non-oil GDP growing by 5.4%, supported by large-scale infrastructure and real estate investments totaling \$1.3 trillion. Initiatives such as the Premium Residency Visa for property owners, allowing foreigners to purchase real estate, are attracting global investors, particularly in Makkah and Madinah, where 84% of international buyers show interest.

2. Residential Market Growth and Shifting Preferences

The residential sector in Riyadh and Jeddah continues to witness strong demand, with sales prices rising 12% in Riyadh and 6% in Jeddah, while rental rates increased 10% and 8%, respectively. Over 660,000 units are under development, with an increasing preference for apartments over villas due to affordability. In Jeddah, 83% of transactions involved apartments, and in Riyadh, apartment prices surged 17% in Q3 2024 alone.

3. Hospitality and Tourism Expansion

Saudi Arabia's hospitality sector is thriving, targeting 150 million annual visitors by 2030, a 50% increase from previous goals. \$37.8 billion is being invested in hotel developments, and NEOM is leading the supply pipeline. Riyadh's King Khalid International Airport is undergoing expansion to become the largest airport globally by 2050, supporting this tourism boom.

4. Office and Commercial Market Strength

The office market in Riyadh is experiencing high demand and limited supply, causing Grade A office rents to rise by 14%. Investors see strong commercial real estate yields, with office spaces offering 7.75% returns and industrial warehouses at 8.25%. However, foreign ownership restrictions remain a challenge, though ongoing policy adjustments could open the market further.

5. Industrial and Logistics Sector Development

Saudi Arabia is rapidly expanding its industrial and logistics sector, with \$2 billion in new investments for industrial cities in Makkah and Al-Kharj. The market is seeing growing demand for warehouse spaces, aligning with the Kingdom's vision to become a regional logistics hub.

Future Outlook and Investment Opportunities

Saudi Arabia's real estate sector is set for sustained growth and transformation, with rising domestic and foreign investor interest. The expansion of branded residential projects, the introduction of long-term residency options for investors, and the rapid development of giga-projects are expected to fuel the market further. Additionally, improvements in mortgage availability and government-backed housing programs are making homeownership more accessible.

With strong economic fundamentals, a thriving tourism sector, and unprecedented infrastructure investments, Saudi Arabia is emerging as a global real estate powerhouse and a key investment destination for international buyers and developers.

Source: CBRE, JLL, Knight Frank

3.4 Risk Analysis

Market and Economic Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Inflation	-----	✓	-----	-----	-----
Interest Rate	-----	-----	✓	-----	-----
Overall economic conditions	-----	-----	✓	-----	-----
Risk Points	8 Points				

Operational Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Building quality	-----	✓	-----	-----	-----
Facilities	-----	✓	-----	-----	-----
Property management	-----	✓	-----	-----	-----
Risk Points	6 Points				

Competitive Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Real estate supply	-----	-----	✓	-----	-----
Demand levels	-----	-----	✓	-----	-----
Market competition	-----	-----	✓	-----	-----
Risk Points	9 Points				

Location and Land Risks	Very Low Risk (1)	Minimal Risk (2)	Medium Risk (3)	Elevated Risk (4)	Very High Risk (5)
	6-12	13-18	19-24	25-30	31-36
Accessibility	-----	✓	-----	-----	-----
Infrastructure	-----	✓	-----	-----	-----
Surrounding area	-----	✓	-----	-----	-----
Risk Points	6 Points				

The subject property has a total risk score of **29 points**, placing it in the **Minimal Risk** category. This indicates a low overall risk, with manageable challenges and a stable outlook for operations, market conditions, and location.

3.5 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication of the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.



-  Indicator showing a decrease in the current performance compared to last year
-  Indicator showing an increase in the current performance compared to last year
-  Indicator showing a stable position in the current performance compared to last year

Overall Sector Performance

From 2023 to 2024	Future Expectations
	
Values of Lands Related to The Sector	
From 2023 to 2024	Future Expectations
	
Sector Demand	
From 2023 to 2024	Future Expectations
	
Sector's occupancy ratios	
From 2023 to 2024	Future Expectations
	

Overall Sector Stability

From 2023 to 2024	Future Expectations
	
Sector rental Income	
From 2023 to 2024	Future Expectations
	
Investors' Appetite	
From 2023 to 2024	Future Expectations
	
Sectors Positive Changes	
From 2023 to 2024	Future Expectations
	

White Cubes Team's Analysis



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

Valuation Methods According to Standard 103

The valuation process relies on three main approaches: **Market Approach, Income Approach, and Cost Approach**. The appropriate approach is selected based on the nature of the asset being valued, the availability of data, and the required valuation basis. In some cases, multiple approaches may be used to obtain a reliable value indicator.

First: Market Approach

The Market Approach is one of the most commonly used methods, relying on comparing the asset under valuation to similar or identical assets traded in the market, using available price data. To ensure accuracy, the data must be recent and highly reliable, considering the volume and frequency of transactions. This approach includes two primary methods:

1. **Comparable Method** – This method involves analyzing 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 analyzing 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 analyzed to arrive at a final, well-supported valuation conclusion.

Selected Valuation Method

After analyzing 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 7% to 9% 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	2% to 5%
Operating and maintenance expenses	1% to 2%

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 2%, calculated based on the total revenues of the property. The selection of this ratio takes into consideration factors such as the condition and quality of the property, as well as the type of services and public facilities available within the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

Capitalization Rate Used for the Valuation

The capitalization rate used in the valuation was determined based on market research, which revealed a range of 6% to 8%. Considering the specific characteristics of the property and after evaluating comparable properties, a capitalization rate of 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	88,000,000.00	91,800,000.00
NOI	9,600,000	7,040,000	7,344,000
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%	5.0%	Source	SAMA
Inflation Rate%	2.0%		GASTAT
Market Risk Premium%	1.0%		Trading Economics
Company-specific Risk Premium %	1.0%		Team's experience.
Discount Rate%	9.00%		

Discounted Cash Flows		2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5
Inflation		0%	5%	0%	5%	0%	5%
Expected Revenue							
Office	Sqm	9,327	9,327	9,327	9,327	9,327	9,327
Rate (SAR)	SAR	775	814	814	854	854	897
Total	SAR	7,228,425	7,589,846	7,589,846	7,969,339	7,969,339	8,367,805
Commercial	Sqm	2,467	2,467	2,467	2,467	2,467	2,467
Rate (SAR)	SAR	620	651	651	684	651	684
Total	SAR	1,529,540	1,606,017	1,606,017	1,686,318	1,606,017	1,686,318
Overall Revenues		8,757,965	9,195,863	9,195,863	9,655,656	9,575,356	10,054,123
Vacancy and Credit Loss							
Office	8.0%	578,274	607,188	607,188	637,547	637,547	669,424
Commercial	5.0%	76,477	80,301	80,301	84,316	80,301	84,316
Total		654,751	687,489	687,489	721,863	717,848	753,740
Effective Rental Income		8,103,214	8,508,375	8,508,375	8,933,793	8,857,508	9,300,383
Expenses							
OpEx	3.5%	306,529	321,855	321,855	337,948	335,137	351,894
Facilities Management Fees	(SAR)	490,800	490,800	490,800	490,800	490,800	490,800
Overall Expenses		797,329	812,655	812,655	828,748	825,937	842,694
NOI		7,305,885	7,695,719	7,695,719	8,105,045	8,031,570	8,457,689
Terminal Value	8.0%						105,721,109
Discount Rate	9.0%	1.00	0.92	0.84	0.77	0.71	0.65
Present Value		7,305,885	7,060,293	6,477,333	6,258,582	5,689,767	74,208,384
Net Present Value							107,000,000

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: SAR 107,000,000.00
One Hundred 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

Farah E. Al Husaini
Valuation Manager



Member of (RE Valuation)
License No. 1210001964

Abdulrahman A. Al Rajih
Valuer



Fellow Member of (RE Valuation)
License No. 1210002523

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.



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DOCUMENTS

DOCUMENT

Documents Received

5.1 Title deed and Construction Permit



الرقم: 399684003640
التاريخ: 1445/5/9

وثيقة تملك عقار

الوزارة العامة للتخطيط العمراني
Min. Urban Plan. & Const.




البيانات الأساسية

1445/5/9	تاريخ الوثيقة	399684003640	رقم الوثيقة
فعل	الحالة	المولدين بالرياض 9	المصدر
مرحون	التبوع	2,462.5	المساحة (م ²)
1444/11/1	تاريخ الوثيقة السابقة	393010010162	رقم الوثيقة السابقة
	مفقة تسجيل		نوع العقيلة

التبوع

القبيل	الجهة الراعية	رقم المساحة	قيمة الرهن	تاريخ الاستحقاق
مرحون	بنك الجزيرة	7000120712	د.س 42,462,649.87	

الملاك

رقم الهوية	الاسم	نسبة التملك
7001902688	الشركة السعودية للتأصيل والتنمية للصناديق العقارية	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م ²)	نوع الاستخدام
لا يوجد	قطعة الأرض	2,462.5	لا يوجد

الويع	نموذج العقار
لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	البلدية
4	96 / ب	الروضة	جدة

الحد	النوع	وصف الحد	الطول (م ²)
شمالا	قطعة	رقم 2	49.25
جنوبا	شارع	عرض 32 م	49.25
شرقا	قطعة	رقم 3	50
غربا	شارع	عرض 15 م	50

صدرت هذه الوثيقة من الوزارة العقارية، ويمكن التحقق من صحة هذه الوثيقة من المصادق الإلكترونية لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان والهيئة العامة للتخطيط العمراني 1 من 1

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5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

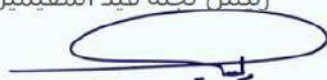
فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



Shaping visions

Building values

