شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Real Estate Appraisal Report

Presented to:

Riyad REIT Fund

(RIYADH REAL ESTATE INCOME CO.)

H2 2022

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

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M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

As you approved MUMTALKATI APPRAISAL COMPANY for valuation of the real estate properties within Saudi Arabia in Riyadh, Jeddah, Dammam and Al Khobar, our team has completed the task after inspection of the assets and taking into account all elements affecting value. Based on the International Standards adopted and the professional assets of the valuation process, we seek to identify the real estate value which is fit for the purpose for which the Appraisal Report was developed. This Report is a reliable testimony of the purpose for which this appraisal task was carried out, noting that this Report is an integral unit that should not be divided.

Reference data:

Applicant (Client)	RIYADH REAL ESTATE INCOME CO.	
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.	
Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic valuation of RIYADH REAL ESTATE INCOME CO. FUND (Riyad REIT).	
Inspection Date	**Value Effective Date**	**Reports Issuance Dates:**
01/12/2022 G	**31/12/2022 G**	**21/02/2023 G**

• **Final estimate** of the values mentioned in these reports is based on considerations for use at the specific time in which valuation was made. Any change in the current use of the property or on the valuation date may affect the final conclusion of the values mentioned in this Report.

• No legal document has been verified for the property under valuation, which includes planning, ownership, mortgage and legal matters on which all or part of these reports were based and were deemed to be reliable. It was also assumed that the properties are free from any legal obligations, mortgage rights or any other impediments. In the event that any future information that is not mentioned in the reports is found to be inadvertently and unintentionally incorrect, then values set out in these reports may change.

• **Legal uses available for real estate** based on municipal regulations: As inspected by the appraiser, and compared to properties located in the same streets of the appraised properties, there are no special negative conditions or regulations specific to use.

• While completing real estate appraisals**, field information was obtained from primary sources** such as (Real estate offices, real estate owners, and individuals in the vicinity of the properties under appraisal. This information is assumed to be correct and reliable. MUMTALKATI APPRAISAL COMPANY bears no responsibility for any errors in this data.)

According to the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as fact in the context of appraisals without checking or scrutinizing them in a specific way. They are also matters that are accepted once they are mentioned. These assumptions are necessary to understand appraisal or advice provided. Special assumptions are assumptions that differ from the actual existing facts on the appraisal date.

• The descriptions and analyzes of improvements to the properties in this Report are based on a Visual Inspection of the properties. The property has not been structurally inspected or any hidden defects have been examined. Therefore, it must be understood that this is an appraisal report and not a structural inspection. The appraiser shall not be liable for any hidden defects that may be present in any structure or any part of the building.

• The appraiser did not notice any hazardous substances in the property or its surroundings that may have a negative impact on the property. In addition, the appraiser is not aware of the existence of such material and is not authorized to disclose such material. Valuation is based on the assumption that no such material is found in the properties. We bear no responsibility for any such hazards and we have no expertise or engineering knowledge required to detect them.

• The appraiser confirms that it verified the property data and studied the market to reach his opinion on the value of the property under study.

• These reports have been prepared for the sole and exclusive use of the client mentioned in this report. Moreover, third parties may not rely on this report without the express written consent of MUMTALKATI APPRAISAL COMPANY.

• When values of properties not under study or improvements are presented separately, they are used only as an aid to better estimate the value of the property under study. This does not mean that it is an appraisal of the properties used for comparison per se.

• **Projections of income and expenses in these reports are based on information provided by the landlord as well as data from the local real estate market and are based on the present.** The appraiser believes that this information is accurate and based on the best available data at the time of writing this report. However, these data and projections are based on assumptions about the circumstances and events surrounding the property, as they are subject to changes that may arise in the future with changes surrounding the property. Accordingly, the appraiser cannot provide assurance that the expected results will be correct in the future..

• There will be no obligation to testify or appear in court for the appraiser or appraisal company because of these appraisals. Disclosure of the contents of these appraisals is subject to the regulations and requirements of the Saudi Authority for Accredited Valuers (TAQEEM).

• The appraiser did not carry out any analysis and study of the soil or the geological and seismic characteristics of the property. Therefore, the appraiser does not bear any responsibility for the geological or seismic matters of the real estate land. This appraisal should not be relied upon if there is a seismic problem, if it actually exists.

• The estimated values in these reports are for the property under study only and according to the narrative of the report. This Report should not be used for other purposes.

• Changing the purpose of the appraisal or use of the property for which the Report was developed may affect the values set out in this Report and may be incorrect.

• Not all or some of this Report may be included in or referred to in any document, publication, or statement published or re-issued electronically or the like without reference to and prior approval of MUMTALKATI APPRAISAL COMPANY.

• This Appraisal Report is correct only if it is approved by the Company's seal in addition to the signature of the accredited appraisers.

• The ability to value the property: MUMTALKATI APPRAISAL COMPANY has the ability to value this type of real estate assets and has the necessary competence to carry out the appraisal. Thus, it has accepted the appraisal assignment.

• The property was valued based on the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G, in accordance with the professional procedures and rules issued by the Saudi Authority for Accredited Valuers (TAQEEM). They are based on analysis, comparison and direct inspection of each property, as well as searching as much as possible for the positive and negative influences and characteristics of the property under appraisal.

Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Legal and Technical Principles

• Confidentiality and Retention of Information

This Report has been developed upon a special request and for an advisory purpose. Therefore, we realize that the applicant attaches the utmost importance to preservation and confidentiality of data and outputs in this Report and we are committed to doing so. Besides, client information will not be used "explicitly" other than in this Report. Moreover, information contained therein shall be fully owned by its owner and the users identified in the Report. No other party may have access thereto.

• Limitation of Liability and Independence

This appraisal task and the accompanying Report are an advisory task in which we preserve the principles of impartiality, transparency and professionalism without any external influence whatsoever.

• Sources and Nature of Information

In preparing the valuation report, we relied on a range of sources, information and office data that we believe are equivalent to the purpose and time of the valuation.

• Ownership Documents

A photocopy of the title deed has been reviewed. Accordingly, we assume the integrity of the title deed and the absence of anything that contradicts or opposes it. The Report was issued accordingly and we disclaim our responsibility for everything that contradicts it.

• Intellectual Property and Reuse

This Report is a form and content of intellectual property ownership of MUMTALKATI APPRAISAL COMPANY. A party, including the applicant and the beneficiary of the Report, may not republish all or parts of the Report without obtaining the Company's written consent.

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The members of the work team have previous experience in such work and have accreditations in valuation from the competent authorities with sufficient experience in the regions and real estate categories for the properties that have been appraised. They shall further acknowledge that they have the ability to develop the Report without any difficulties in accordance with the requirements of International Valuation Standards (IVS), and their names are listed as follows:

Membership number - Real Estate Branch	Membership Category	Name
1210000305	Primary - Fellow	**Eng. Ahmed bin Mohammed Ababtain**
1210000540	Primary - Fellow	**Eng. Abdullah bin Ali Al-Shuwaier**
1210000840	Primary - Temporary	**Abdul Rahman Muhammad Al-Hammad**
1210001061	Temporary	**Ibrahim Abdullah Ababtain**
1220000967	Temporary	**Nader Abdel Aal Al-Zant**

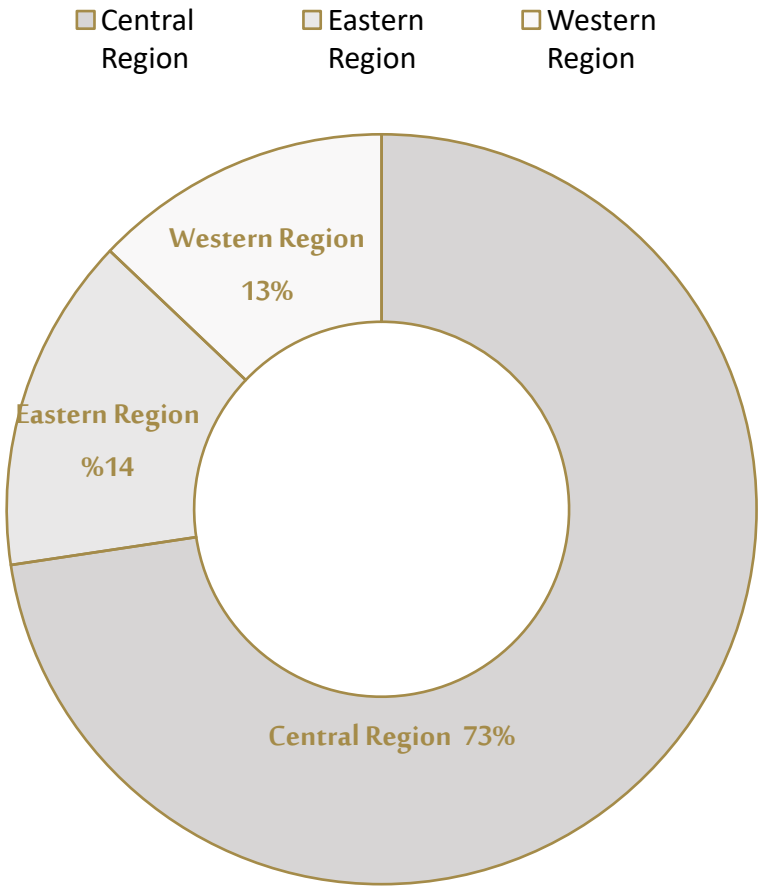
Executive summary of the Entire Properties:

Sr.	City	District	Property Name	Property Type	Area of Land (m2)	Valuation Method	Market Value (SAR)
1	Riyadh	Al-Sahafa	Olaya Tower	Office Building	2555	Income Method (Investment Method)	84000000
2	Riyadh	Al Olaya	Fursan Plaza	Tower	1740	Income Method (DCF Method)	114500000
3	Riyadh	Al Rabie	Saudi Electronic University	Office Commercial Building	14210	Income Method (Investment Method)	150000000
4	Riyadh	Al-Sahafa	JW Marriott Hotel Riyadh	Tower	9793.55	Income Method (DCF Method)	784800000
5	Riyadh	Al-Sahafa	STC Academy	Showrooms and offices	900.68	Income Method (DCF Method)	64447000
6	Riyadh	Hittin	The Residence	Commercial Office	15000	Income Method (Investment Method)	80481000
7	Riyadh	Hittin	Braira Villa Hotel	Residential		Income Method (Investment Method)	110134000
8	Riyadh	Al-Maather	Vivienda Hotel Villas – Mousa bin Nusair	Villas Compound	2800	Income Method (Investment Method)	48750000
9	Riyadh	Ghirnatah	Altamyouz Center	Office Commercial Building	4630	Income Method (DCF Method)	59571000
10	Riyadh	Al Izdihar	Alizdihar Center	Office Commercial Building	2515	Income Method (Investment Method)	40,850,00
11	Riyadh	Al Raed	Al Raed Building	Office Commercial Building	5000	Income Method (Investment Method)	196700000

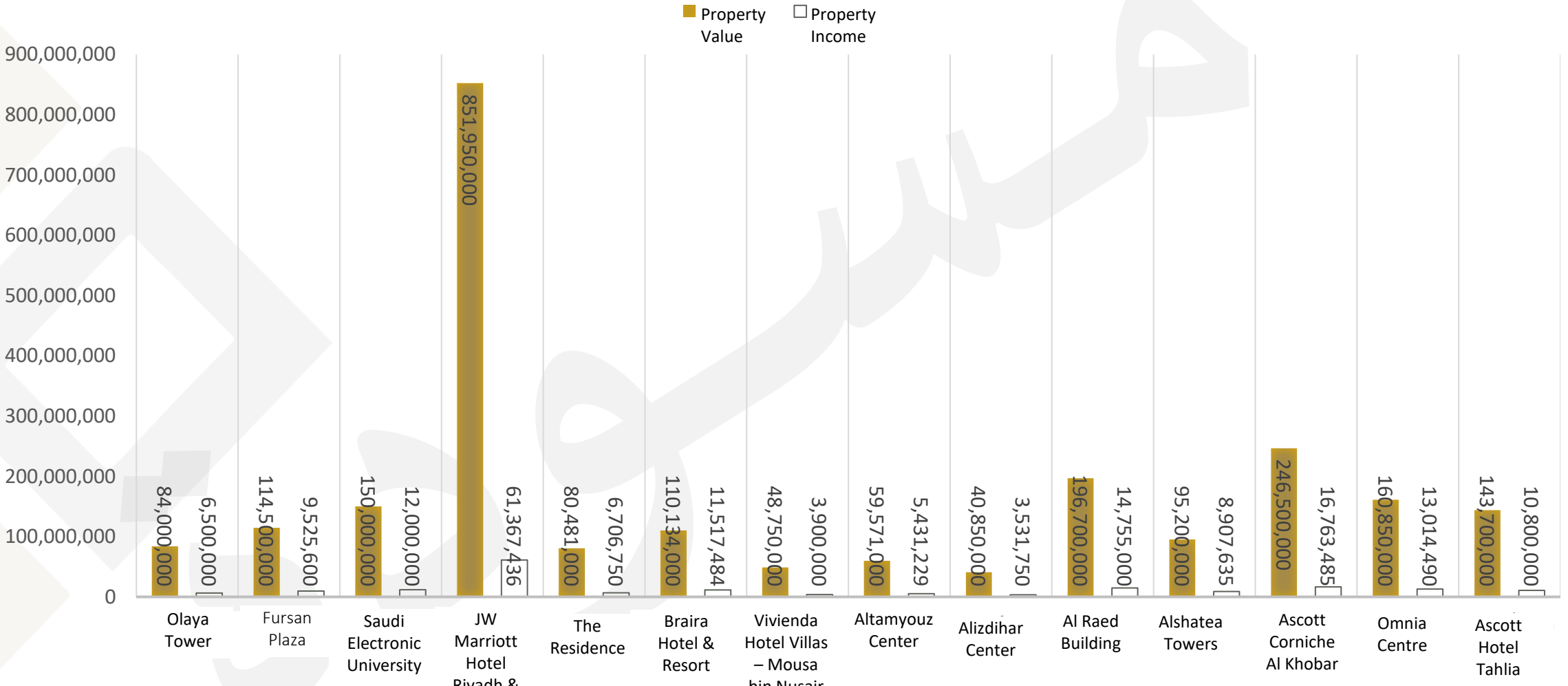
Executive summary of the Entire Properties:

Sr.	City	District	Property Name	Property Type	Area of Land (m2)	Valuation Method	Market Value (SAR)
12	Dammam	Al Shati	Alshatea Towers	Office, Commercial, and Residential	6300	Income Method (Investment Method)	95200000
13	Dammam	Al Yarmouk	Ascott Corniche Al Khobar	Tower (Hotel)	2784	Income Method (DCF Method)	246500000
14	Jeddah	Al Rawdah	Omnia Centre	Commercial Office	10000	Income Method (DCF Method)	160850000
15	Jeddah	Al Andalus	Ascott Hotel Tahlia	Hotel	2025	Income Method (DCF Method)	143700000

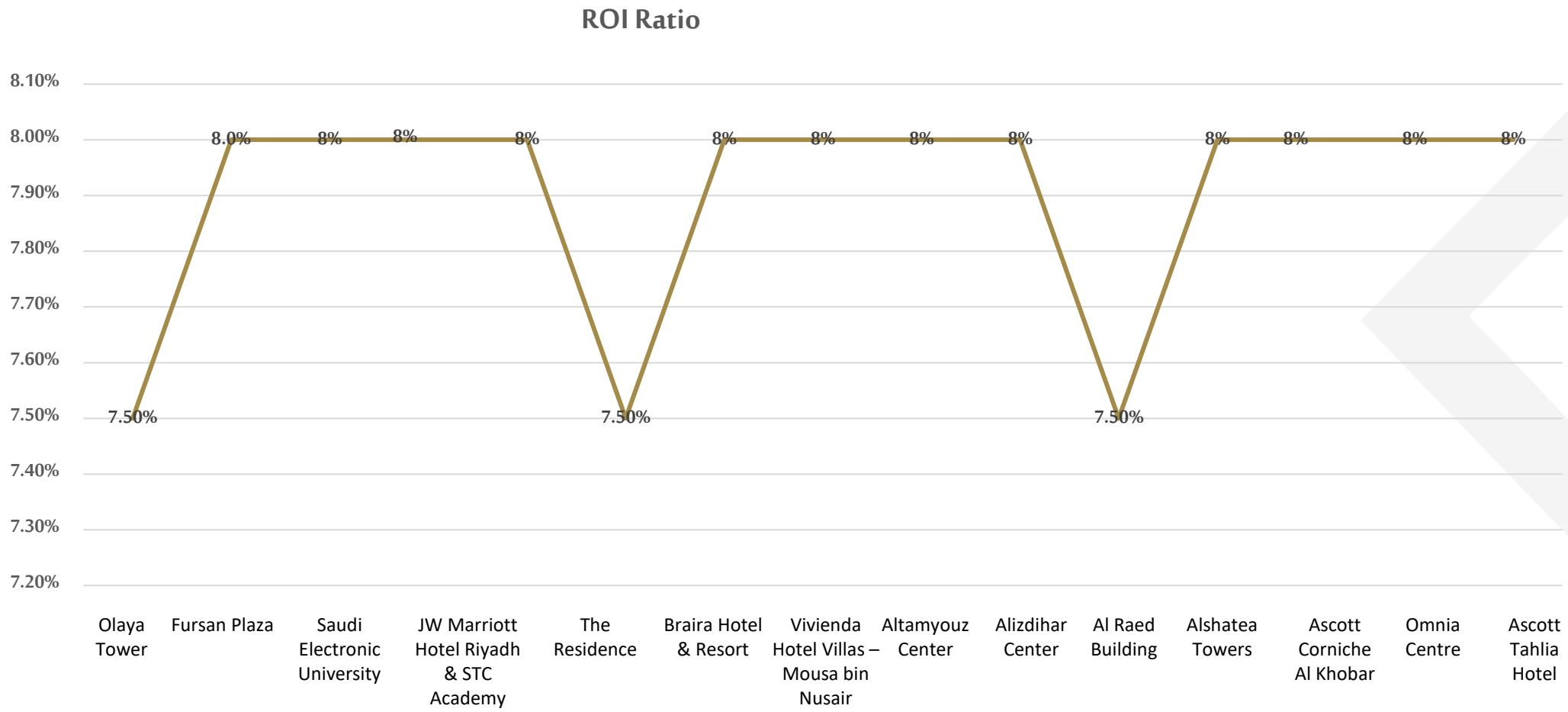
Property Value by Region



Real Estate Property Income and Value Index



ROI Ratio


ROI Ratio
8.10%
8.00%
7.90%
7.80%
7.70%
7.60%
7.50%
7.40%
7.30%
7.20%
7.50%
8.0%
8%
8%
8%
7.50%
8%
8%
8%
8%
7.50%
8%
8%
8%
8%
Olaya Tower
Fursan Plaza
Saudi Electronic University
JW Marriott Hotel Riyadh & STC Academy
The Residence
Braira Hotel & Resort
Vivienda Hotel Villas – Mousa bin Nusair
Altamyouz Center
Alizdihar Center
Al Raed Building
Alshatea Towers
Ascott Corniche Al Khobar
Omnia Centre
Ascott Tahlia Hotel

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Properties located in Riyadh

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M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

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Executive summary of the Entire Properties:

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2	Riyadh	Al Olaya	Fursan Plaza	Tower	1740
3	Riyadh	Al Rabie	Saudi Electronic University	Office Commercial Building	14210
4	Riyadh	Al-Sahafa	JW Marriott Hotel Riyadh and STC Academy	Tower	10,694.23
5	Riyadh	Hittin	The Residence	Commercial	15,000
6	Riyadh	Hittin	Braira Villa Hotel	Residential	
7	Riyadh	Al-Maather	Vivienda Hotel Villas – Mousa bin Nusair	Villas Compound	2800
8	Riyadh	Ghirnatah	Altamyouz Center	Office Commercial Building	4630
9	Riyadh	Al Izdihar	Alizdihar Center	Office Commercial Building	2515
10	Riyadh	Al Raed	Al Raed Building	Office Commercial Building	5000

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Office Commercial Building Appraisal Report

Riyadh - Al Sahafa District

(Olaya Tower)

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M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Olaya Tower) located in Riyadh - Al-Sahafa District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial office building with a total land area of 2,555.00 square meters according to the title deed and with a total building area of 12,602.99 square meters.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (84,000,000), only eighty-four million Saudi riyals.

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Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial office building (Olaya Tower) is constructed.
Property Address	Riyadh - Al-Sahafa District - Plan No. (1863/ab), Plot No. (1925)
Plot area	2,555.00 square meters according to the title deed
Building Surfaces	12,602.99 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	810806002149
Title Deed Date	12/07/1440 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial office building is constructed in Riyadh region, Olaya Road. According to the title deed, the area of the land is 2,555.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Olaya Tower) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 40%, based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al-Sahafa	Level	Commercial Office	2,555.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
810806002149	12/07/1440 H	Riyadh	Within the range	1925	1863/ab

Borders and Lengths		
Direction	Length (m)	Border:
North	70	Plot No. 1926
South	70	Plot No. 1924
East	36.5	Street width 15 m
West	36.5	Street width 40 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Commercial Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
2 Years	Complete	Central Split Unit	8 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
2	1	0	7

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
1	Al-Sahafa	Riyadh	Office	119.00	800.00	95,200.00	Rental Offer / Minimum	24.8087 46.62744
2	Al-Sahafa	Riyadh	Office	933.50	840.00	784140.00	Rental Offer / Minimum	24.819068 46.622432
3	Al-Sahafa	Riyadh	Office	899.85	840.00	755874.00	Rental Offer / Minimum	24.819068 46.622432
4	Al-Sahafa	Riyadh	Office	110.00	550.00	60500.00	Rental Offer / Minimum	24.798383 46.632648
5	Al Ghadeer	Riyadh	Strip Mall	6,750.00	-	143,577,400.00	Net Income 12,921,966.00 with a return of 9%	24.767090 46.659630

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Assumptions and Special Assumptions:

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 6,500,000.00.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

The percentage of operating expenses is 10% - 20% for similar projects in the surrounding area, including

Costs of expenses for common services, cleaning and maintenance of the building and expenses for managing and monitoring security. With regard to appraisal of the property, the operating and capital expenses are estimated at 3% of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	6,500,000.00	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	6,500,000.00	SAR/ per Annum
Percentage of operating and maintenance expenses	3%	Percentage
Operating and maintenance expenses	195,000.00	SAR/ per Annum
Net income after deducting operating expenses	6,305,000.00	SAR/ per Annum
Capitalization Rate	7.50%	Percentage
Final Market Value of the Property	84,066,666.67	SAR/ per Annum
Final Market Value of the Property after Rounding	**84,000,000**	SAR/ per Annum

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 84,000,000
Final Value in Writing	Only eighty-four million Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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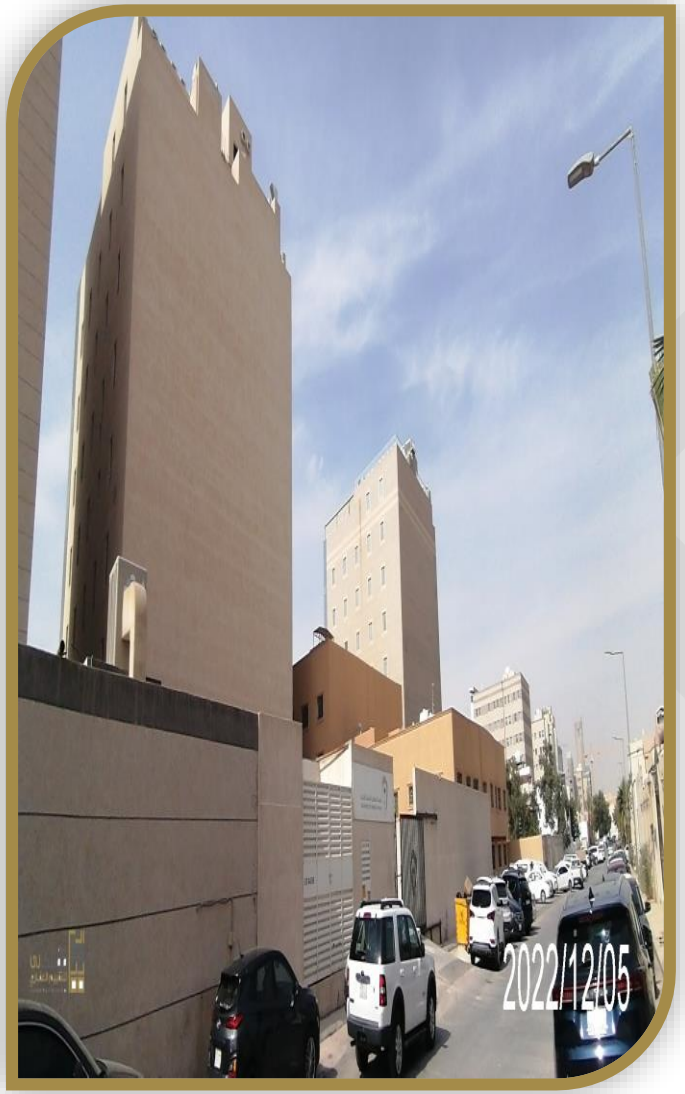
Photographic survey showing the property



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Photographic survey showing the property

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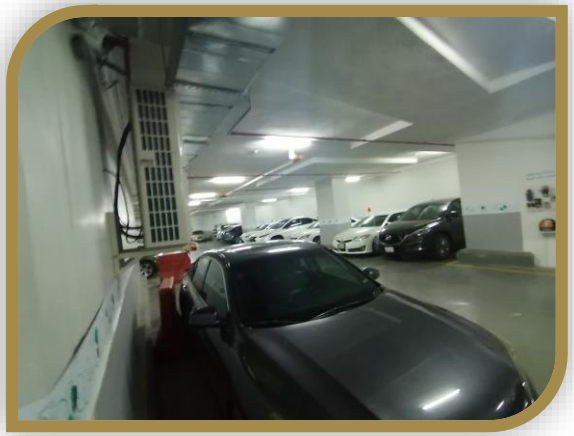
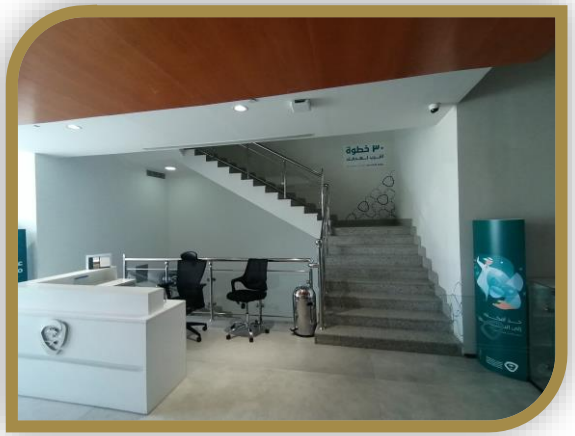
Photographic survey showing the property





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Photographic survey showing the property

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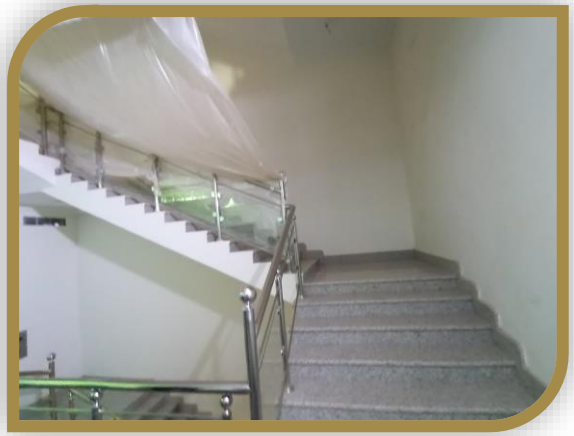

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Image showing similar comparison site

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Image showing the location of the property in the city of Riyadh

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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Commercial Hotel Appraisal Report

Riyadh - Al Olaya District

(Fursan Plaza)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial, residential office building (Fursan Plaza) located in Riyadh - Al Olaya District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial, residential, office building with a total land area of 1,740.00 square meters according to the title deed and with a total building area of 14,060 square meters (according to the permit).

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (114,500,000), only one hundred and fourteen million five hundred thousand Saudi riyals

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Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H.
Client (Report Author)	RIYADH REAL ESTATE INCOME CO..
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO..
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO..
Property under appraisal	It is a piece of land on which a commercial, residential office building (Fursan Plaza) is constructed.
Property Address	Riyadh - Al Olaya District - Plan No. (1184), Plot No. (51- 50).
Plot area	1,740.00 square meters according to the title deed.
Building Surfaces	14,060 square meters according to the building permit.
Owner Name	RIYADH REAL ESTATE INCOME CO..
Title Deed No.	310121040033
Title Deed Date	04/06/1437 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G.
Valuation Method	Income Method (DCF Method).
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial, residential office building is constructed in Riyadh region, King Fahd Road. According to the title deed, the area of the land is 1,740.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Fursan Plaza) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Olaya	Level	Office, Commercial, and Residential	1,740.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
310121040033	04/06/1437 H	Riyadh	Within the range	51-50	1184

Borders and Lengths		
Direction	Length (m)	Border:
North	60	Street width 20 m
South	60	Plot No. 53-52
East	29	Street width 20 m
West	29	Street width 80 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Good	Vacant (Under Finishing)	Commercial and Residential Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
24 Years	Under Finishing	Central	10 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
2	1	1	8

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Sr.	District	City	Property Type	Area Square meter	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Al Olaya	Riyadh	Hotel	150	3290	5	Rent	24.711304 46.711304	Superior Room
2	Al Olaya	Riyadh	Hotel	25	476	4	Rent	24.707874 46.676696	Junior Suite
3	Al Olaya	Riyadh	Hotel	35	782	5	Rent	24.707006 46.675507	Deluxe Room
4	Al Olaya	Riyadh	Hotel	150	900	4	Rent	24.702568 46.678632	Junior Suite
5	Al Olaya	Riyadh	Hotel	25	391	4	Rent	24.706076 46.676958	Deluxe Room
6	Al Olaya	Riyadh	Hotel	30	795	4	Rent	24.697969 46.682448	Deluxe Room

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Assumptions and Special Assumptions:

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed that the property is working with estimated occupancy rate according to the market situation, and based on the attached data from the client and the market data analysis. The total amount of gross income is SAR 26,460,000.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 60%, according to the market situation. The number of rooms is 147 rooms.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 40% of actual rental income.

We estimate and assume that the property is working without regard to its current condition.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%.

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Table showing DCF Method:

DCF Method Assumptions	
Hotel Expense Rate (Operational and Capital)	40%
Hotel Vacancy Rate	40%
Cash flow period	5
Discount Rate	9%
Constant Rate of Growth	0%
Capitalization Rate	8%

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Table showing DCF Method:

Cash Inflows		Years						
		2022	2023	2024	2025	2026	2027	Redemption Value
		0	1	2	3	4	5	
Estimated Rental Growth		0%	0%	0%	0%	0%	0%	
Number of Rooms	147	0	26460000	26460000	26460000	26460000	26460000	
Less Vacancy Rate			40%	40%	40%	40%	40%	
			10,584,000	10584000	10584000	10584000	10584000	
Total Rental Income		0	26460000	26460000	26460000	26460000	26460000	
		0	10584000	10584000	10584000	10584000	10584000	
Actual Total Income		0	15876000	15876000	15876000	15876000	15876000	
Less Expense Rate (Operational and Capital)	40.0%	0	6350400	6350400	6350400	6350400	6350400	
Building Net Operating Income (NOI)		0	9525600	9525600	9525600	9525600	9525600	
Building Redemption Value								119,070,000
Net Cash Flow (NCF)		0	9525600	9525600	9525600	9525600	9525600	119070000
Discount coefficient		1	0.9174	0.8417	0.7722	0.7084	0.6499	0.6499
Present Value of Cash Flows		0	8739083	8017507	7355511	6748175	6190986	77387330
Building Net Present Value (NPV)								114,438,592
						Final Value after Rounding		114,500,000

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Final Value of the Property

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 114,500,000
Final Value in Writing	Only one hundred and fourteen million five hundred thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

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Photographic survey showing the property

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Photographic survey showing the property

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Photographic survey showing the property

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Image showing similar comparison site

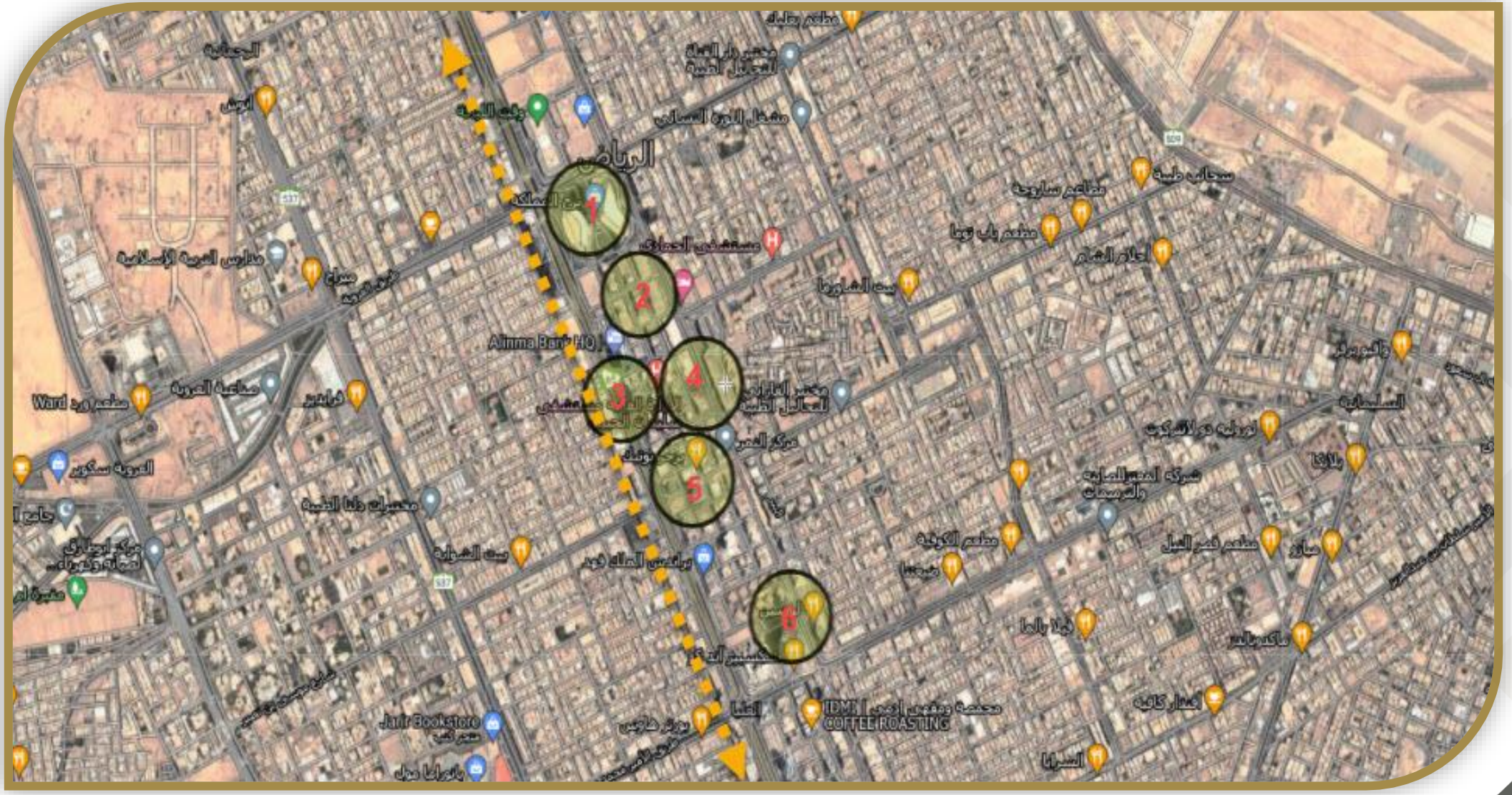

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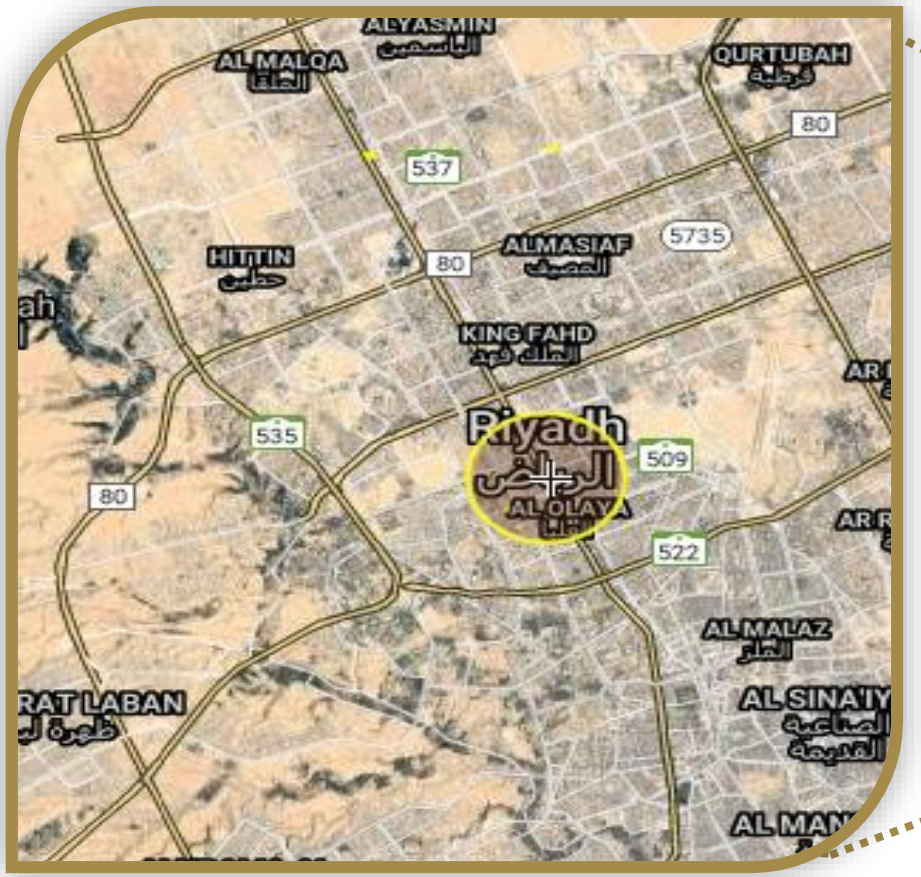
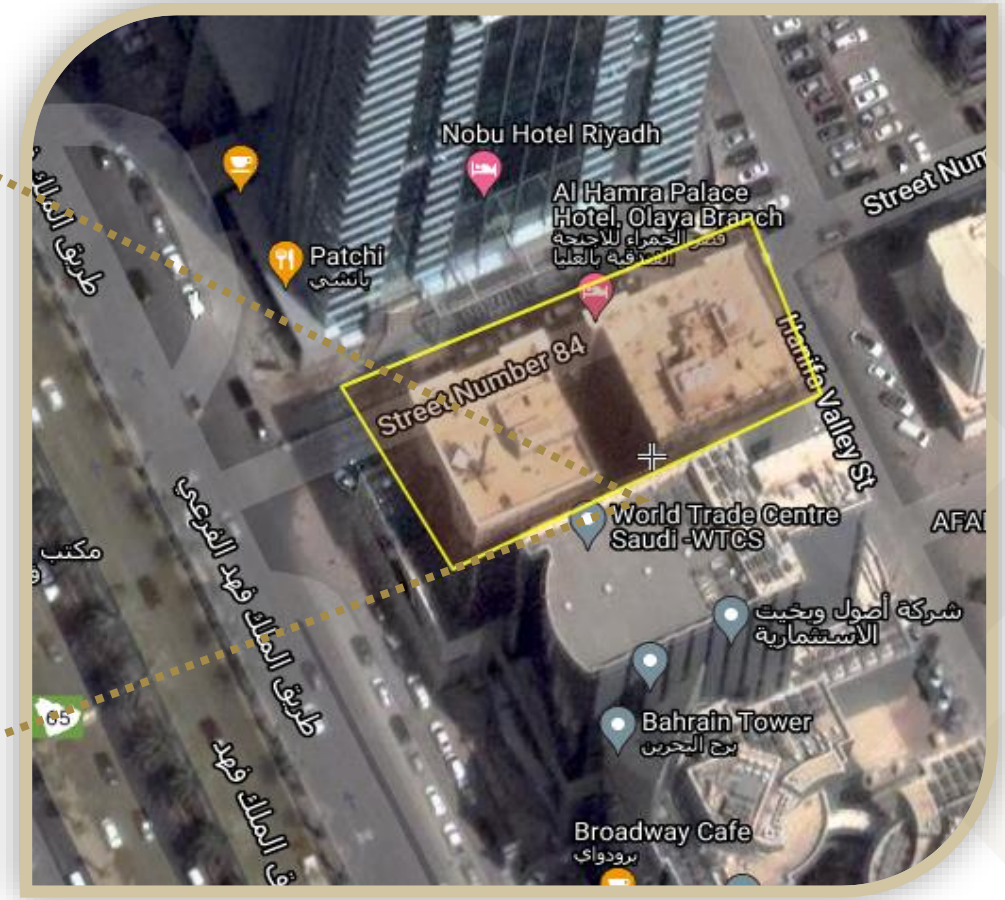
Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.70591	E46.67586





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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Office Commercial Building Appraisal Report

Riyadh - Al Rabie District

(Saudi Electronic University)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Saudi Electronic University) located in Riyadh - Al Rabie District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial building with a total land area of 14,210.00 square meters according to the title deed and with a total building area of 30,098.98

square meters according to the building permit

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (150,000,000), only one hundred and fifty million Saudi riyals.

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

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A photographic survey showing the location of the property and its location in the city
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Staff

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial office building (Saudi Electronic University) is constructed.
Property Address	Riyadh - Al Rabie District - Plan No. (1637/k), Plot No. (1859 to 1874).
Plot area	14,210.00 square meters according to the title deed.
Building Surfaces	30,098.98 square meters according to the building permit.
Owner Name	RIYADH REAL ESTATE INCOME CO..
Title Deed No.	810116043304
Title Deed Date	26/10/1439 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial office building is constructed in Riyadh region, Prince Mohammed bin Salman Road. According to the title deed, the area of the land is 14,210.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Saudi Electronic University) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose.
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct..
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY..
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report..

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Rabie	Level	Commercial Office	14,210.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
810116043304	26/10/1439 H	Riyadh	Within the range	From 1859 to 1874	1637/k

Borders and Lengths		
Direction	Length (m)	Border:
North	203	Street width 15 m
South	203	Street width 80 m
East	70	Street width 60 m
West	70	Street width 8 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Very good	Not vacant	Commercial Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
6 Years	Complete	Central	2 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
1	1	0	1

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area Square meter	Rental Price Per Meter (SAR)	Total price in SAR	Offer Type / Bidding/ Minimum	Coordinates	Notes
1	Al Rabie	Riyadh	Showrooms	211.00	1300.00	274300.00	Rental Offer / Minimum	24.787418 - 46.659034	---
2	Al-Nafl District	Riyadh	Showrooms	288.00	1400.00	403200.00	Rental Offer / Minimum	-24.785374 46.661357	---
3	Al Rabie	Riyadh	Showrooms	300.00	1200.00	360000.00	Rental Offer / Minimum	24.788360- 46.647976	---
4	Al-Nafl District	Riyadh	Showrooms	358.00	1200.00	429600.00	Rental Offer / Minimum	24.784130- 46.660758	---
5	Al Rabie	Riyadh	Showrooms and offices	3500.00	2000.00	7,000,000.00	Rental Offer for the Entire Property / Minimum	-24.795026 46.650919	---
6	Al Rabie	Riyadh	Office Commercial Building	3655.80	-	63,920,750.00	Sale offer / Bidding - Rate of Return (8%)	24.797831- 46.653553	Income / 5,113,660
7	Al Rabie	Riyadh	Offices	700	300	210,000	Rental Offer / Minimum	24.78659 - 46.65937	---
8	Al Rabie	Riyadh	Offices	95	550	52250	Rental Offer / Minimum	24.791327- 46.679870	---
9	Al Rabie	Riyadh	Offices	120	550	66000	Rental Offer / Minimum	-24.791088 46.679990	---

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Assumptions and Special Assumptions.

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 12,000,000.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	12000000	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	12000000	SAR/ per Annum
Percentage of operating and maintenance expenses	0%	Percentage
Operating and maintenance expenses	0	SAR/ per Annum
Net income after deducting operating expenses	12000000	SAR/ per Annum
Capitalization Rate	8%	Percentage
Final Market Value of the Property	150000000	SAR
Final Market Value of the Property after Rounding	150000000	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 150,000,000
Final Value in Writing	Only one hundred and fifty million Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Photographic survey showing the property

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Photographic survey showing the property

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Photographic survey showing the property

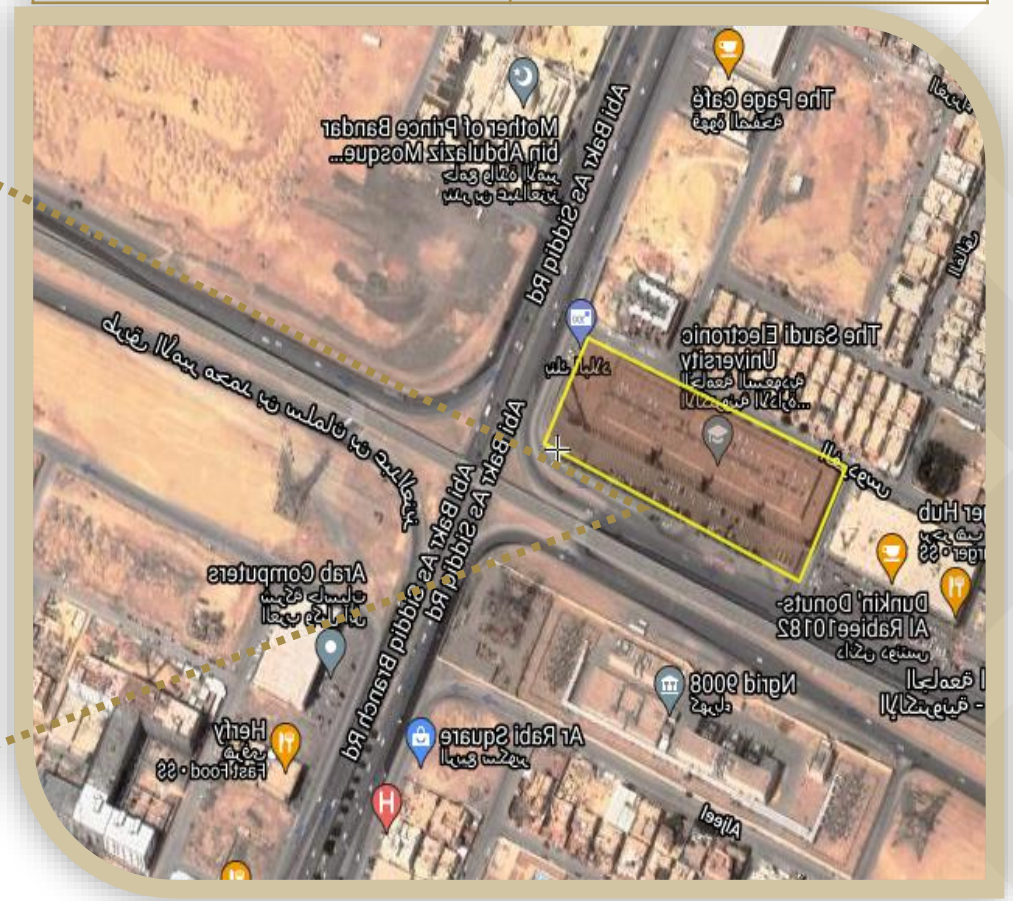
Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Image showing similar comparison site

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.79384	E46.67625



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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Hotel Building Appraisal Report

Riyadh - Al Sahafa District

(JW Marriott Hotel Riyadh and STC Academy)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a hotel building and showrooms (JW Marriott Hotel Riyadh and STC Academy) located in Riyadh - Al-Sahafa District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a hotel building and showrooms with a total co-owned land area of 10,694.23 square meters.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (851,950,000), only eight hundred and fifty one million nine hundred and fifty thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

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Staff

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which part of a hotel building (JW Marriott Hotel) is built from the ground floor to the twenty-second floor as well as STC Academy showrooms
Property Address	Riyadh - Al-Sahafa District - Plan No. (1863/ab), from Plot No. (2121/2466/2459/a)
Plot area	10,694.23 square meters as co-ownership
Building Surfaces for the Hotel	9,793.55 square meters
Rental Areas of Showrooms	4,428.27 according to the title deeds.
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	710113075771
Title Deed Date	27/10/1439 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a piece of land on which part of a hotel building (JW Marriott Hotel Riyadh) is built from the ground floor to the twenty-second as well as (STC Academy) showrooms, in Riyadh, King Fahd Road. The land area is 10,694.23 square meters as co-ownership.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (JW Marriott Hotel Riyadh) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): “The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion.”

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of hotels account for 40%, based on prevailing conditions in the area where your property is located.

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Property Data

Land Data					
City	**District**	**Ground Level**	**Property Type**	**Area of Land as co-ownership**	**Ownership Type**
Riyadh	Al-Sahafa	Level	Hotel and Showrooms	10,694.23 square meters as co-ownership	Absolute ownership
Title Deed No.	**Title Deed Date**	**Notary Public**	**Overall Site**	**Plot No.**	**Organization Chart No.**
710113075771	27/10/1439 H	Riyadh	Within the range	2121/2466/2459/a	1863/ab
Multiple	14/10/1437 H				

Borders and Lengths of the Hotel		
Direction	**Length (m)**	**Border:**
North	114.86	Street width 20 m, with setback of 6 m + Generator room and transformer room
South	51.37	Corridor and Garbage Store
East	60.37	Car Ramp (for services)
West	28.03	Shops and Transformer Rooms

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Hotel and Showrooms
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
8 Years	Complete	Central	22 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
0	1	0	21

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a building is to generate income from renting hotel rooms and showrooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Name	Property Type	Area in Square Meters	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Al-Sahafa	Riyadh	Ascott Rafal Olaya	Hotel	45.00	638.00	4	Rent	24.711304 46.711304	Superior Room
2	Al-Sahafa	Riyadh	Rose Continental	Hotel	40.00	450.00	4	Rent	24.707874 46.676696	Junior Suite
3	Al-Sahafa	Riyadh	Swiss Spirit Metropolitan	Hotel	35.00	470.00	3	Rent	24.707006 46.675507	Deluxe Room
4	Al-Morouj District	Riyadh	Centro By Rotana	Hotel	24.00	350.00	4	Rent	24.702568 46.678632	Junior Suite
5	Al-Aqiq	Riyadh	Executives Hotel	Hotel	45.00	465.00	4	Rent	24.706076 46.676958	Deluxe Room
6	Al-Aqiq	Riyadh	Grand Plaza	Hotel	35.00	400.00	4	Rent	24.697969 46.682448	Deluxe Room

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Table showing DCF Method:

DCF Method Assumptions (Hotel and Academy)	
Hotel Expense Rate (Operational and Capital)	40%
Hotel Vacancy Rate	%25
Showroom Vacancy Rate	10%
Cash flow period	5
Discount Rate	8%
Growth rate (3% from the third year to the fourth year and 5% in the fifth year)	3-5%
Capitalization Rate	8.5%

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Assumptions and Special Assumptions:

Property Revenue

Based on the client's statement, the real estate revenues were estimated, and it was assumed to be correct. The occupancy rate is 75% for the hotel in the first year, 75% in the second year, and 75% for the rest of the years, and 90% for showrooms, according to the client's statement and the market data analysis. The estimated total income for the hotel is 138,204,000 Saudi riyals. The estimated total income for the showrooms is 6,151,400 Saudi riyals.

Vacancy Rate

Through survey and inspection works, the average hotel occupancy in this area is about 30%, (i.e. vacancy rate is 70%). The number of rooms is 349 rooms.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses for similar properties account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures of the hotel are estimated at 40% of actual rental income.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8.5%.

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Table showing DCF Method (for the Hotel and Academy):

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years						
			2021	2022	2023	2024	2025	2026	Redemption Value
			0	1	2	3	4	5	
Hotel Growth Rate			0%	0%	0%	3%	3%	5%	
Number of Rooms	349		0.00	138204000	138204000	142350120	146620624	153951655	
Hotel Vacancy Rate				25%	25%	25%	25%	25%	
Hotel Vacancy Value				34551000	34551000	35587530	36655156	38487914	
Growth Rate for Showrooms and Offices				0%	0%	0%	0%	0%	
Showrooms and Offices	4032	1525.64	0.00	6151400	6151400	6151400	6151400	6151400	
Vacancy Rate for Showrooms and Offices				10%	10%	10%	10%	10%	
Vacancy Value for Showrooms and Offices				615140	615140	615140	615140	615140	
Total Rental Income			0.00	144355400	144355400	148501520	152772024	160103055	
			0	35166140	35166140	36202670	37270296	39103054	
Actual Total Income			0	109189260	109189260	112298850	115501728	121000001	
Less Expense Rate (Operational and Capital)	40.0%		0	43675704	43675704	44919540	46200691	48400000	
Building Net Operating Income (NOI)			0	65513556	65513556	67379310	69301037	72600001	
Building Redemption Value									854117655
Net Cash Flow (NCF)			0	65513556	65513556	67379310	69301037	72600001	854117655
Discount coefficient			1	0.9259	0.8573	0.7938	0.7350	0.6806	0.6806
Present Value of Cash Flows			0	60660700	56167315	53487869	50938331	49410341	581298124
Building Net Present Value (NPV)									**851962679**
Final Value after Rounding									**851950000**

Final Value of the Property (Hotel and Academy)

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 851,950,000
Final Value in Writing	Only eight hundred and fifty-one million nine hundred and fifty thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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Photographic survey showing the property

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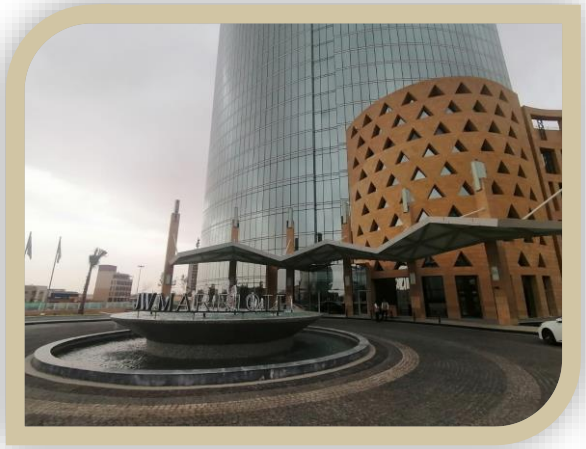
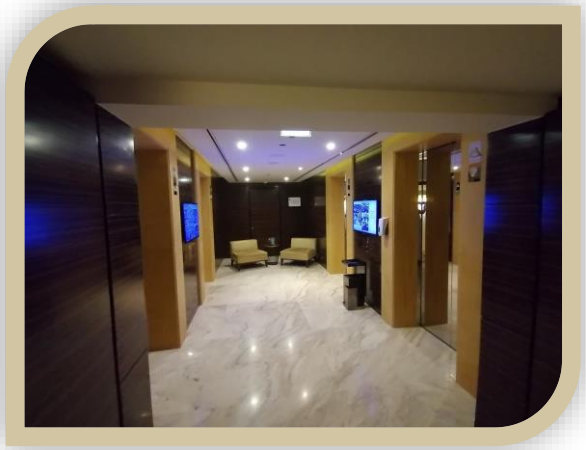
Photographic survey showing the property





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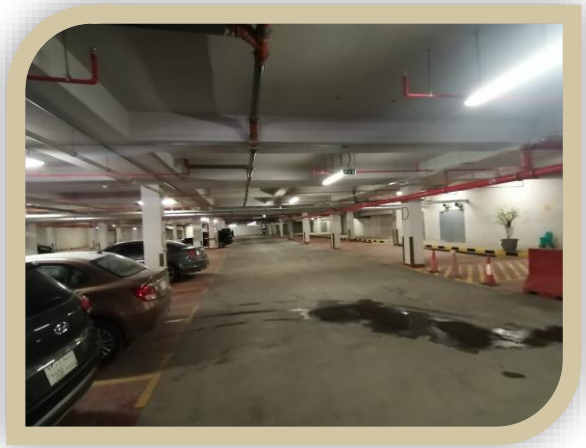
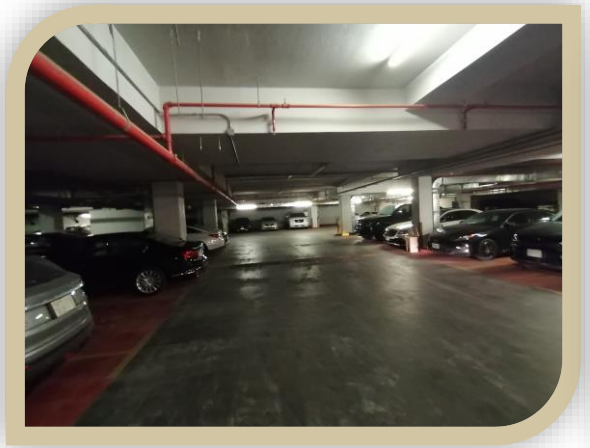
Photographic survey showing the property





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Photographic survey showing the property

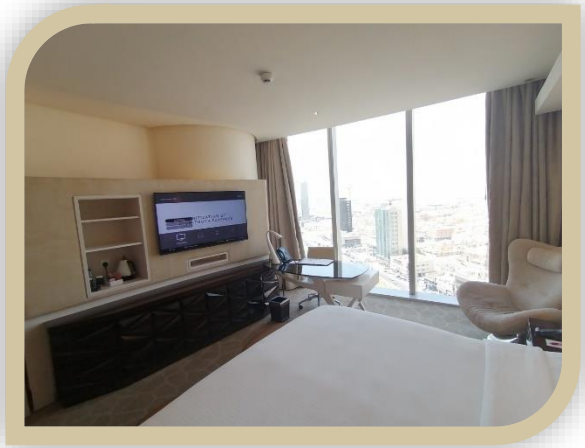

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Image showing similar comparison site

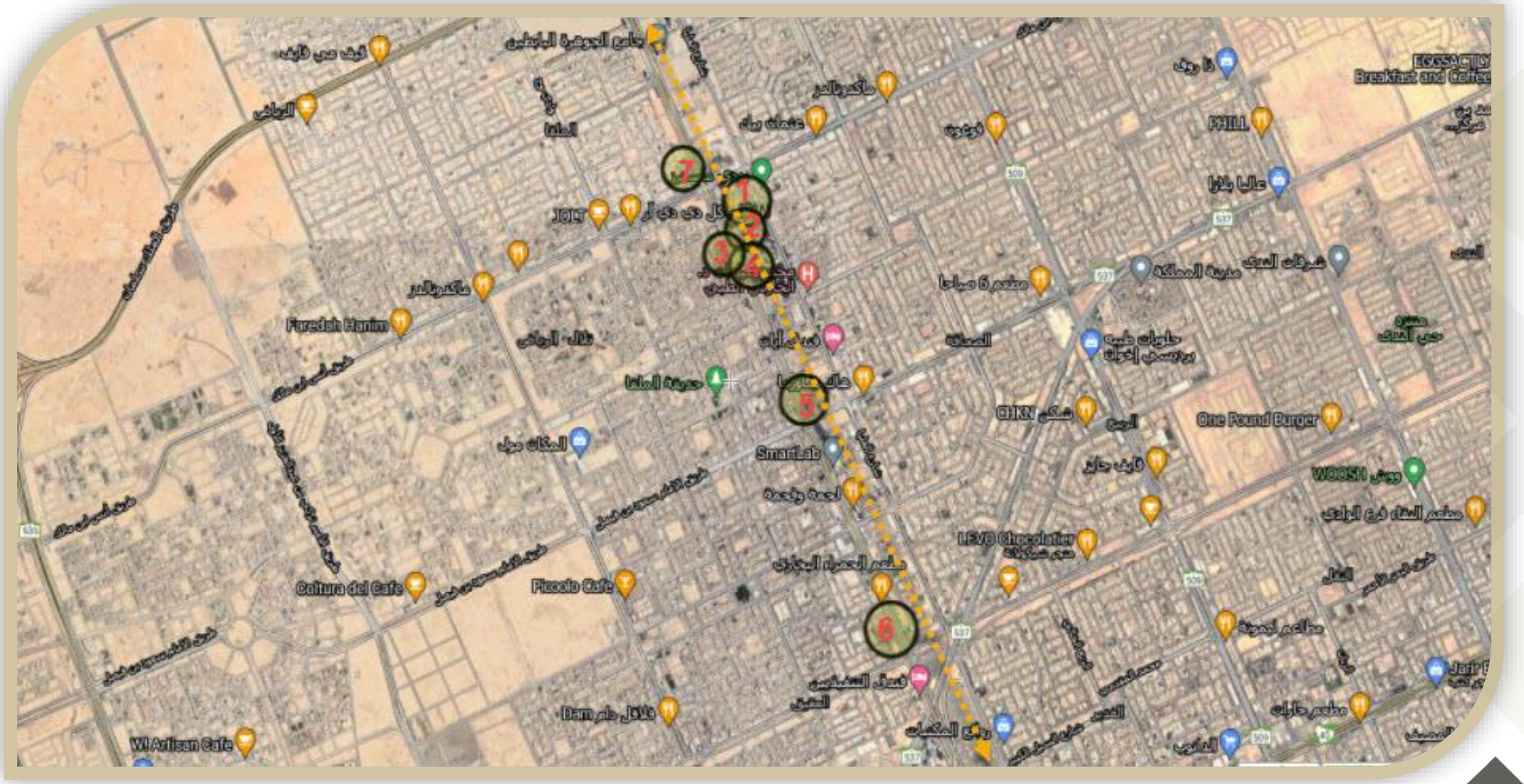

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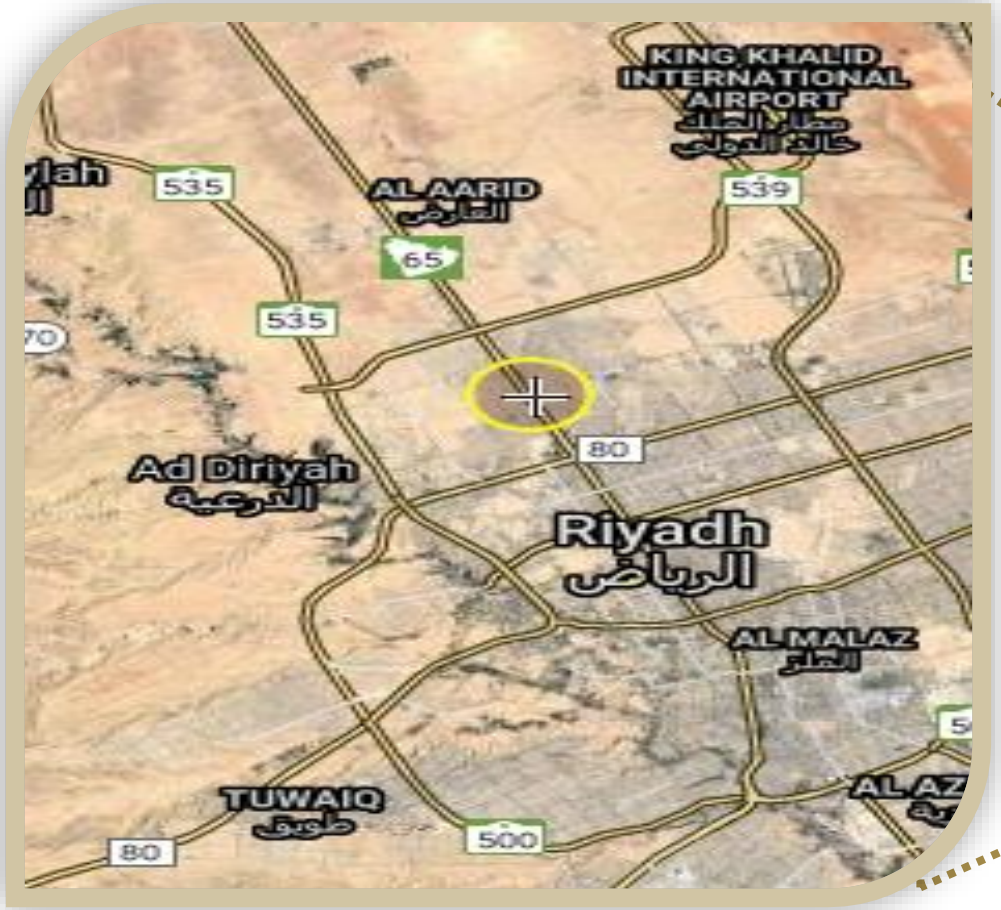
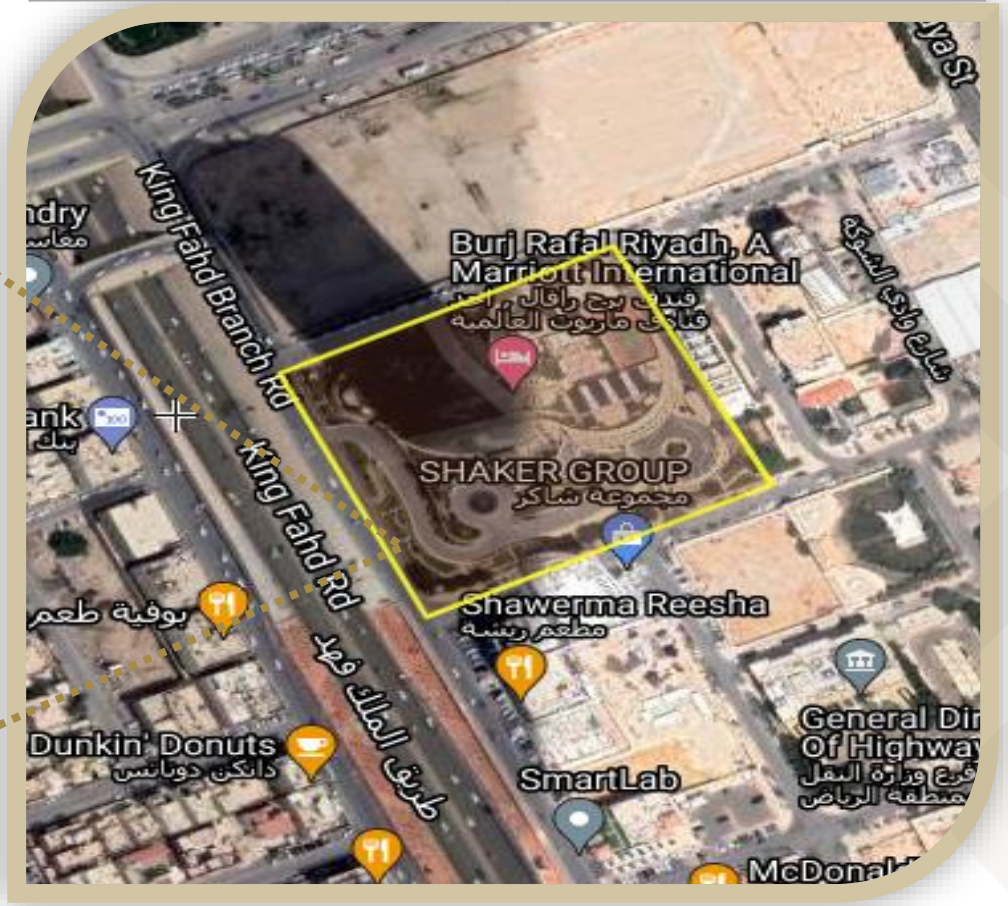
Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.79264	E46.63293





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شركة ممتلكاتي لتقييم
MUMTALKATI APPRAISAL COMPANY

Office Commercial Building Appraisal Report

Riyadh - Hittin District

(The Residence)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial building (The Residence) located in Riyadh– Hittin District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client. The estimated property is a commercial office building.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (80,481,000), only eighty million four hundred and eighty one thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO..
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO..
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO..
Property under appraisal	It is part of the land on which showrooms are constructed.
Property Address	Riyadh - Hittin District - Plan No. (Without), Plot No. (Without).
Building Surfaces	8,992.94 according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	310108037885 – 2/12318
Title Deed Date	12/08/1422 H / 21/02/1435 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is part of the land on which showrooms are constructed in Riyadh region, Prince Mohammed bin Salman Road.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (The Residence) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

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The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of showrooms account for 2% of expenses, based on prevailing conditions in the area where your property is located.

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Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Total Land Area for the two title deeds	Ownership Type
Riyadh	Hittin	Level	Commercial Office	15,000 square meters	Absolute ownership
Numbers of Title Deeds	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
210107044732 917815004213	25/08/1438 H 11/03/1443 H	Riyadh	Within the range	N/A	N/A

Borders and Lengths		
Direction	Length (m)	Border:
North	According to the title deeds	Street width 80 m
South	According to the title deeds	Street width 15 m
East	According to the title deeds	Street width 15 m
West	According to the title deeds	Street width 20 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Commercial
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
6 Years	Complete	Central	2 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
1	1	1	1

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices and showrooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
1	Hittin	Riyadh	Showroom	80	625	50000	Rental Offer / Minimum	24.750967 46.572493
2	Hittin	Riyadh	GALLERY	150	567	85000	Rental Offer / Minimum	24.752954 46.581501

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Assumptions and Special Assumptions:-

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 6,706,750.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 5%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	6706750	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0.00	SAR/ per Annum
Total Effective Income	6706750.00	SAR/ per Annum
Percentage of operating and maintenance expenses	10%	Percentage
Operating and maintenance expenses	670675.00	SAR/ per Annum
Net income after deducting operating expenses	6036075.00	SAR/ per Annum
Capitalization Rate	7.50%	Percentage
Final Market Value of the Property	80481000.00	SAR
Final Market Value of the Property after Rounding	**80481000**	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 80,481,000
Final Value in Writing	Only eighty million four hundred and eighty one thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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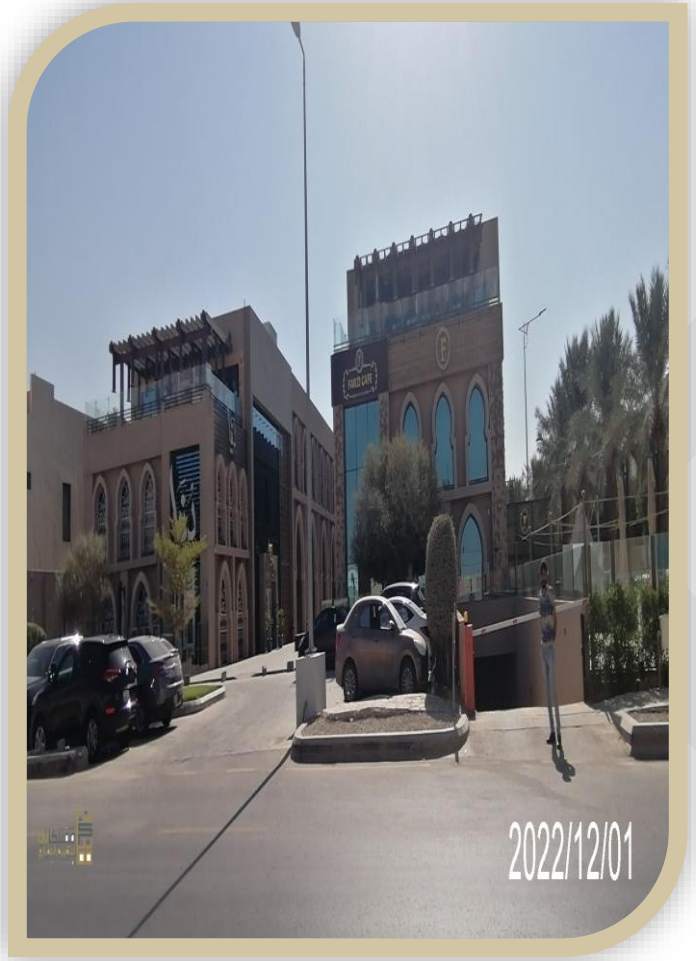
Photographic survey showing the property



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Photographic survey showing the property

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Image showing similar comparison site

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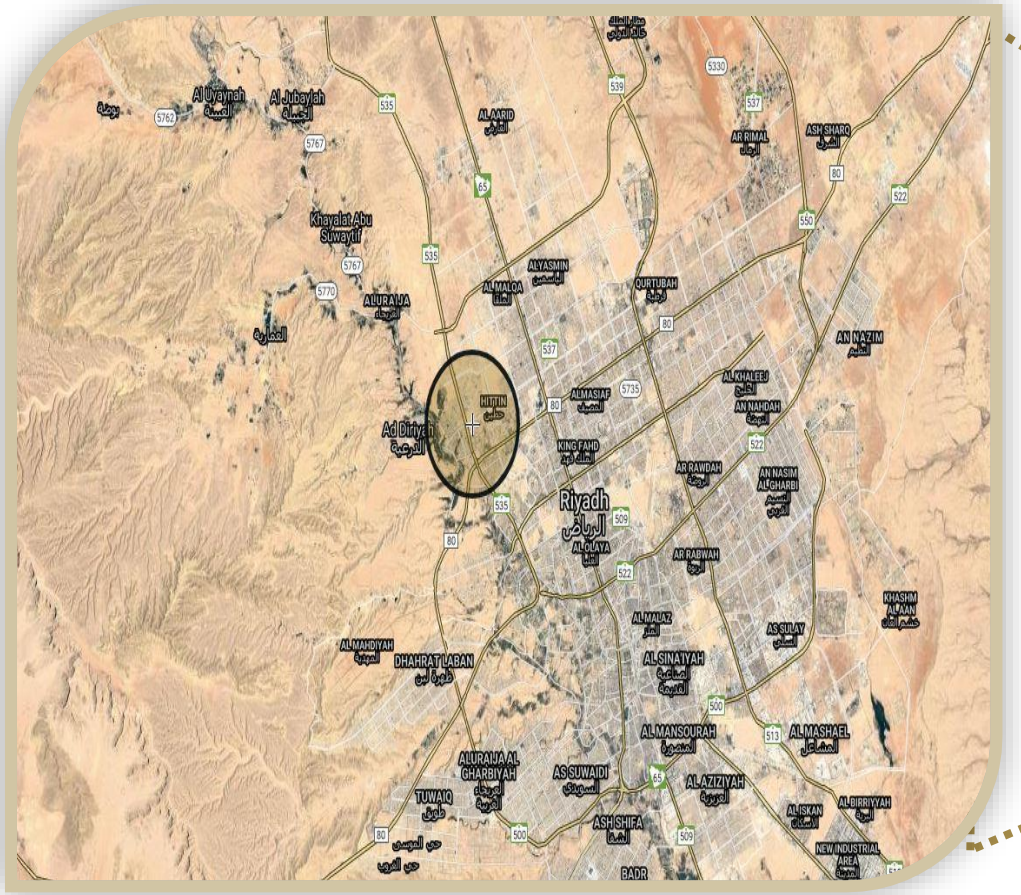
Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.75441	E46.58665



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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Residential Building Appraisal Report

Riyadh - Hittin District

(Braira Villa Hotel)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial building (Braira Villa Hotel) located in Riyadh– Hittin District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (110,134,000), only one hundred and ten million, one hundred and thirty-four thousand Saudi riyals

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Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO..
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO..
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO..
Property under appraisal	It is part of the land on which 32 villas and 3 administrative buildings (Braira Villa Hotel) are constructed.
Property Address	Riyadh - Hittin District - Plan No. (N/A), Plot No. (N/A).
Building Surfaces	6,378.00 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	310108037885 – 2/12318
Title Deed Date	12/08/1422 - 21/02/1435
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is part of the land on which 32 villas (The Residence) and 3 administrative buildings re constructed in Riyadh region, Prince Mohammed bin Salman Road.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Braira Villa Hotel) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 2% of the expenses. With regard to villas, it is 25%, based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Total Land Area for the two title deeds	Ownership Type
Riyadh	Hittin	Level	Residential	15,000 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
210107044372 917815004213	25/08/1438 H 11/03/1443 H	Riyadh	Within the range	N/A	N/A

Borders and Lengths		
Direction	Length (m)	Border:
North	According to the title deeds	Street width 80 m
South	According to the title deeds	Street width 15 m
East	According to the title deeds	Street width 15 m
West	According to the title deeds	Street width 20 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Residential
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
6 Years	Complete	Central	2 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
0	1	0	1

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial and residential building is to generate income from hotel rooms, residential villas and administrative buildings.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
3	Hittin	Riyadh	Office	115	330	38000	Rental Offer / Minimum	24.776208 46.577458
4	Hittin	Riyadh	Office	175	500	87500	Rental Offer / Minimum	24.760013 46.62650
5	Hittin	Riyadh	Residential villa	557	826	460000	Rental Offer / Minimum	24.74702 46.597601
6	Hittin	Riyadh	Residential villa	558	806	450000	Rental Offer / Minimum	24.744114 46.59390

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Assumptions and Special Assumptions:-

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 5% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 18,135,084.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 5%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	11517184.00	SAR/ per Annum
Vacancy Rate	15%	Percentage
Total income after deducting the vacancy rate	1727577.60	SAR/ per Annum
Total Effective Income	9789606.40	SAR/ per Annum
Percentage of operating and maintenance expenses	10%	Percentage
Operating and maintenance expenses	978960.64	SAR/ per Annum
Net income after deducting operating expenses	8810645.76	SAR/ per Annum
Capitalization Rate	**8.00%**	Percentage
Final Market Value of the Property	110133072.00	SAR
Final Market Value of the Property after Rounding	**110134000**	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 110,134,000
Final Value in Writing	Only one hundred and ten million, one hundred and thirty-four thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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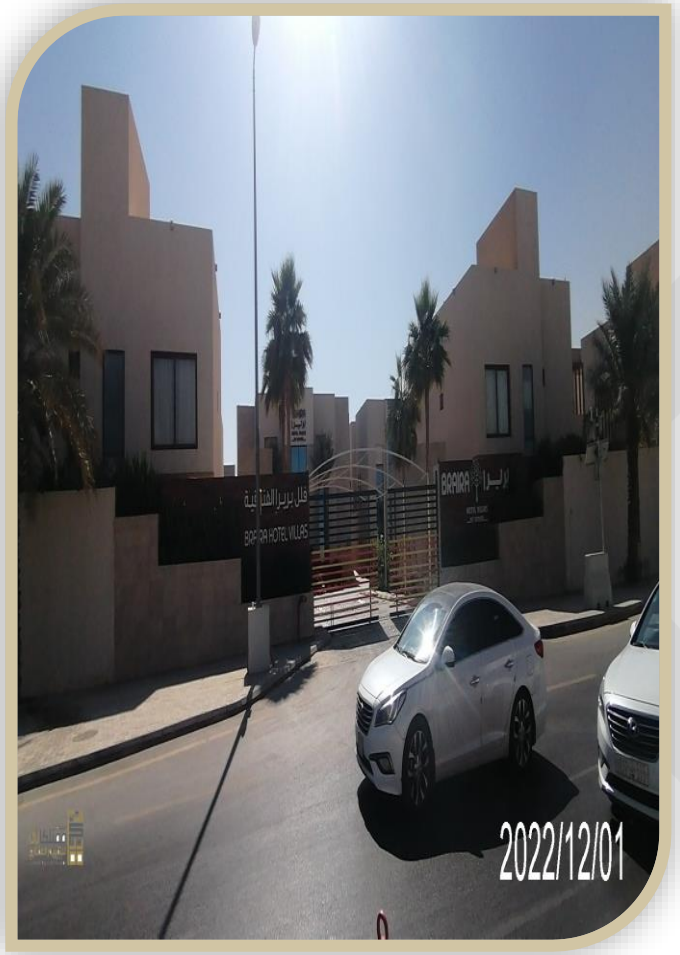

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Photographic survey showing the property

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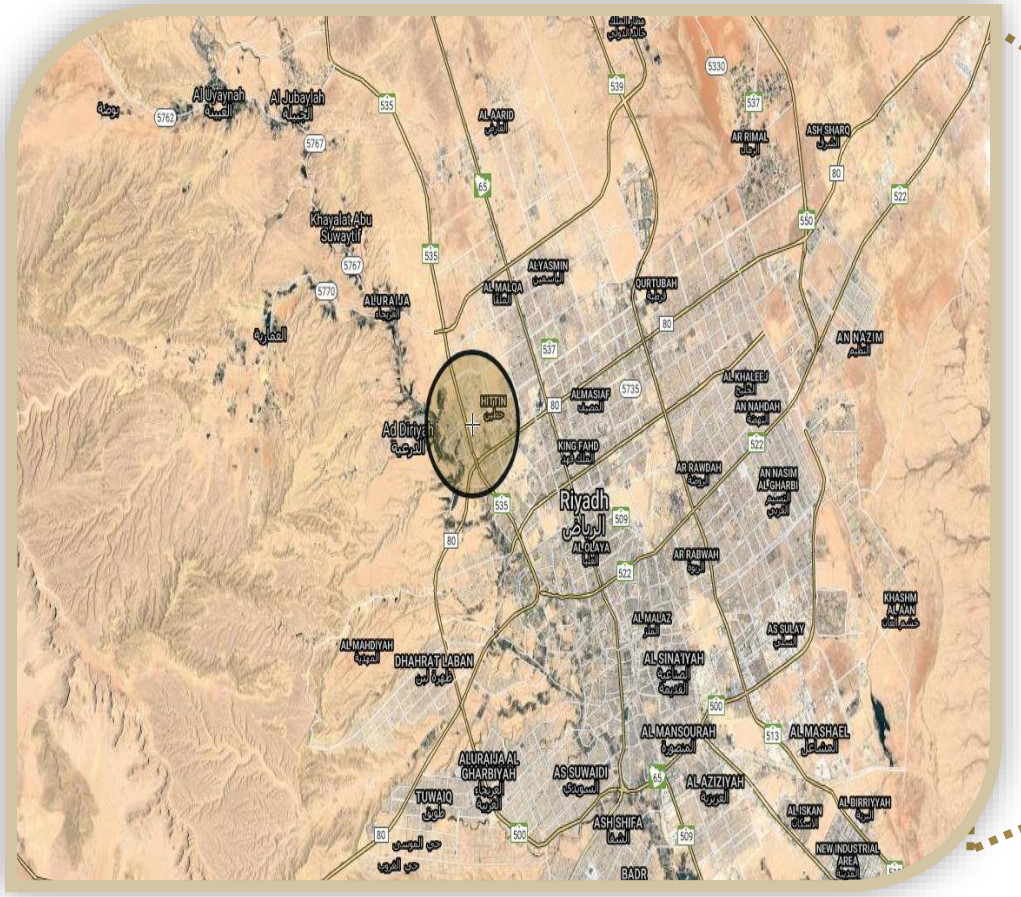
Image showing similar comparison site

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.75441	E46.58665



Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Residential Building Appraisal Report

Riyadh - Al-Maather District

(Vivienda Hotel Villas – Mousa bin Nusair)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise villas compound (Vivienda Hotel Villas – Mousa bin Nusair) located in Riyadh - Al-Maather District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is villas compound with a total land area of 2,800.00 square meters according to the title deed and with a total building area of 4,059 square meters according to the permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (48,750,000), only forty-eight million seven hundred and fifty thousand Saudi riyals

Content
Executive Summary
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Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a land on which villas compound (Vivienda Hotel Villas – Mousa bin Nusair) is located.
Property Address	Riyadh - Al-Maather District - Plan No. (2219), Plot No. (167)
Plot area	2,800.00 square meters according to the title deed
Building Surfaces	4,059.00 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	310122019688
Title Deed Date	09/07/1433 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which villas compound (Vivienda Hotel Villas – Mousa bin Nusair) is constructed in Riyadh region, Musa Ibn Nusair Road. According to the title deed, the area of the land is 2,800.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Vivienda Hotel Villas – Mousa bin Nusair) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation account for 25% as to the villas compound, based on prevailing conditions in the area where your property is located.

Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al-Maather	Level	Villas Compound	2,800,00 M	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
310122019688	09/07/1433 H	Riyadh	Within the range	167	2219

Borders and Lengths		
Direction	Length (m)	Border:
North	40	Street width 15 m
South	40	Street width 30 m
East	70	Plot No. 166
West	70	Plot No. 168

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Residential
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
5 Years	Complete	Central Split Unit	2 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
0	1	0	1

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a residential building is to generate income from hotel villas.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
4	Al-Rafiah	Riyadh	Lacasa Hotel	250	2500	87500	Rental Offer / Minimum	24.640777 46.656924
5	Al Mahdiyah	Riyadh	Luxury Villa	750	3000	460000	Rental Offer / Minimum	24.697835 46.666122
6	Al Olaya	Riyadh	Fayrouz Villa	250	250	450000	Rental Offer / Minimum	24.706685 46.685235

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Assumptions and Special Assumptions:-

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 3,900,000 in the first five years.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	3900000	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	3900000	SAR/ per Annum
Percentage of operating and maintenance expenses	0%	Percentage
Operating and maintenance expenses	0	SAR/ per Annum
Net income after deducting operating expenses	3900000	SAR/ per Annum
Capitalization Rate	8%	Percentage
Final Market Value of the Property	48750000	SAR
Final Market Value of the Property after Rounding	**48750000**	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 48,750,000
Final Value in Writing	Only forty-eight million seven hundred and fifty thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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Photographic survey showing the property

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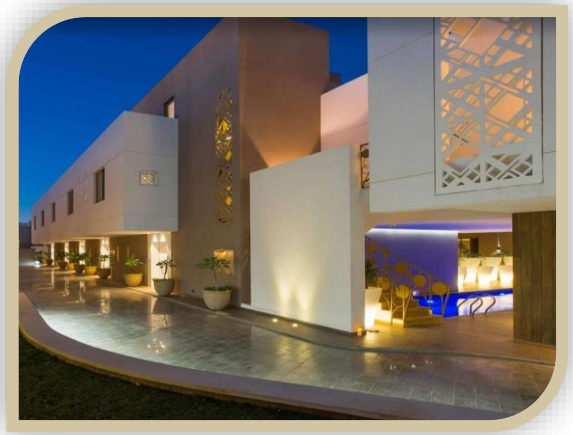
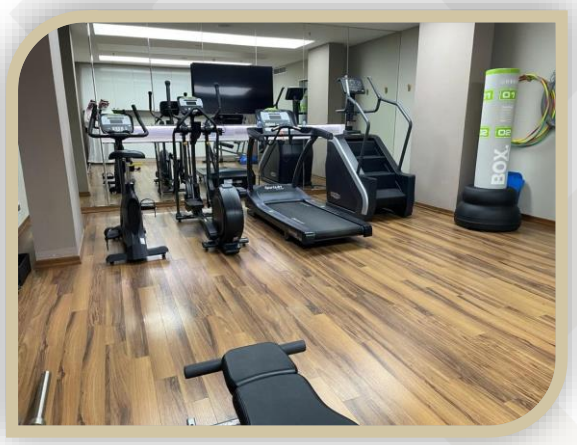
Photographic survey showing the property





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Photographic survey showing the property

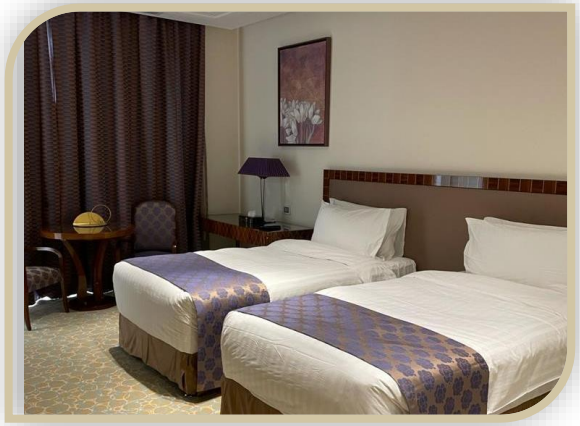

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Image showing similar comparison site

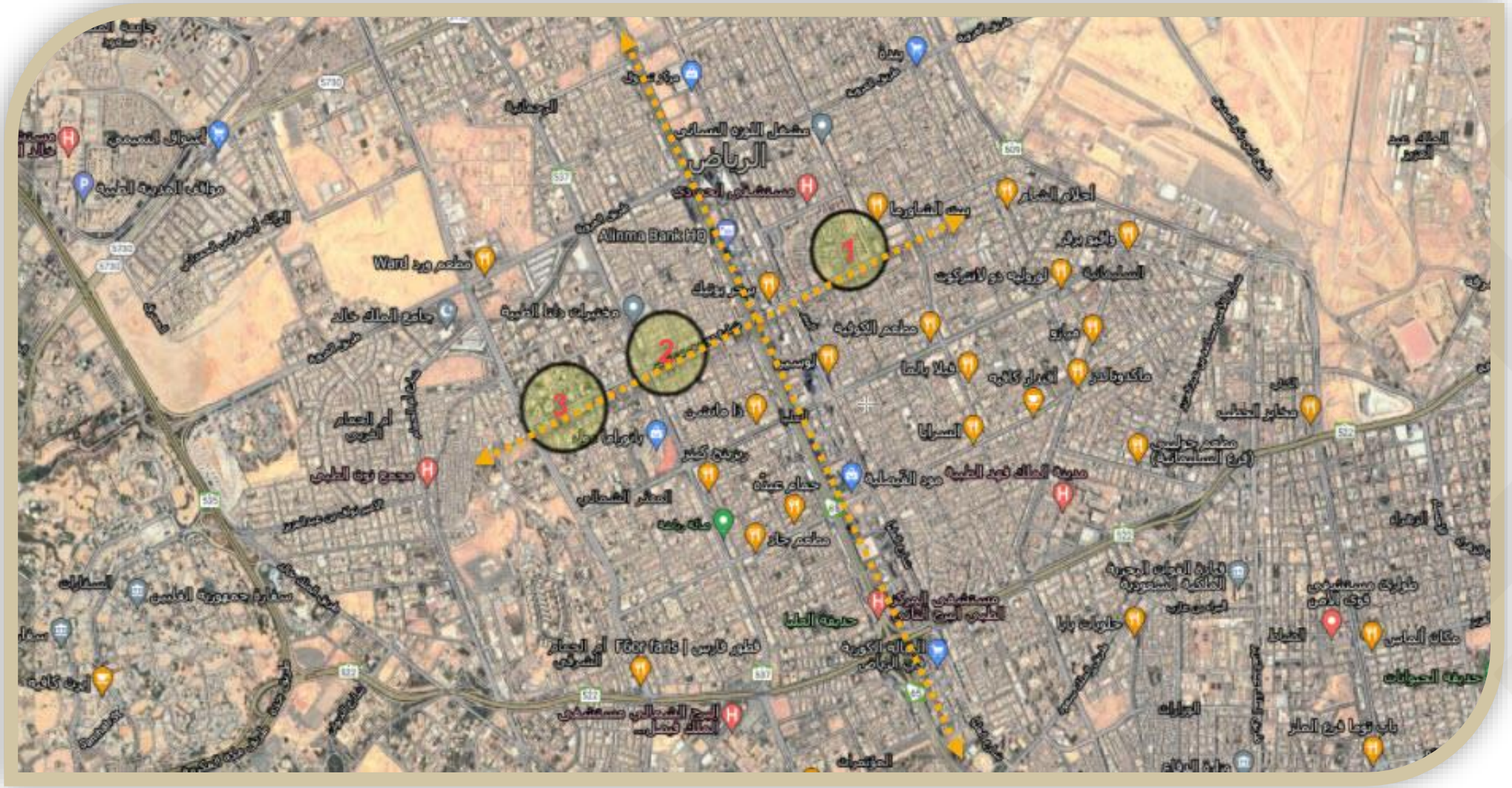

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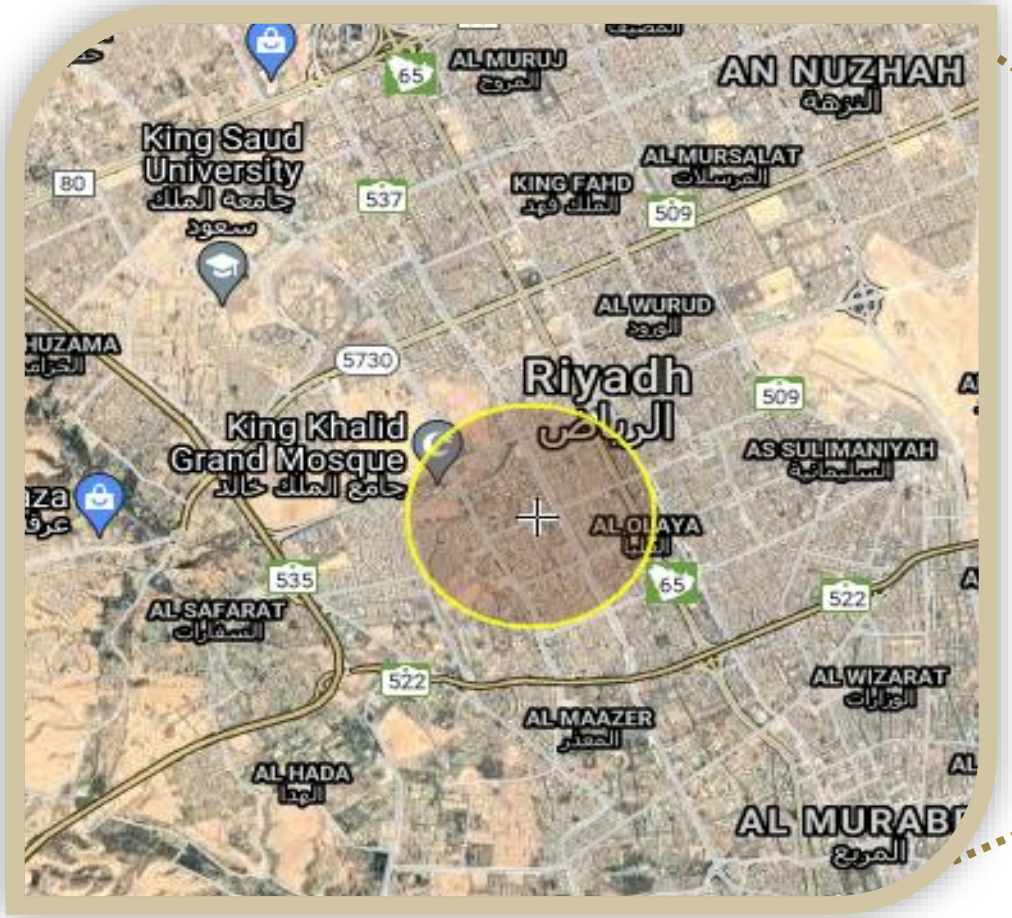
Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.75441	E46.58664



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شركة ممتلكاتي لتقييم
MUMTALKATI APPRAISAL COMPANY

Office Commercial Building Appraisal Report

Riyadh - Ghirnatah District

(Altamyouz Center)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building Altamyouz Center) located in Riyadh– Ghirnatah District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial office building with a total land area of 4,630.00 square meters according to the title deed and with a total building area (multiple areas).

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (59,571,000), only fifty-nine million five hundred seventy-one thousand Saudi riyals

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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial office building (Altamyouz Center) is constructed
Property Address	Riyadh - Ghirnatah District - Plan No. (2956), Plot No. (137- 138- 139- 140)
Plot area	4,630.00 square meters according to the title deed
Building Surfaces	7,106.25 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	610410033995
Title Deed Date	29/04/1437 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial office building is constructed in Riyadh region, Khalid Bin Al Waleed Road intersect with Imam Saud Road. According to the title deed, the area of the land is 4,630 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Altamyouz Center) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): “The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion.”

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of expenses, based on prevailing conditions in the area where your property is located.

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Ghirnatah	Level	Commercial Office	4,630.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
610410033995	29/04/1437 H	Riyadh	Within the range	137-138-139-140	N/A

Borders and Lengths		
Direction	Length (m)	Border:
North	70.07 - broken	Street width 15 m
South	53	Street width 60 m
East	70	Plots No. 135-136
West	71.21 - broken	Street width 60 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	There are vacancies	Commercial Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
6 Years	Complete	Central Split Unit	3 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
0	1	1	1

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices and showrooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Ghirnatah	Riyadh	Showroom	45.00	638.00	4	Rent	24.711304 46.711304	Superior Room
2	Ghirnatah	Riyadh	Showroom	40.00	450.00	4	Rent	24.707874 46.676696	Junior Suite
3	Al Hamra	Riyadh	Showroom	35.00	470.00	3	Rent	24.707006 46.675507	Deluxe Room
4	Ghirnatah	Riyadh	Office	24.00	350.00	4	Rent	24.702568 46.678632	Junior Suite
5	Al Hamra	Riyadh	Office	45.00	465.00	4	Rent	24.706076 46.676958	Deluxe Room
6	Al Hamra	Riyadh	Office	35.00	400.00	4	Rent	24.697969 46.682448	Deluxe Room

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Table showing DCF Method:

DCF Method Assumptions	
Expense Rate (Operational and Capital)	10%
Vacancy Rate for Showrooms	10%
Vacancy Rate for Offices	15%
Cash flow period	5 years
Discount Rate	8.5%
Growth rate (from the third year onwards)	5%
Capitalization Rate	8

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Assumptions and Special Assumptions:-

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 10% for showrooms in all years, according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 5,431,229.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 10% of showrooms in all years and 15% for offices in all years.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10%.

of the actual rental income, since they are separate contracts.

.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years						
			2021	2022	2023	2024	2025	2026	Redemption Value
			0	1	2	3	4	5	
Estimated Rental Growth			0%	0%	0%	5%	5%	5%	
Expected Rental Income									
Showrooms	816.38	3680387	0.00	3722588	3722588	3908717	4104153	4309361	
Less Vacancy Rate				10%	10%	10%	10%	10%	
				372259	372259	390872	410415	430936	
Offices	2549.73	656	0.00	1708641	1708641	1794073	1883777	1977966	
Less Vacancy Rate				15%	15%	15%	15%	15%	
				256296	256296	269111	282567	296695	
Total Rental Income			0.00	5431229	5431229	5702790	5987930	6287326	
			0	628555	628555	659983	692982	727631	
Actual Total Income			0	4802674	4802674	5042808	5294948	5559696	
Less Expense Rate (Operating and capital)	10.0%		0	480267	480267	504281	529495	555970	
Building Net Operating Income (NOI)			0	4322407	4322407	4538527	4765453	5003726	
Building Redemption Value									62546575
Net Cash Flow (NCF)			0	4322407	4322407	4538527	4765453	5003726	62546575
Discount coefficient			1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6650
Present Value of Cash Flows			0	3983785	3671691	3553250	3438629	3327705	41596313
Building Net Present Value (NPV)									**59571373**
							Final Value after Rounding		**59571000**

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Final Value of the Property

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 59,571,000
Final Value in Writing	Only fifty-nine million five hundred and seventy-one thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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Photographic survey showing the property

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Photographic survey showing the property

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Image showing similar comparison site

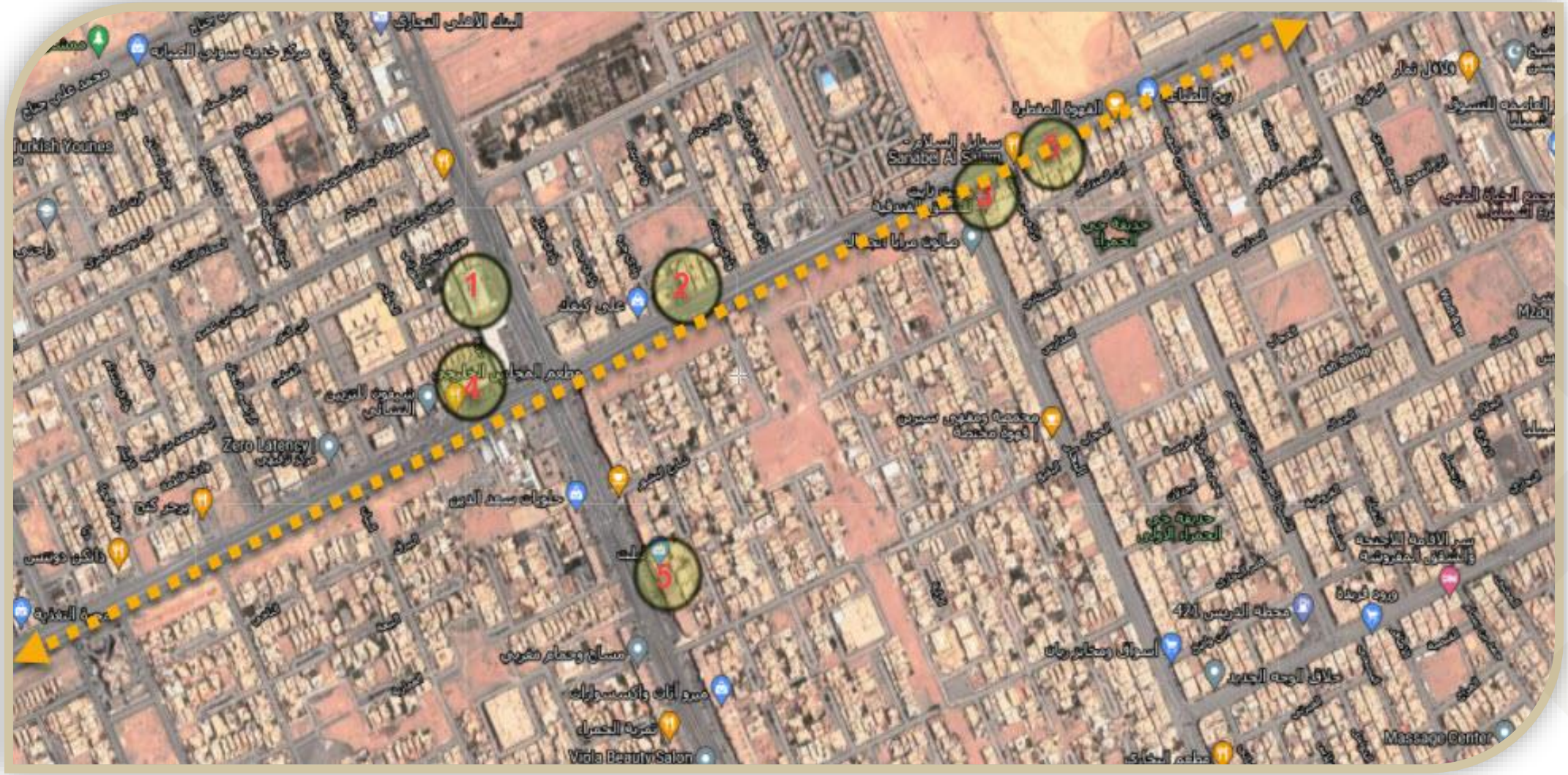

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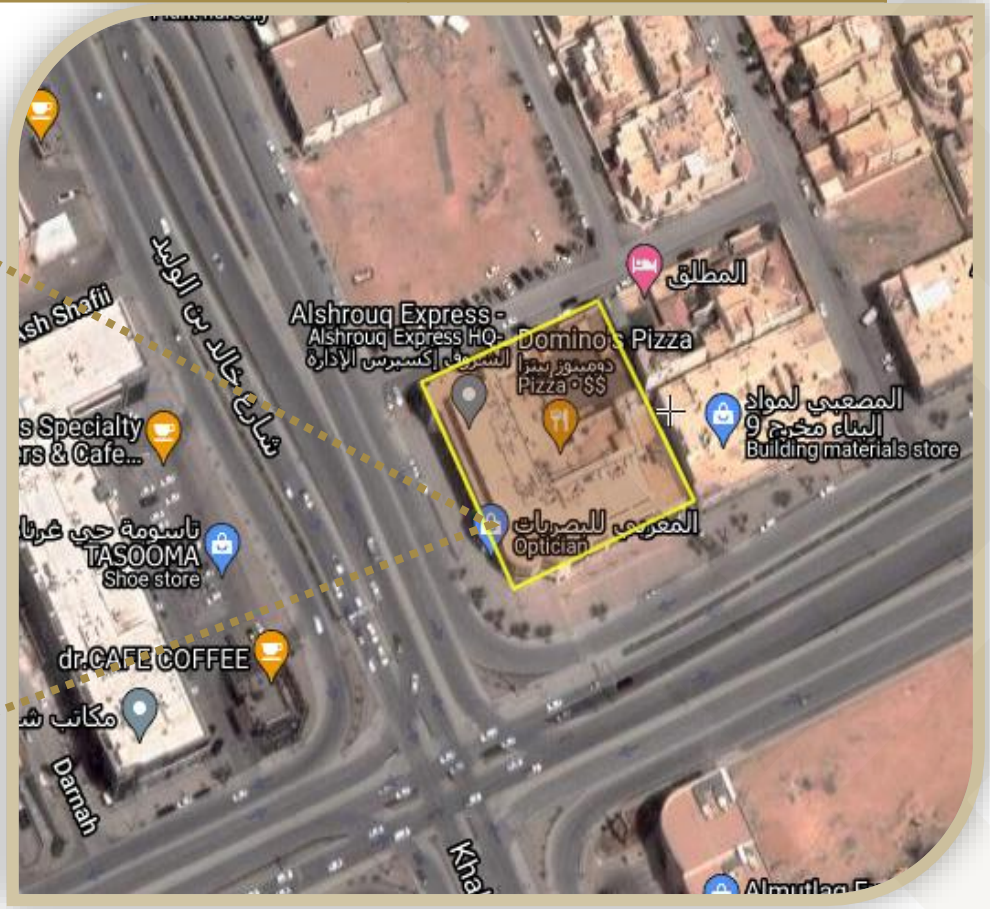
Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.78444	E46.74878



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شركة ممتلكاتي لتقييم
MUMTALKATI APPRAISAL COMPANY

Office Commercial Building Appraisal Report

Riyadh - Al Izdihar District

(Alizdihar Center)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Alizdihar Center) located in Riyadh– Al Izdihar District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial office building with a total land area of 2,515.00 square meters according to the title deed and with a total building area of 6,351 according to the building permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (40,850,000), only forty million eight hundred fifty thousand Saudi riyals

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Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial office building (Alizdihar Center) is constructed
Property Address	Riyadh - Al Izdihar District - Plan No. (1822), Plots No. (568-569-566)
Plot area	2,515.00 square meters according to the title deed
Building Surfaces	6,351 according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	210121039034 – 610121039033
Title Deed Date	16/03/1437 H + 16/03/1437 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial office building is constructed in Riyadh region, Othman Bin Affan Road. According to the two title deeds, the area of the land is 2,515.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Alizdihar Center) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): “The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion.”

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of expenses, based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
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Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

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The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

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Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Izdihar	Level	Commercial Office	2,515.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
210121039034 610121039033	16/03/1437 H + 16/03/1437 H	Riyadh	Within the range	568-569-566	1822

Borders and Lengths		
Direction	Length (m)	Border:
North	33	Street width 30 m
South	33	Street width 15 m
East	55	Plots No. 566-567
West	55	Street width 80 m
Title Deed No.	610121039033	

Borders and Lengths		
Direction	Length (m)	Border:
North	25	Street width 30 m
South	25	Plot No. 567
East	28	Plot No. 564
West	28	Plot No. 568
Title Deed No.	210121039034	

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Commercial Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
8 Years	Complete	Central Split Unit	3 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
1	1	1	1

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices and showrooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
1	Al Izdihar	Riyadh	Showroom	305	1098.36	335000	Rental Offer / Minimum	24.760889 46.715946
2	Al-Taawun	Riyadh	Showroom	260	692.31	180000	Rental Offer / Minimum	24.778447 46.707076
3	Al Izdihar	Riyadh	Showroom	188	1094.15	205700	Rental Offer / Minimum	24.781122 46.706984
4	Al Izdihar	Riyadh	Office	600	700.00	420000	Rental Offer / Minimum	24.775886 46.7097598
5	Al Izdihar	Riyadh	Office	200	550	110000	Rental Offer / Minimum	24.7708185 46.712274
6	Al-Taawun	Riyadh	Office	125.00	650.00	81250.00	Rental Offer / Minimum	24.768656 46.710996

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Assumptions and Special Assumptions:-

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 3,531,750.00.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 7.50%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	3531750.00	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	3531750.00	SAR/ per Annum
Percentage of operating and maintenance expenses	7.50%	Percentage
Operating and maintenance expenses	264881.25	SAR/ per Annum
Net income after deducting operating expenses	3266868.75	SAR/ per Annum
Capitalization Rate	**8.00%**	Percentage
Final Market Value of the Property	40835859.38	SAR
Final Market Value of the Property after Rounding	**40850000**	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 40,850,000
Final Value in Writing	Only forty million eight hundred fifty thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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Photographic survey showing the property

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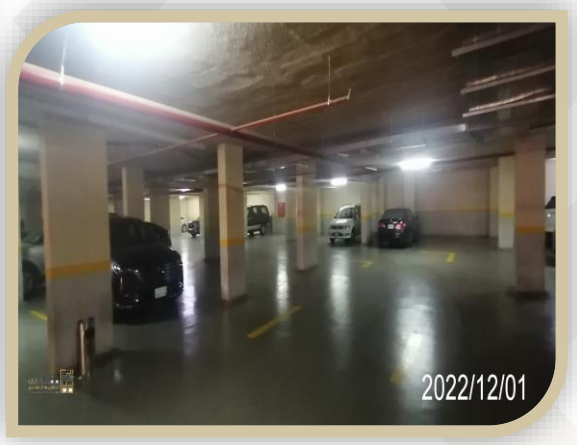
Photographic survey showing the property



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info@mumtalkati.com
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Image showing similar comparison site

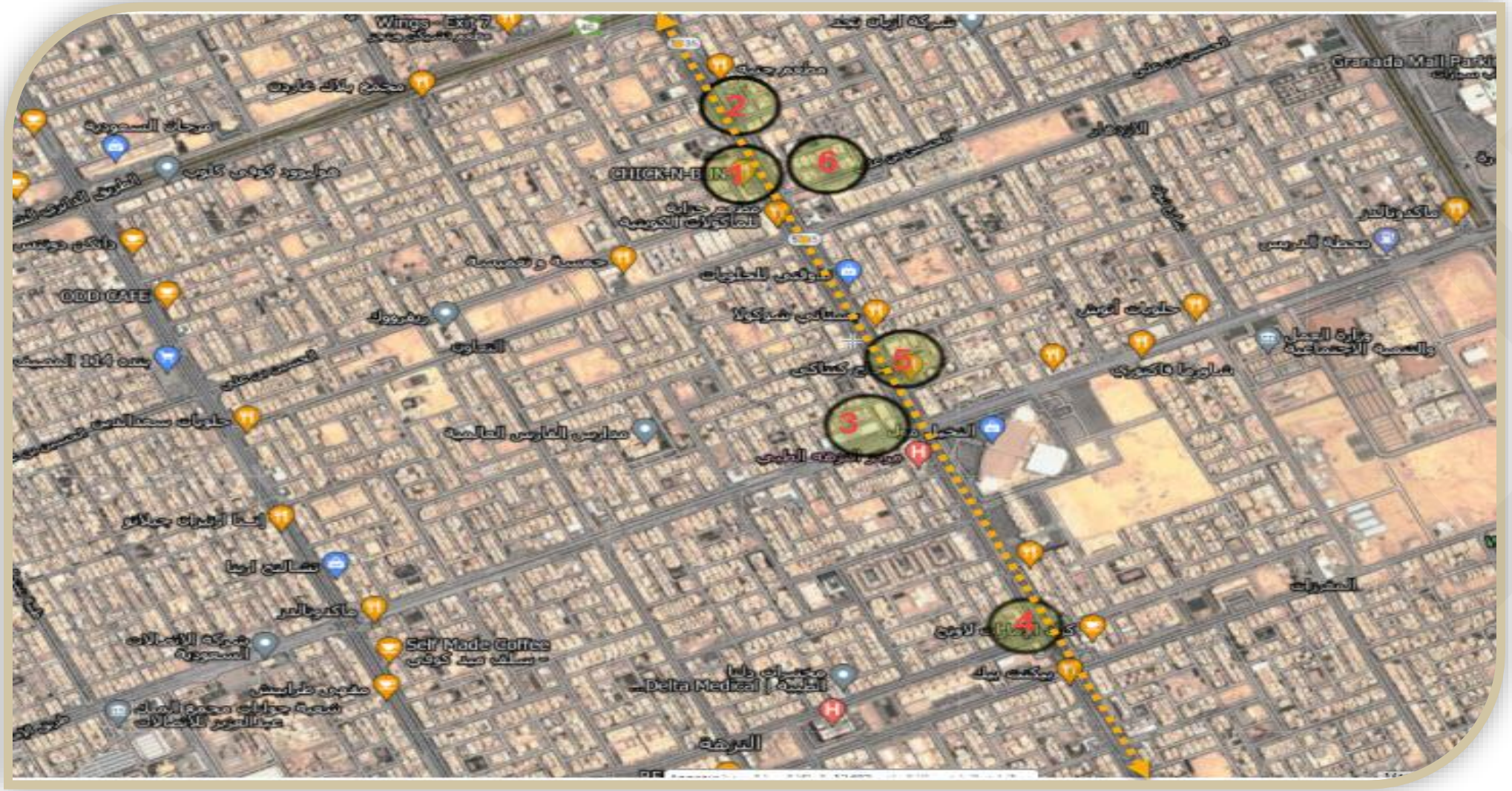

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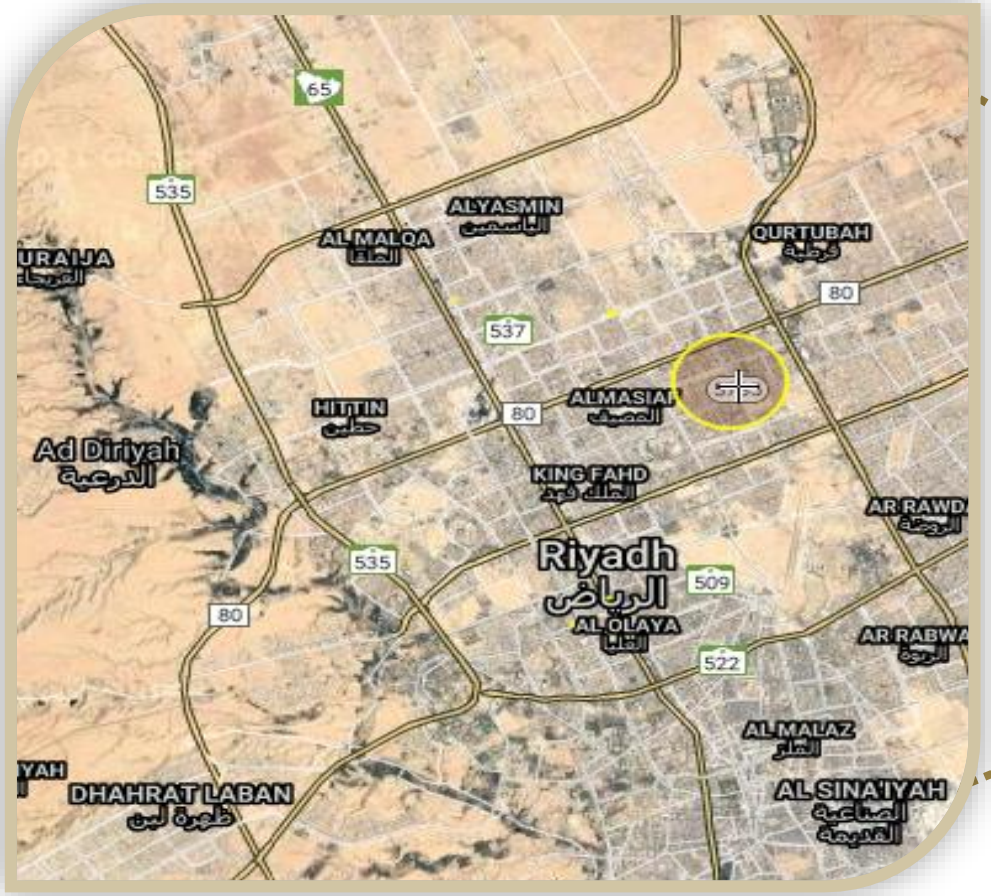
Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.77177	E46.71167



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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Office Commercial Building Appraisal Report

Riyadh - Al Raed District

(Al Raed Building)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Al Raed Building) located in Riyadh– Al Raed District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial building with a total land area of 5,000 square meters according to the building permit and with a total building area of 26,951.24 square meters according to the building permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (196,700,000), only one hundred and ninety six million seven hundred thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

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A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial office building (Al Raed Building) is constructed
Property Address	Riyadh - Al Raed District - Plan No. (207/k), Plot No. (246)
Plot area	5,000 square meters according to the title deed
Building Surfaces	26,951.24 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Building Permit No.	1441/25248
Title Deed Date	22/11/1441 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial office building is constructed in Al Raed District, Riyadh region, King Abdullah Road. According to the building permit, the area of the land is 5,000 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of (Al Raed Building) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): “The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion.”

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 2% of expenses, based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Raed	Level	Commercial Office	5000 square meters	Absolute ownership
License No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
1441/25248	22/11/1441 H	Riyadh	Within the range	246	207/k

Borders and Lengths		
Direction	Length (m)	Border:
North	50	Street width 80 m
South	50	Street width 20 m
East	100	Plot No. 247
West	100	Plot No. 245

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Commercial Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
New	Complete	Central	6 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
3	1	0	5

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total price in SAR	Offer Type / Bidding/ Minimum	Coordinates	Notes
1	Al Muhammadiyah	Riyadh	Office	120	500	60000	Rental Offer / Minimum	24.725925, 46.652578	---
2	Al Muhammadiyah	Riyadh	Offices	800	500	400000	Rental Offer / Minimum	24.7234579, 46.652429	---
3	Al Muhammadiyah	Riyadh	Office	85	600	51000	Rental Offer / Minimum	24.7242092, 46.6454914	---
4	Al Muhammadiyah	Riyadh	Office	95	700	66500	Rental Offer / Minimum	24.7004769, 46.7553127	---

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Assumptions and Special Assumptions:

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 14,755,000.00.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	14755000	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	14755000	SAR/ per Annum
Percentage of operating and maintenance expenses	0.00%	Percentage
Operating and maintenance expenses	0.00	SAR/ per Annum
Net income after deducting operating expenses	14755000	SAR/ per Annum
Capitalization Rate	7.50%	Percentage
Final Market Value of the Property	196733333	SAR
Final Market Value of the Property after Rounding	**196700000**	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 196,700,000
Final Value in Writing	Only one hundred and eighty-four million four hundred and forty thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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Photographic survey showing the property

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

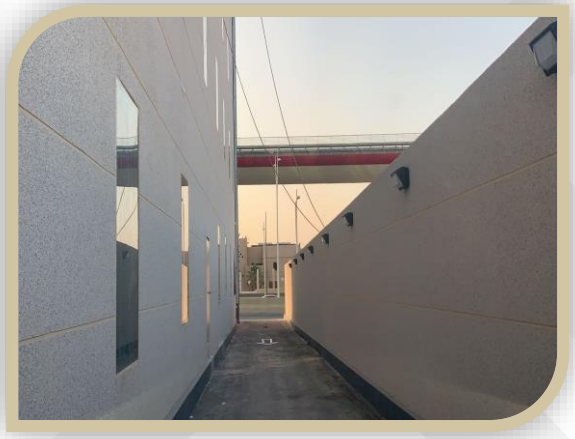

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Image showing similar comparison site

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Image showing the location of the property in the city of Riyadh

Geographical Coordinates	
N 24.714861	E46.636109

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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Properties located in Eastern Region

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

As you approved MUMTALKATI APPRAISAL COMPANY for valuation of the real estate properties within Saudi Arabia in Riyadh, Jeddah, Dammam and Al Khobar, our team has completed the task after inspection of the assets and taking into account all elements affecting value. Based on the International Standards adopted and the professional assets of the valuation process, we seek to identify the real estate value which is fit for the purpose for which the Appraisal Report was developed. This Report is a reliable testimony of the purpose for which this appraisal task was carried out, noting that this Report is an integral unit that should not be divided.

Reference data:

Applicant (Client)	RIYADH REAL ESTATE INCOME CO.	
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.	
Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic valuation of RIYADH REAL ESTATE INCOME CO. FUND (Riyad REIT).	
Inspection Date	**Value Effective Date**	**Reports Issuance Dates:**
01/12/2022 G	**31/12/2022 G**	**21/02/2023** G

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Real Estate Properties located in the City of Dammam

Sr.	City	District	Property Name	Property Type	Area of Land (m2)
1	Dammam	Al Shati	Alshatea Towers	Office, Commercial, and Residential	6300
2	Al Khobar	Al Yarmouk	Ascott Corniche Al Khobar	Tower (Hotel)	2784

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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Office Residential Building Appraisal Report

Dammam - Al Shati District

(Alshatea Towers)

Saudi Arabia - Riyadh info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial, residential office building (Alshatea Towers) located in Dammam - Al Shati District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial and residential building with a total land area of 6,300.00 square meters according to the title deed and with a total building area of 15,434.00

square meters according to the building permit

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (95,200,000), only ninety-five million two hundred thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

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Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial, residential office building (Alshatea Towers) is constructed
Property Address	Dammam - Al Shati District - Plan No. (337/1), Plot No. (577-578-579-580)
Plot area	6,300.00 square meters according to the title deed
Building Surfaces	15,434.00 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	230114004659
Title Deed Date	12/05/1437 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial and residential office building is constructed in Dammam region, Prince Mohammad Bin Fahd Road. According to the title deed, the area of the land is 6,300.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Alshatea Towers) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): “The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion.”

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 40%. Hotels account for 38%, based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Property Data

Land Data					
City	**District**	**Ground Level**	**Property Type**	**Area**	**Ownership Type**
Dammam	Al Shati	Level	Office, Commercial, and Residential	6,300.00 square meters	Absolute ownership
Title Deed No.	**Title Deed Date**	**Notary Public**	**Overall Site**	**Plot No.**	**Organization Chart No.**
230114004659	12/05/1437 H	Dammam	Within the range	(577-578-579-580)	1/337

Borders and Lengths		
Direction	**Length (m)**	**Border:**
North	90	Plots No. 582-581
South	90	Street width 8 m
East	70	Street width 18 m
West	70	Street width 40 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	There are vacancies	Commercial and Residential
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
6 Years	Complete	Central	7 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
3	1	1	5

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms, and hotel rooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total price in SAR	Offer Type / Bidding/ Minimum	Coordinates	Notes
1	Al Shati Al Sharqi	Dammam	Showroom	232.00	560.34	130000.00	Rental Offer / Minimum	26.47932 50.126222	--
2	Al Shati Al Gharbi	Dammam	Showroom	550.00	1000.00	550000.00	Rental Offer / Minimum	26.461169 50.120846	--
3	Al Shati Al Sharqi	Dammam	Showroom	813.00	799.51	650000.00	Rental Offer / Minimum	26.456568 50.128620	--
4	Al Shati Al Sharqi	Dammam	Tulip Dammam for Hotel Suites	60.00	260.00		Rental Offer / Minimum	26.485038 50.127884	Nightly Rate (Junior Suite)
6	Al Shati Al Sharqi	Dammam	Boudl Al Shatea	55.00	525.00		Rental Offer / Minimum	26.454764 50.120963	Nightly Rate (Full studio)
7	Al Shati Al Sharqi	Dammam	Misk Hotel Suites	65.00	700.00		Rental Offer / Minimum	26.454913 50.125241	Misk Suite

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Assumptions and Special Assumptions:-

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 5% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 8,907,635.00.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%). After reviewing the market and the property area, it was found that vacancies are estimated at 5%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10% of actual rental income.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	**Amount in SAR**	**Unit**
Total Gross Income	8907635	SAR/ per Annum
Vacancy Rate	5%	Percentage
Total income after deducting the vacancy rate	445381.75	SAR/ per Annum
Total Effective Income	8462253.25	SAR/ per Annum
Percentage of operating and maintenance expenses	10%	Percentage
Operating and maintenance expenses	846225.33	SAR/ per Annum
Net income after deducting operating expenses	7616027.93	SAR/ per Annum
Capitalization Rate	8.00%	Percentage
Final Market Value of the Property	95200349.06	SAR
Final Market Value of the Property after Rounding	**95200000**	SAR

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Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 95,200,000
Final Value in Writing	Only ninety-five million two hundred thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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Photographic survey showing the property

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Photographic survey showing the property

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Image showing similar comparison site

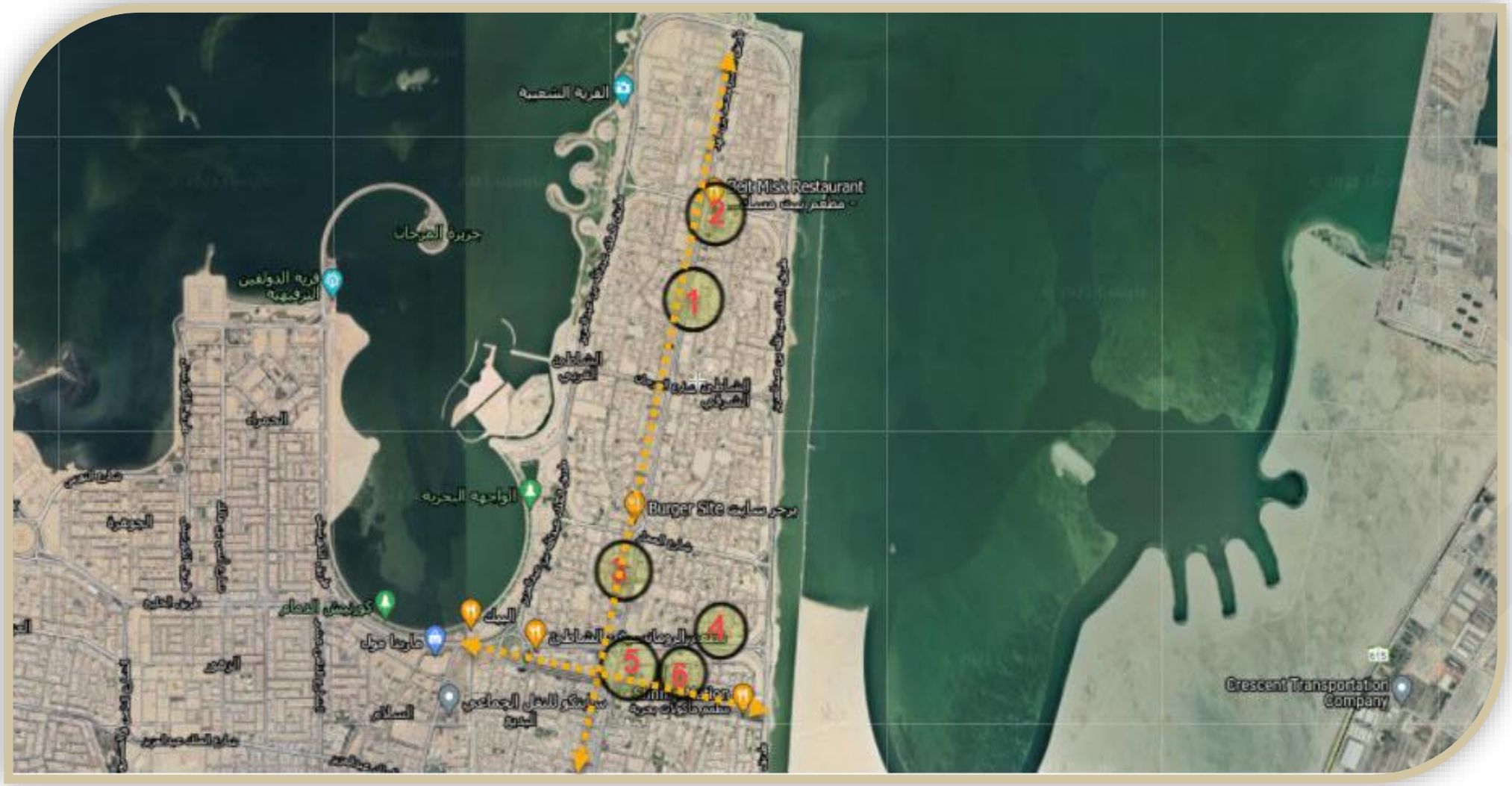

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Image showing the location of the property in the city of Dammam

Geographical Coordinates	
N 24.77177	E46.71167

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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Commercial and Residential Office Building Appraisal Report

Al Khobar - Alyarmuk District

(Ascott Corniche Al Khobar)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial, residential office building (Ascott Corniche Al Khobar) located in Al Khobar - Alyarmuk District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial and residential building with a total land area of 2,784.00 square meters according to the title deed and with a total building area of 24,192.22 square meters,
according to the building permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2022 G.

For an amount of SAR (246,500,000), only two hundred and forty-six million five hundred thousand Saudi riyals

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Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial, residential office building (Ascott Corniche Al Khobar) is constructed
Property Address	Al Khobar - Alyarmuk District - Plan No. (2/78), Plot No. (281-282)
Plot area	2,784.00 square meters according to the title deed
Building Surfaces	24,192.22 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	330207004114
Title Deed Date	08/05/1437 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial and residential office building is constructed in Al Khobar region, Prince Turki Road. According to the title deed, the area of the land is 2,784.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Ascott Corniche Al Khobar) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): “The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion.”

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Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

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Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

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Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Al Khobar	Al Yarmouk	Level	Office, Commercial, and Residential	2,784.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
830207004114	08/05/1437 H	Dammam	Within the range	281-282	2/78

Borders and Lengths		
Direction	Length (m)	Border:
North	40	Street width 20 m
South	40	Plot No. 283
East	70	Prince Turki Street width 45 m
West	70	Street width 10 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Vacant Position	Commercial and Residential Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
3 Years	Complete	Central	16 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
2	1	1	14

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Corniche	Al Khobar	Hotel	32	26.315936 50.223494	560	4	Rental Offer / Minimum	26.315936 50.223494
2	Al Yarmouk	Al Khobar	Hotel	40	26.322045 50.216549	650	5	Rental Offer / Minimum	26.322045 50.216549
3	Al-Bandariya	Al Khobar	Hotel	40	26.303720 50.210995	504	5	Rental Offer / Minimum	26.303720 50.210995
4	Al Khobar Al Shamalia	Al Khobar	Hotel	28	26.300187 50.2209991	510	4	Rental Offer / Minimum	26.300187 50.2209991
5	Corniche	Al Khobar	Hotel	34	26.301697 50.223777	777	5	Rental Offer / Minimum	26.301697 50.223777

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Table showing DCF Method:

DCF Method Assumptions	
Hotel and Showroom Expense Rate (Operational and Capital)	30%
Hotel Vacancy Rate	-
Vacancy Rate for Showrooms and Offices	-
Cash flow period	5 years
Discount Rate	8.5%
Constant Rate of Growth	5%
Capitalization Rate	8.0%

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Assumptions and Special Assumptions:

Property Revenue

The real estate revenues are estimated according to the total income stated by the client, and it was assumed to be correct. The occupancy rate is 70% for hotels in the first year, 50% in the second year, and 40% for the rest of the years. As for offices and showrooms, it is 0% according to data stated by the client and the market data analysis. The estimated total income for showrooms and offices is SAR 330,000.00.

Vacancy Rate

Through survey and inspection works, the average hotel occupancy in this area is about 60%, (i.e. vacancy rate is 40%). The number of rooms is 172 rooms.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses for similar properties account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 30% of actual rental income.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years						Redemption Value
			2021	2022	2023	2024	2025	2026	
			0	1	2	3	4	5	
Estimated Rental Growth			0%	0%	0%	5%	5%	5%	
Expected Rental Income									
Number of Rooms	-	0.00	0.00	39363060	39363060	41331213	43397774	45567662	
Less Vacancy Rate				40%	40%	40%	40%	40%	
				15745224	15745224	16532485	17359109	18227065	
Showrooms + offices	200	1650.00	0.00	330000	330000	346500	363825	382016	
Less Vacancy Rate				0%	0%	0%	0%	0%	
Total Rental Income			0.00	39693060	39693060	41677713	43761599	45949679	
			0	15745224	15745224	16532485	15189221	15948682	
Actual Total Income			0	23947836	23947836	25145228	28572378	30000997	
Less Expense Rate (Operational and Capital)	30.0%		0	7184351	7184351	7543568	8571713	9000299	
Building Net Operating Income (NOI)			0	16763485	16763485	17601659	20000665	21000698	
Building Redemption Value									262508722
Net Cash Flow (NCF)			0	16763485	16763485	17601659	20000665	21000698	262508722
Discount coefficient			1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6650
Present Value of Cash Flows			0	15450217	14239831	13780482	14431965	13966418	174580224
Building Net Present Value (NPV)									246449137
Final Value of the Property after Rounding									**246,500,000**

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Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 246,500,000
Final Value in Writing	Only two hundred and forty-six million five hundred thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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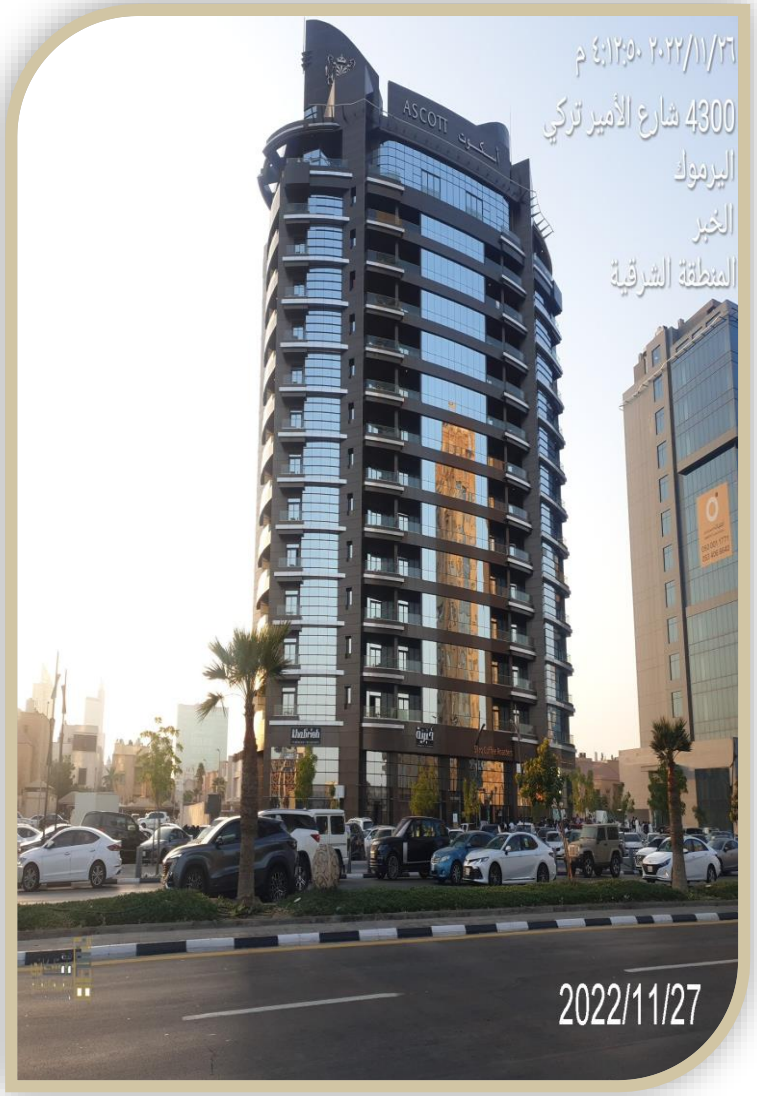
شارع الأمير تركي
اليرموك
الخبر
المنطقة الشرقية
2022/11/27


٢٠٢٢/١١/٢٦ ٤:١٢:٥٠ م
4800 شارع الأمير تركي
اليرموك
الخبر
المنطقة الشرقية
2022/11/27

Photographic survey showing the property

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Photographic survey showing the property

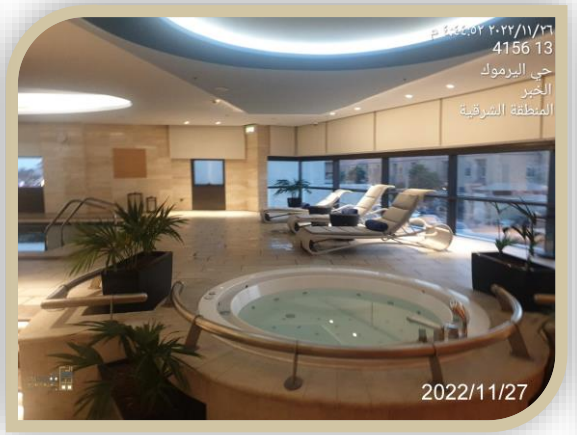

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Image showing similar comparison site

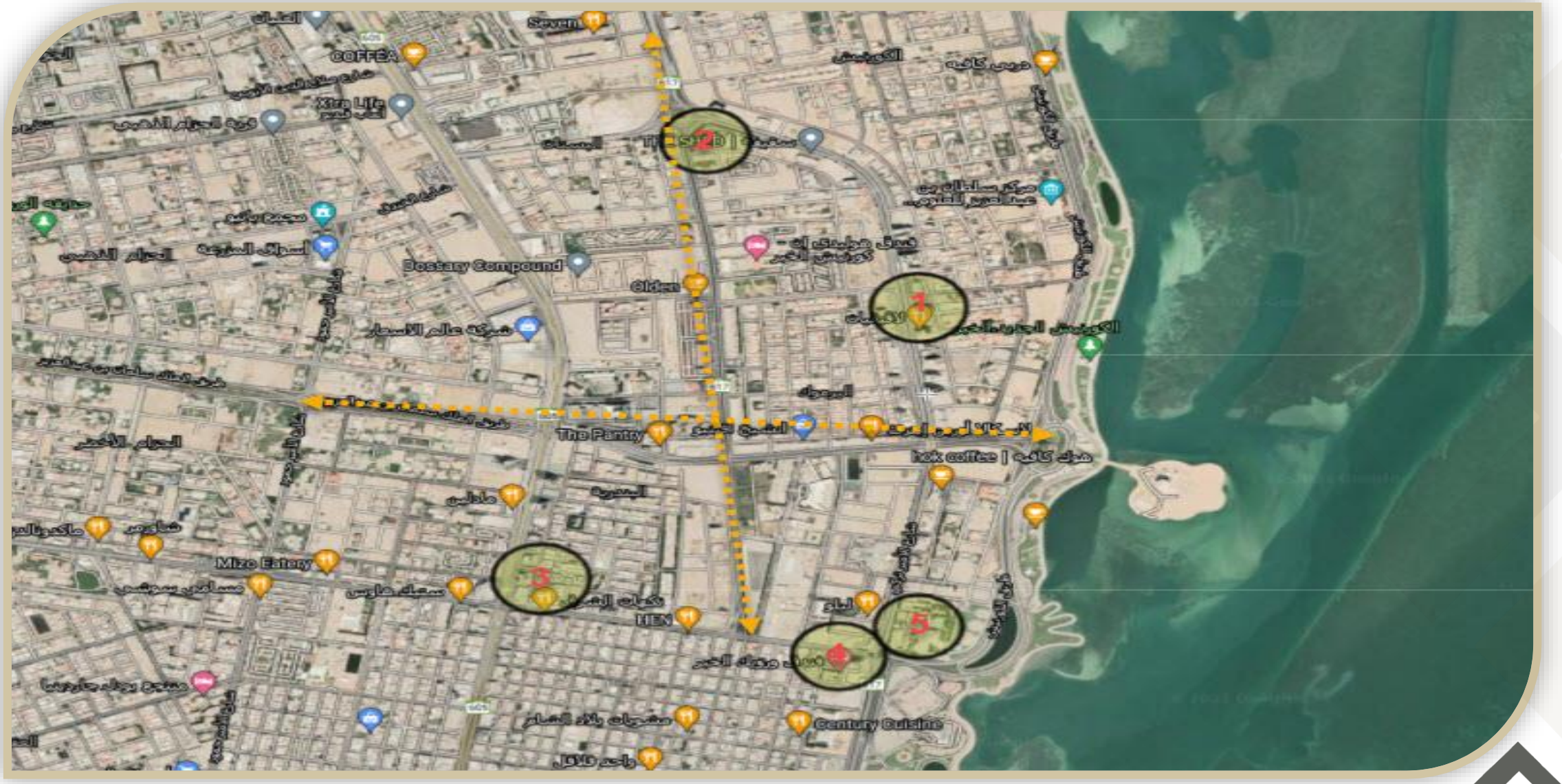

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Image showing the location of the property in the city of Al Khobar

Geographical Coordinates	
N 26.31163	E50.22315

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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Properties located in Jeddah

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M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

As you approved MUMTALKATI APPRAISAL COMPANY for valuation of the real estate properties within Saudi Arabia in Riyadh, Jeddah, Dammam and Al Khobar, our team has completed the task after inspection of the assets and taking into account all elements affecting value. Based on the International Standards adopted and the professional assets of the valuation process, we seek to identify the real estate value which is fit for the purpose for which the Appraisal Report was developed. This Report is a reliable testimony of the purpose for which this appraisal task was carried out, noting that this Report is an integral unit that should not be divided.

Reference data:

Applicant (Client)	RIYADH REAL ESTATE INCOME CO.	
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.	
Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic valuation of RIYADH REAL ESTATE INCOME CO. FUND (Riyad REIT).	
Inspection Date	**Value Effective Date**	**Reports Issuance Dates:**
01/12/2022 G	**31/12/2022 G**	**21/02/2023** G

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Real Estate Properties located in the City of Jeddah

Sr.	City	District	Property Name	Property Type	Area of Land (m2)
1	Jeddah	Al Rawdah	Omnia Centre	Office, Commercial, and Residential	10000
2	Jeddah	Al Andalus	Ascott Hotel Tahlia	Hotel	2025

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شركة ممتلكاتي لتقييم
MUMTALKATI APPRAISAL COMPANY

Commercial and Residential Office Building Appraisal Report

Jeddah - Al Rawdah District

(Omnia Centre)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial and residential office building (Omnia Centre) located in Jeddah - Al Rawdah District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial and residential building with a total land area of 10,000.00 square meters according to the title deed.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report.

31/12/2022 G

For an amount of SAR (160,850,000), only one hundred and sixty million eight hundred and fifty thousand Saudi riyals

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Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial and residential office building (Omnia Centre) is constructed
Property Address	Jeddah - Al Rawdah District - Plan No. (N/A), Plot No. (2/1)
Plot area	10,000.00 square meters according to the title deed
Building Surfaces	20,338.57 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	720208026201
Title Deed Date	12/10/1439 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial and residential office building is constructed in Jeddah region, Prince Saud Al-Faisal Road. According to the title deed, the area of the land is 10,000.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Omnia Centre) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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Stages of Work

1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	**District**	**Ground Level**	**Property Type**	**Area**	**Ownership Type**
Jeddah	Al Rawdah	Level	Office, Commercial, and Residential	10,000 square meters	Absolute ownership
Title Deed No.	**Title Deed Date**	**Notary Public**	**Overall Site**	**Plot No.**	**Organization Chart No.**
720208026201	12/10/1439 H	Jeddah	Within the range	(2/1)	N/A

Borders and Lengths		
Direction	**Length (m)**	**Border:**
North	100	Street width 12 m
South	100	Street width 32 m
East	100	Street width 12 m
West	100	Street width 12 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Commercial and Residential Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
13 Years	Complete	Central	5 floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
1	1	1	3

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value. According to this method, the value of the asset is determined by reference to the value of revenues, cash flows, or cost savings from the asset.

Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Graphic Survey Offers

Sr.	City	District	Property Type	Area in Square Meters	Nightly Rate (SAR)	Total Value (SAR)	Offer Type	Coordinates	Notes
1	Jeddah	Al Rawdah	Showrooms	100	1300	130000	Rent / Minimum	21.561835 39.163230	--
2	Jeddah	Al Rawdah	Showrooms	360	972	350000	Rent / Minimum	21.562060 39.163028	--
3	Jeddah	Al Rawdah	Showrooms	150	1000	150000	Rent / Minimum	21.560836 39.159103	--
4	Jeddah	Al Rawdah	Offices	2,700	500	1350000	Rent / Minimum	21.561835 39.163230	--
5	Jeddah	Al Rawdah	Offices	95	500	47500	Rent / Minimum	21.559966 39.155998	--
6	Jeddah	Al Rawdah	Offices	400	650	260000	Rent / Minimum	21.561742 39.160061	--
7	Jeddah	Al Rawdah	Management Office	450	666	300000	Rent / Minimum	21.561854 39.163345	--
8	Jeddah	Al Rawdah	Management Office	600	600	360000	Rent / Minimum	21.562168 39.1633326	--

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Table showing DCF Method:

DCF Method Assumptions	
Hotel and Showroom Expense Rate (Operational and Capital)	7.50%
Vacancy Rate for Apartments	5%
Vacancy Rate for Showrooms and Offices	5%
Cash flow period	5 years
Discount Rate	8%
Growth rate (every three years)	5%
Capitalization Rate	8.0%

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Assumptions and Special Assumptions:

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 5% for all years, as estimated according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 13,014,490.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is a separate contract. Vacancies are assumed to be 10%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 15% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10% of actual rental income.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years						Redemption Value
			2021	2022	2023	2024	2025	2026	
			0	1	2	3	4	5	
Estimated Rental Growth			0%	0%	0%	5%	5%	5%	
Expected Rental Income									
Showrooms and Offices	4596	1950	0.00	11209490	11209490	11769965	12358463	12976386	
Less Vacancy Rate				5.0%	5.0%	5.0%	5.0%	5.0%	
				560475	560475	588498	617923	648819	
FLATS	7987	585.31	0.00	1805000	1805000	1895250	1990013	2089513	
Less Vacancy Rate				5%	5%	5%	5%	5%	
				90250	90250	94763	99501	104476	
Total Rental Income			0.00	13014490	13014490	13665215	14348475	15065899	
			0	650725	650725	683261	717424	753295	
Actual Total Income			0	12363766	12363766	12981954	13631051	14312604	
Less Expense Rate (Operating and capital)	10.0%		0	927282	927282	973647	1022329	1073445	
Building Net Operating Income (NOI)			0	11436483	11436483	12008307	12608723	13239159	
Building Redemption Value									165489484
Net Cash Flow (NCF)			0	11436483	11436483	12008307	12608723	13239159	165489484
Discount coefficient			1	0.9259	0.8573	0.7938	0.7350	0.6806	0.6806
Present Value of Cash Flows			0	10589336	9804941	9532581	9267788	9010349	112629362
Building Net Present Value (NPV)									**160834357**
Final Value of the Property after Rounding									**160850000**

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Final Value of the Property

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 160,850,000
Final Value in Writing	Only one hundred and sixty million eight hundred and fifty thousand Saudi riyals

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Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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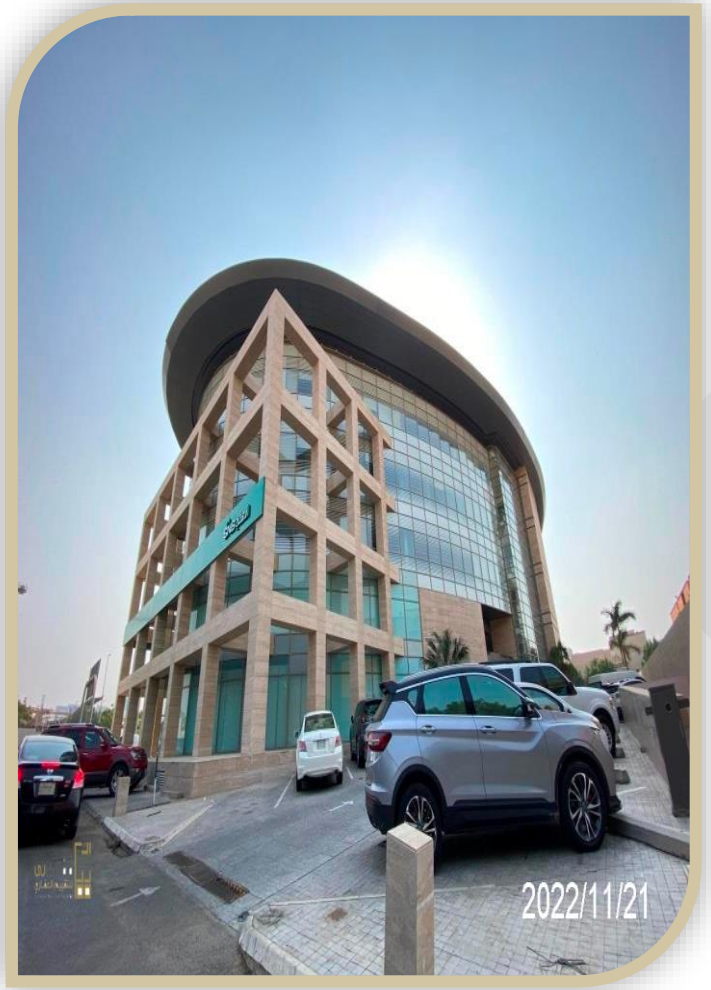

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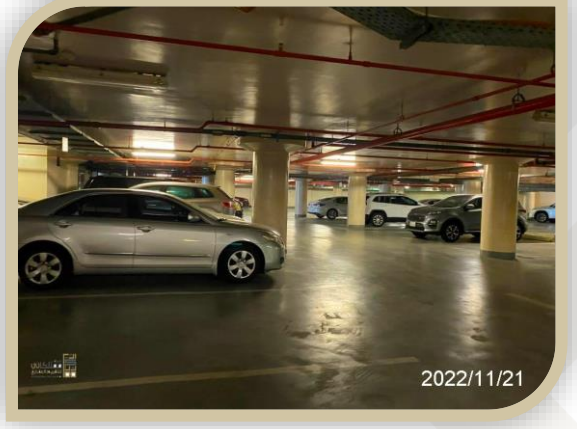
Photographic survey showing the property



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Photographic survey showing the property

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Image showing similar comparison site

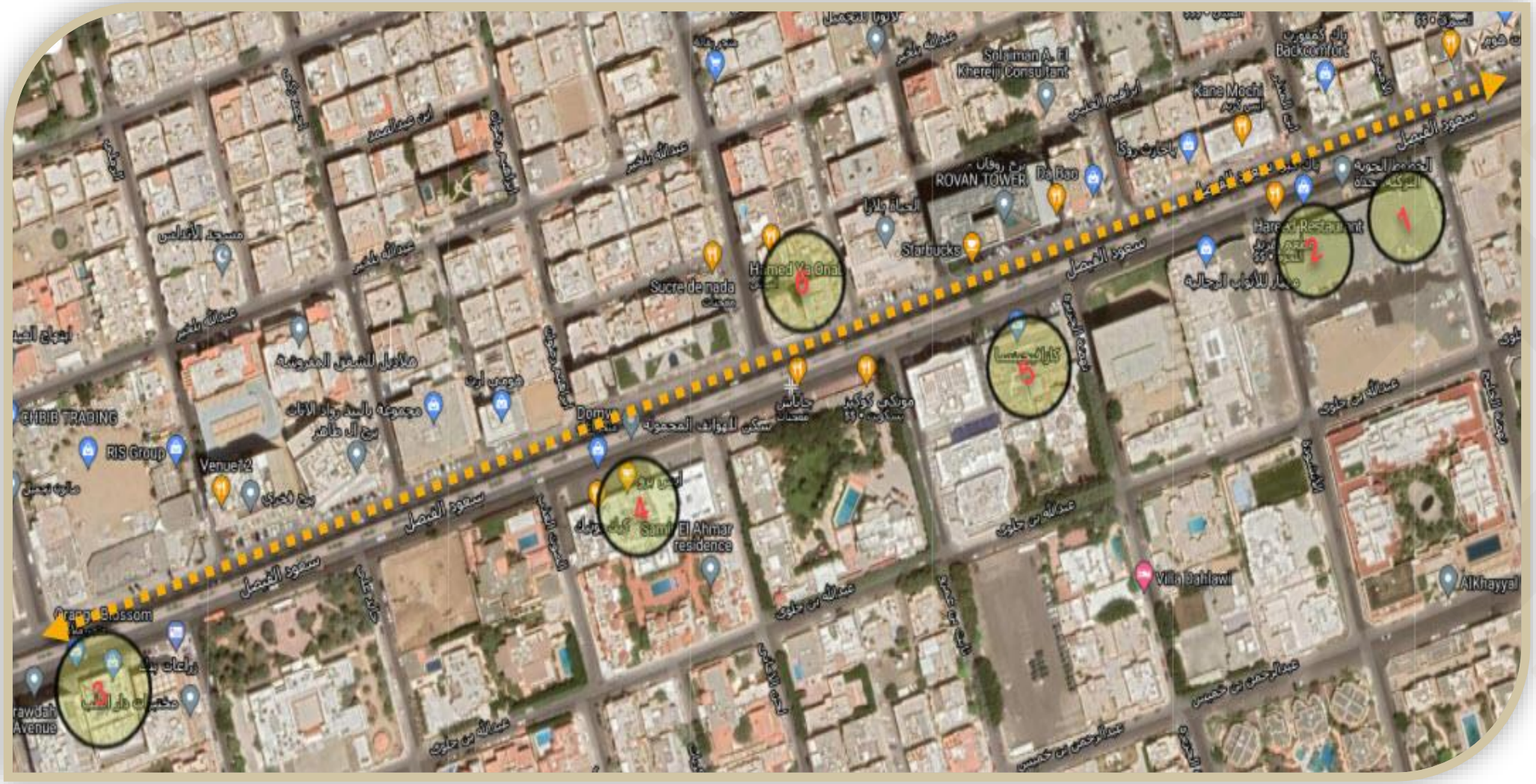

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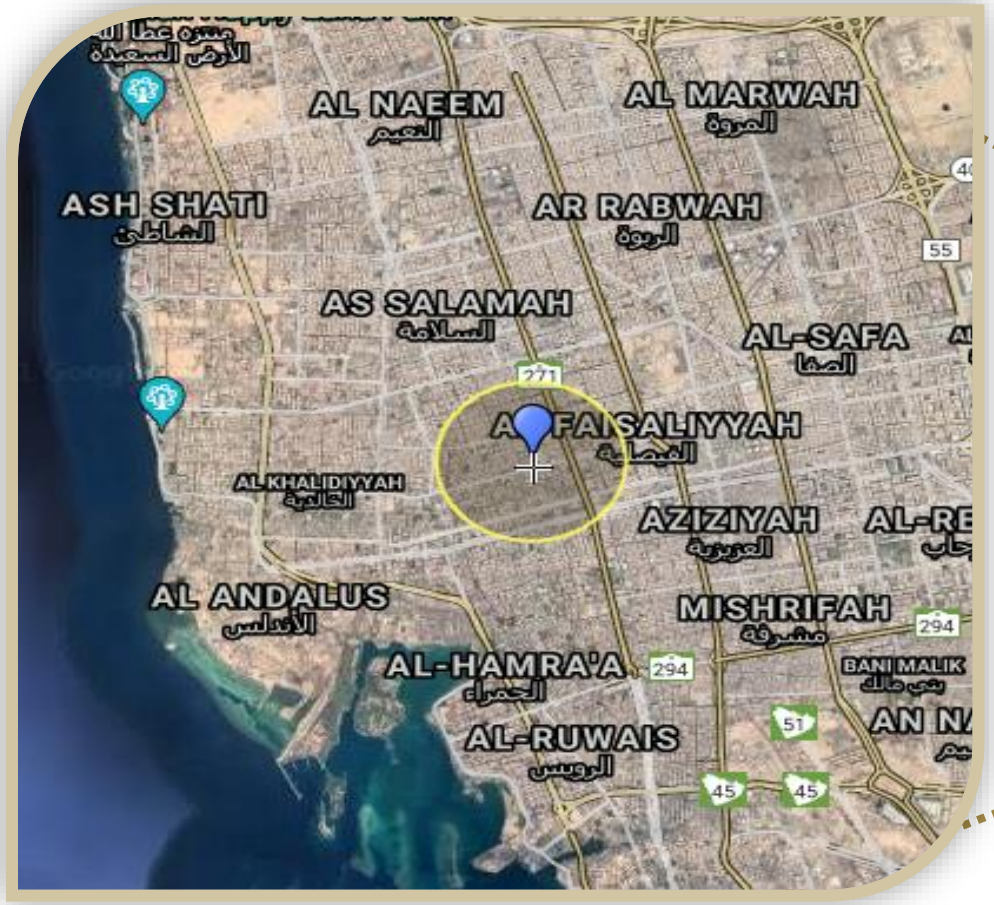
Image showing the location of the property in the city of Jeddah

Geographical Coordinates	
N 26.31163	E50.22315



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شركة ممتلكاني لتقييم
MUMTALKATI APPRAISAL COMPANY

Commercial and Residential Office Building Appraisal Report

Jeddah - Al Andalus District

(Ascott Hotel Tahlia)

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial and residential office building (Ascott Hotel Tahlia) located in Jeddah - Al Andalus District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial and residential building with a total land area of 2,025.00 square meters according to the title deed and with a total building area of 20,338.57 according to the permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report.

31/12/2022 G

For an amount of SAR (143,700,000), only one hundred and forty three million seven hundred thousand Saudi riyals

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Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	Periodic Report of RIYADH REAL ESTATE INCOME CO.
Property under appraisal	It is a piece of land on which a commercial, residential office building (Ascott Hotel Tahlia) is constructed
Property Address	Jeddah - Al Andalus District - Plan No. (196/ab), Plots No. (15- 16- 18)
Plot area	2,025.00 square meters according to the title deed
Building Surfaces	20,338.57 according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	420210009936
Title Deed Date	09/02/1436 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	01/12/2022 G
Value Effective Date	31/12/2022 G
Valuation Issuance Date	21/02/2023 G

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3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial and residential office building is constructed in Jeddah region, Prince Mohammed bin Abdulaziz Road. According to the title deed, the area of the land is 2,025.00 square meters.

5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Ascott Hotel Tahlia) for the purpose of periodic appraisal of RIYADH REAL ESTATE INCOME CO.

6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 1, 2022 G, and the Report Issuance Date is February 21, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change

8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.

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Report Assumptions

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

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1 Scope of Work:

Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

2 Site Inspection and Analysis

Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

3 Data Collection and Analysis

Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

4 Application of Appraisal Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

5 Valuation:

The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

6 Report Development:

We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

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Economic factors affecting market conditions and the decision-making process

• Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

• Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

• Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

• Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

• Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

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Land Data					
City	**District**	**Ground Level**	**Property Type**	**Area**	**Ownership Type**
Jeddah	Al Andalus	Level	Office, Commercial, and Residential	2,025 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
420210009936	09/02/1436 H	Jeddah	Within the range	(15- 16- 18)	196/b

Borders and Lengths		
Direction	**Length (m)**	**Border:**
North	25	Street width 40 m
South	25	Plot No. 20
East	81	Plot No. 17- 14
West	81	Street width 20 m

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Building Specifications and Services

Property Data			
Building Type	**Building Condition and Finishes**	**Building Vacancy**	**Building Use**
Concrete	Excellent	Not vacant	Commercial and Residential Office
Property Age	**Building Completeness**	**AC Type**	**Number of Floors**
6 Years	Complete	Central	14 Floors
Basement	**Ground Floor**	**Mezzanine**	**Identical Floors**
1	1	1	12

Services in Building			
Elevators	**Alarm and Fire Systems**	**Safety and Security**	**Electric Generators**
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	**Water**	**Telephone**	**Sewage**
Available	Available	Available	Available

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To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

4 .1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

4 .2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

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Sr.	City	District	Property Type	Area in Square Meters	Nightly Rate (SAR)	Total Value (SAR)	Offer Type	Coordinates	Notes
1	Jeddah	Al Andalus	Ibis Jeddah City Center	Hotel	55	560	--	--	3
2	Jeddah	Al Andalus	Novotel Tahlia	Hotel	36	440	--	--	4
3	Jeddah	Al Andalus	--	Showrooms	143	--	2,343	335000	--
4	Jeddah	Al Andalus	--	Showrooms	180	--	1,639	295000	--
5	Jeddah	Al Andalus	--	Showrooms	300	--	1,500	450000	--
6	Jeddah	Al Andalus	--	Showrooms	180	--	1666	300000	--
7	Jeddah	Al Andalus	--	Showrooms	280	--	1535	280000	--

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Table showing DCF Method:

DCF Method Assumptions	
Hotel and Showroom Expense Rate (Operational and Capital)	0%
Hotel Vacancy Rate	0%
Vacancy Rate for Showrooms and Offices	5%
Cash flow period	5 years
Discount Rate	8.0%
Growth rate (from the third year)	3%
Capitalization Rate	8.0%

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Estimating the value using DCF Method:

Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 10,800,000.00.

Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 5%.

Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income. Operating expenses account for 10-20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0% of actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

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Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years						
			2021	2022	2023	2024	2025	2026	Redemption Value
			0	1	2	3	4	5	
Estimated Rental Growth			0%	0%	0%	5%	5%	5%	
Expected Rental Income									
Rental Area of the Hotel	13365		0.00	9000000	9000000	9270000	9548100	9834543	
Less Vacancy Rate				0%	0%	0%	0%	0%	
				0	0	0	0	0	
Showrooms and Offices	13365	134.68	0.00	1800000	1800000	1854000	1909620	1966909	
Less Vacancy Rate				5%	5%	5%	5%	5%	
				90000	90000	92700	95481	98345	
Total Rental Income			0.00	10800000	10800000	11124000	11457720	11801452	
			0	90000	90000	92700	95481	98345	
Actual Total Income			0	10710000	10710000	11031300	11362239	11703106	
Less Expense Rate (Operational and Capital)	0%		0	0	0	0	0	0	
Building Net Operating Income (NOI)			0	10710000	10710000	11031300	11362239	11703106	
Building Redemption Value									146288827
Net Cash Flow (NCF)			0	10710000	10710000	11031300	11362239	11703106	146288827
Discount coefficient			1	0.9259	0.8573	0.7938	0.7350	0.6806	0.6806
Present Value of Cash Flows			0	9916667	9182099	8757002	8351585	7964937	99561718
Building Net Present Value (NPV)									**143734007**
Final Value of the Property after Rounding									**143700000**

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Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

Final Value in Numbers	SAR 143,700,000
Final Value in Writing	Only one hundred and forty-three million seven hundred thousand Saudi riyals

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababtain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Shuwaier	Primary - Fellow	1210000540

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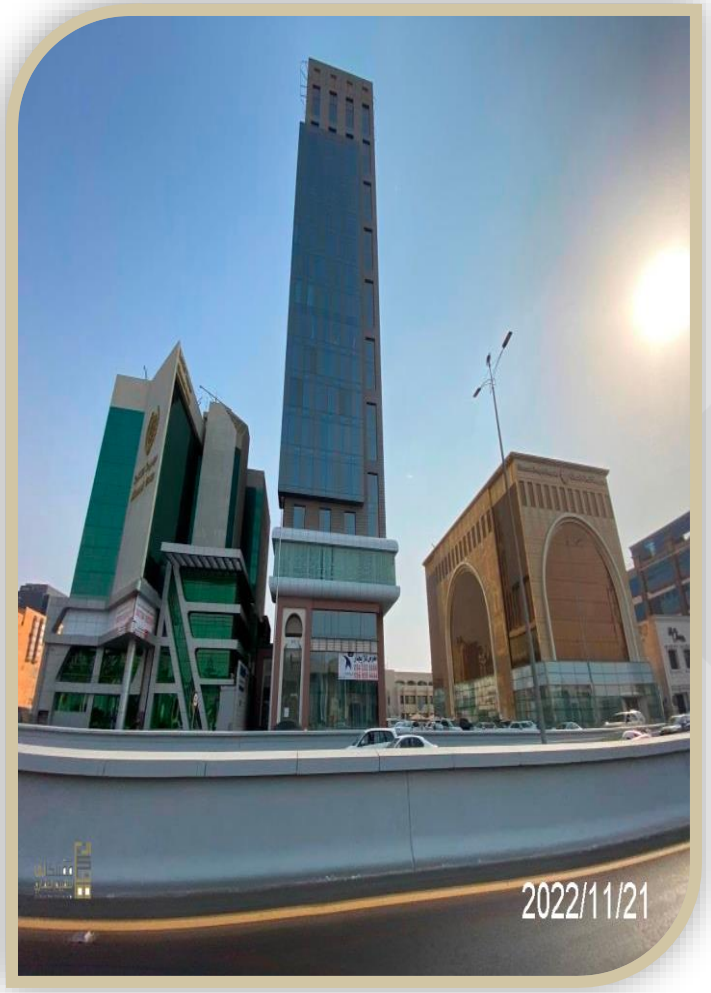

Riyadh- Al Malqa info@mumtalkati.com 011 410 5060 - 055 440 0893

Photographic survey showing the property

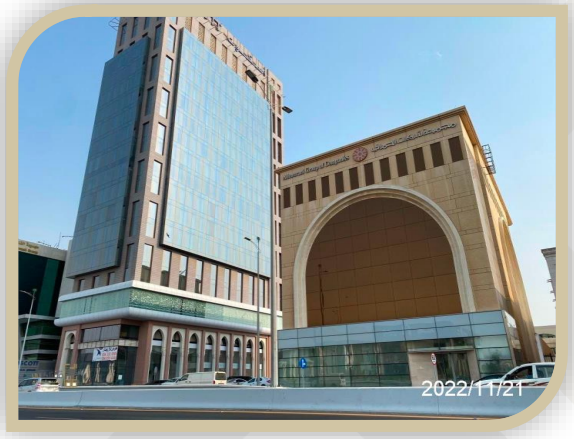

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Image showing similar comparison site

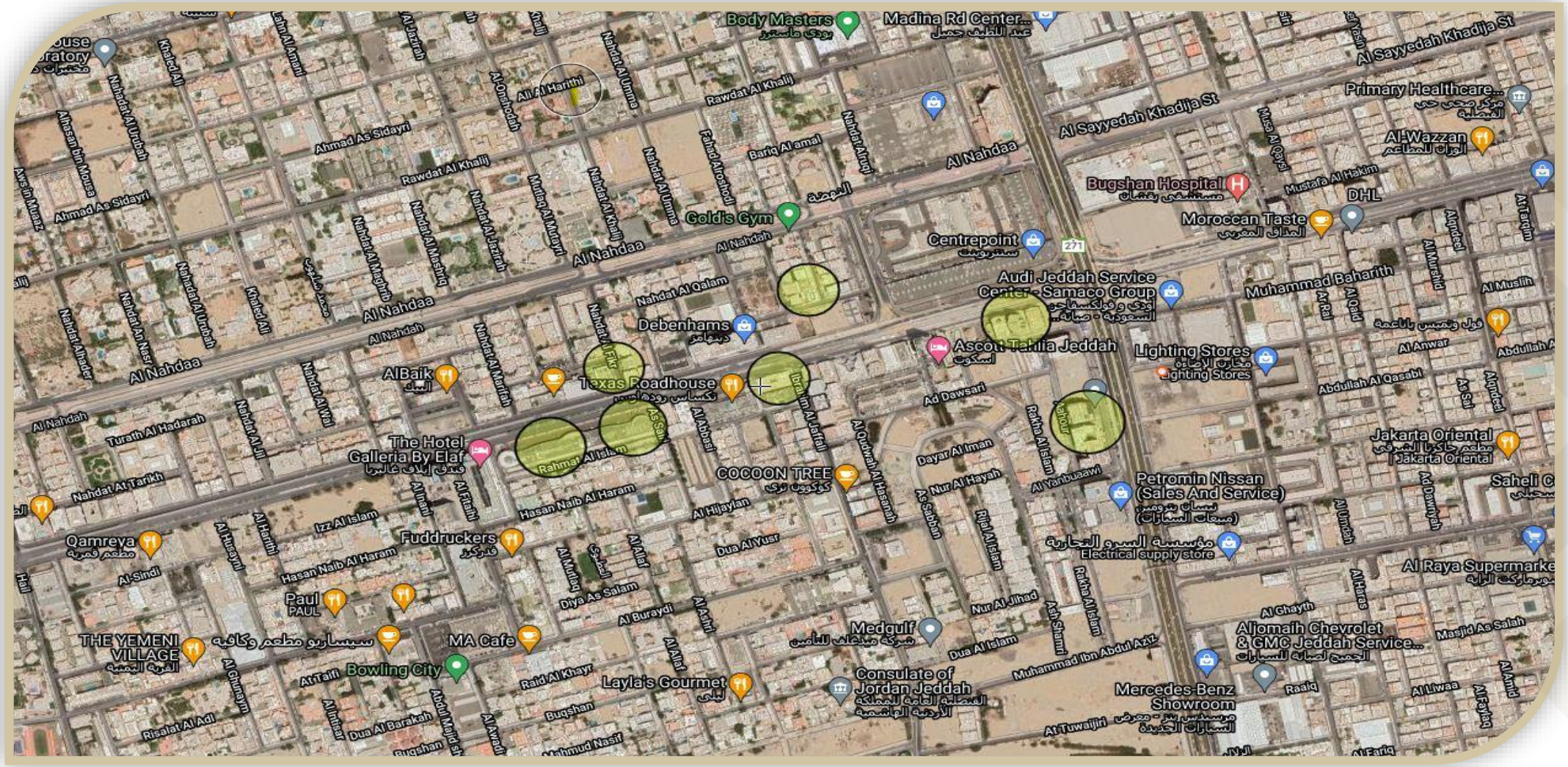

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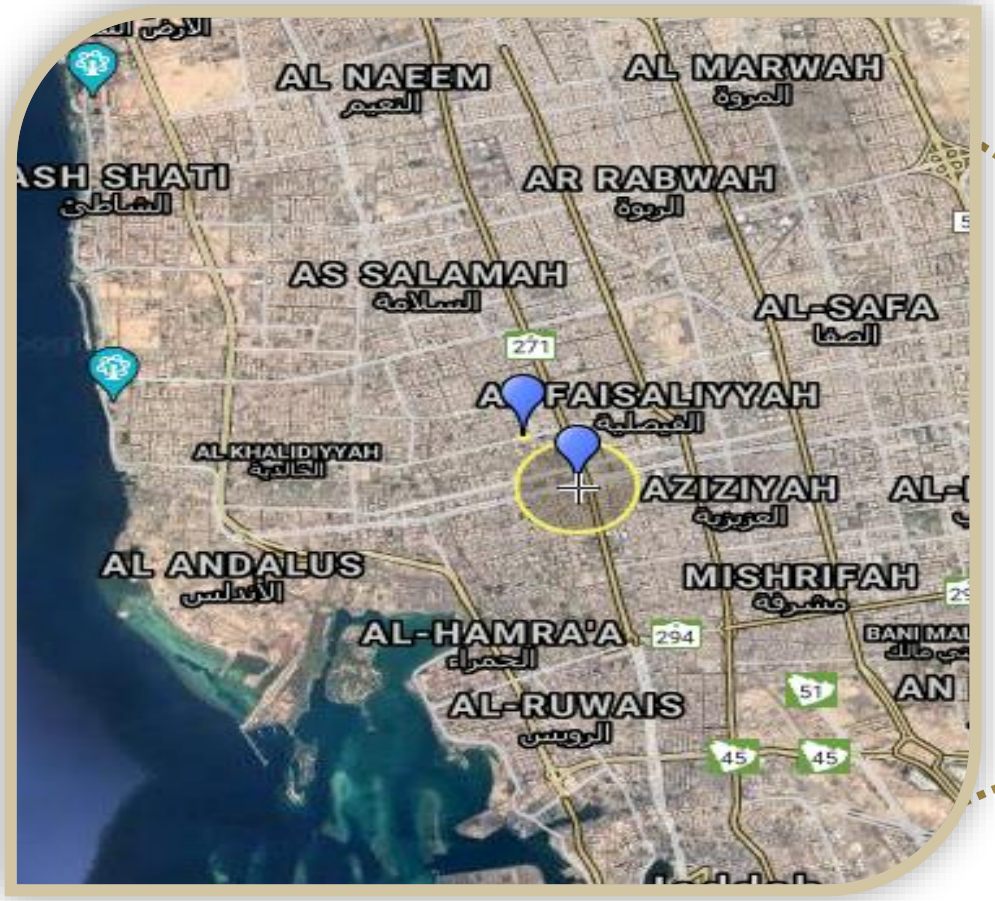
Image showing the location of the property in the city of Jeddah

Geographical Coordinates	
N 21.55511	E39.17240



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Name	Membership Category	Membership number – Real Estate Branch	Signature
Eng. Ahmed bin Mohammed Ababtain	Primary - Fellow	1210000305	
Eng. Abdullah bin Ali Al-Shuwaier	Primary - Fellow	1210000540	
Abdul Rahman Muhammad Al-Hammad	Primary - Temporary	1210000840	
Ibrahim Abdullah Ababtain	Temporary	1210001061	
Nader Abdel Aal Al-Zant	Temporary	1220000967	

Conclusion

At the end of the Report, we would like to assure you that:

- Analyses and conclusions are limited only to the assumptions and circumstances disclosed.
- Appraisers of MUMTALKATI APPRAISAL COMPANY have no interest in the appraisal process.
- Appraisers have all necessary qualifications to develop this Report.
- The work team has the necessary experience in this type of appraisal.
- The sites have been inspected by MUMTALKATI APPRAISAL COMPANY team. We are confident that we have conducted the appraisal in accordance with the International Valuation Standards (IVS).

In case of any inquiries, we hope that you would contact us through one of the addresses below.