

**ESNAD**  
Real Estate Valuation



**إسناد**  
للتقييم العقاري

# Al Andalus Mall Hotel Valuation Report

Al Fayhaa District - Jeddah

3 August 2023



Deposit code to the platform qima

Submitted to: SNB Capital Company (Al-Ahli REIT Fund 1)

نحن لك سند  
We support you

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Part 1

Executive Summary

# 1 | Executive Summary

## Salient fact and assumptions and IVS 2022 and regulatory compliance

Identity of the client	Addressee (to whom the report is addressed)	SNB Capital Company (Al-Ahli REIT Fund 1)	Other users	Unitholders of Al-Ahli REIT Fund 1
	Contact person	-	Contact information	info@alahlicapital.com
Assets being valued	Assets name	Al Andalus Mall Hotel	Interest to be valued	Assumed freehold interest
	Location	<a href="https://goo.gl/maps/Usddmuih84HTXkUd9">https://goo.gl/maps/Usddmuih84HTXkUd9</a>		
Valuation standards	International Valuation Standards 2022	Unless otherwise noted, the Valuation assignment is undertaken in accordance with the TAQEEM Regulations (Saudi Authority for Accredited Valuers) and in conformity with the International Valuation Standards (2022 Edition).		
Valuation	Purpose of valuation	Periodic valuation of publicly-listed real estate investment traded fund	valuation date	13/07/2023
	Inspection date	25/06/2023	Approved valuation approach and method	Income Approach - Cashflow method
	Basis of value	Market Value	Market value : a Standard of Value considered to represent the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing , and where the parties had each acted knowledgeably , prudently , and without compulsion	Premise of value
		International Valuation Standards 2022 defines Current Use/Existing Use premise of value as "Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use."		

## 1 | Executive Summary

### Salient fact and assumptions and IVS 2022 and regulatory compliance

Report	Reference Number	230690339	Report type	Detailed report
	Report date	03/08/2023	Report version	final
	Use, publication and distribution restrictions	The valuations and reports are confidential to the intended entity and to those referred to it for a specific purpose, without any liability of any kind to any third party. This report may not be published in whole or in part in any document, statement, periodical publication or any means of communication with any third party without prior written consent in the form and context in which it appears, with the exception of in accordance with the purpose of the valuation, this report is allowed to be traded on the CMA (Tadawul) website and the fund manager's website or in such ways as the fund manager deems appropriate.		
	Status of Valuers	We shall be acting with "Subjectivity" as an External Valuer for the purposes of this instruction. "Subjectivity" is defined in the International Valuation Standards (IVS) as: "The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions".		

## 1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Investigations and Compliance	Limits on investigations		-
	Limits on analysis		-
	Limits on inspection		-
Nature and sources of information upon which the valuer relies	<ul style="list-style-type: none"> <li>We have accepted the following documents to be used as input in our valuation assuming they are correct and up to date:</li> <li>These documents -may be referred to in the appendices- are:                             <ul style="list-style-type: none"> <li><u>The title deed</u></li> <li><u>We have been provided with information by the customer</u></li> </ul> </li> <li>Market research and analysis have been undertaken by the valuer.</li> </ul>		
Assumptions and special assumptions	Assumptions	IVS's instructions	<ul style="list-style-type: none"> <li>International Valuation Standards define it as "the presumed facts that are consistent with, or could be consistent with, those at the valuation date."</li> <li>Assumptions related to facts that are consistent with, or could be consistent with, those existing at the date of valuation may be the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.</li> <li>All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.</li> </ul>
		Applications in this report	None (except as indicated in the terms and conditions )





## 1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Assumptions and special assumptions	Special assumptions	IVS's instructions	<ul style="list-style-type: none"> <li>International Valuation Standards define it as "assumed facts that differ from those existing at the date of valuation."</li> <li>Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset.</li> <li>They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date</li> <li>All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.</li> </ul>
		Applications in this report	<ul style="list-style-type: none"> <li>It has been assumed that the property is free from any obstacles, regulatory or property restrictions that limit the possibility of disposing of the property or using it, and the opinion of value is based on this assumption.</li> <li>According to the client, the guidance was made using market assumptions</li> </ul>


## 1 | Executive Summary

### Salient fact and assumptions and IVS 2022 and regulatory compliance

Opinion of Value	150,280,000	
	Written	Only one hundred fifty million two hundred eighty thousand SAR
	Currency	Saudi Riyal

Valuers	Inspector	Information	Commercial Valuation Manager	Signed for and on behalf of Esnad Real Estate Valuation Company
Name	Amin Awad Al-Thubaiti	Eng. Mohammed Fas	Omar Babahr	Eng. Almuhammad Alhussami
Signature				
TAQEEM membership	1210002987	1220001711	1220001954	1210000934
	Associate	Associate	Associate	Fellow
Rea Estate Sector				

### Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -

Membership Number	11000054
Valuation Sector	Real Estate
Professional Company Registration Number	323/18/784
Professional Company Registration Date	02/ 03/ 1439H
Company Stamp	



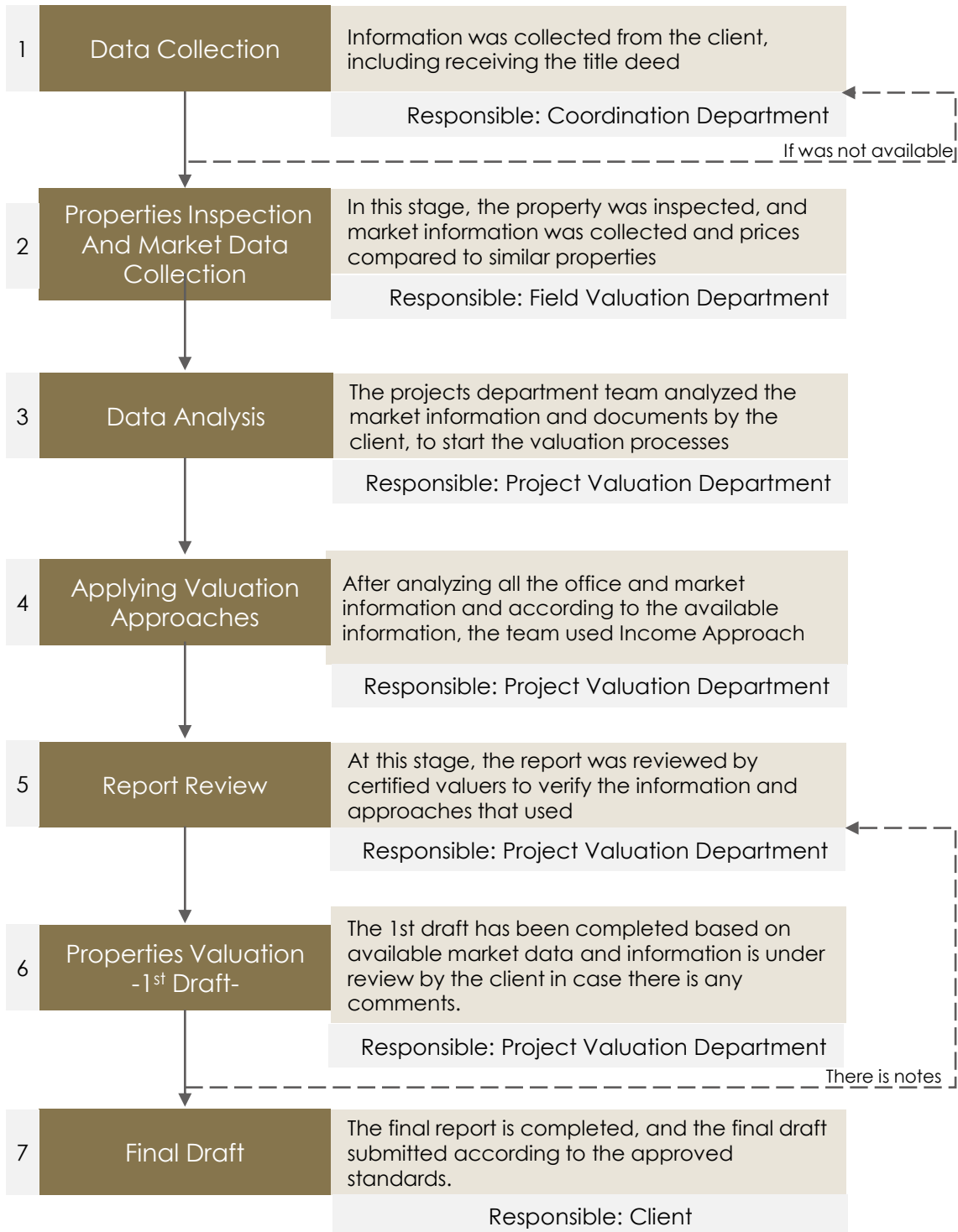


## Part 2

# Reporting Methodology

## 2 | Reporting Methodology

3. Based on the International Valuation Standards (“IVS”) (Standard 102), the figure below shows the steps of the valuation process and the mechanism of work for Esnad:





## Part 3

# Asset to be valued

- 3.1 Property Location Analysis
- 3.2 Property description and ownership
- 3.3 Property boundaries
- 3.4 Source of information
- 3.5 Property photos
- 3.6 Analysis summary

### 3.1 | Property Location Analysis

#### Description of the property at the city level

##### About Jeddah

The city of Jeddah is located in the western part of the Kingdom of Saudi Arabia, specifically in the middle of the eastern coast of the Red Sea. Its eastern borders overlook the Hijaz mountain range, and the geographical area occupied by the city extends over 70 km between its northern and southern borders, and about 50 km between its sea front.

The city of Jeddah is distinguished by being the main gateway to the Two Holy Mosques by the presence of King Abdulaziz International Airport and the Hajj City, which receives millions of pilgrims annually.



Property location

#### Surrounding attractions

Attraction	Distance	Attraction	Distance
King Abdulaziz International Airport	19.6 km	Historical Jeddah	6 km
Jeddah Islamic Port	10.3 km	Sea front	17.2 km



### 3.1 | Property Location Analysis

Description of the property at the neighborhood level	
Description of the surrounding area	The area where the subject property located is bounded by King Abdullah Road, followed by Al Warood and Al Naseem district to the north ,and on the south side is bounded by Al Thaghr district, East side the property area is bounded by King Abdul Aziz University and Al Sulaymaniyah district, while to the west is Al Kandarah district is followed by King Fahd Road.
Accessibility	The area is easily accessible through several roads, the most important of which is the Prince Majid Road which overlooks the subject property.



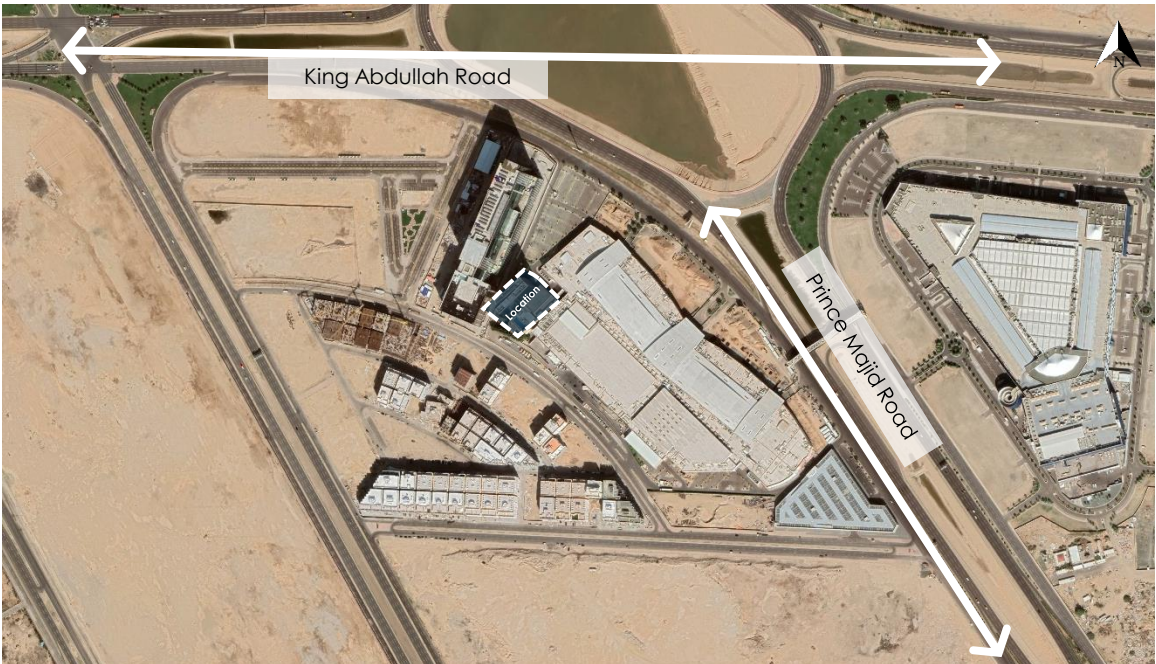
Satellite photo shows property location

### 3.2 | Property description and ownership

Ownership information (based on title deed)			
Client's name	SNB Capital Company (Al-Ahli REIT Fund 1)	Owner's name	Tamkeen real estate fund company
Title deed number	320207023594	Title deed date	02/11/1444 H

Property Information (Based on title deed)			
Province	Makkah	City	Jeddah
District	Al Fayhaa	Street	Prince Majid Road
No. of Plot	ب / ب / 2	No. of Plan	444 / ج / س
Property Type	Commercial building	Notes	The property is mortgaged to the Saudi National Bank
21.507589° N 39.217098° E			
<a href="https://goo.gl/maps/Usddmuh84HTXkUd9">https://goo.gl/maps/Usddmuh84HTXkUd9</a>			

Asset	Land area	BUA	GFA
Property specifications	6,223 m <sup>2</sup>	28,255 m <sup>2</sup>	-
Notes	This information is supplied by the client and assumed to be true.		



Satellite photo shows subject property location



### 3.3 Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	259.91	neighbor	-	-	-
South	363.43	neighbor	-	-	-
East	425.81+310.41	Prince Majid Road	Commercial	140	1
West	350.08	Al Harith Abad Al Bakri Street	Internal	20	2

Property specifications	
Structure	BUA Height (floors) Age Num. of buildings Finishing Facilities Use
Zoning	Maximum footprint Maximum height
Notes	

28,255 m<sup>2</sup>  
16  
6 years  
-  
Very Good  
Car parking / Restaurants / Fire extinguishing system / Central air conditioning  
Commercial  
60 %  
10 floors

The subject property includes 44 studios, 90 one-bedroom apartment, 30 two-bedroom apartments, 236 parking spaces, seven meeting rooms, two F&B outlets, swimming pool, tennis court and gymnasium

Services and Facilities				
Boys School	Mosque	Sewerage	Water	Electricity
✓	✓	✓	✓	✓
Phone	Civil defense	police station	Health center	Girls school
✓	✓	✓	✓	✓
Municipal works	Post Mail	Commercial	Park	Storm water drainage
✓	✓	✓	✓	✓

### 3.4 Source of information

Where we have been provided with information by the addressee, or its agents, we assume that it is correct and complete and is up to date and can be relied upon. We assume that no information that has a material effect on our valuations has been withheld.

### 3.5 Property photos





### 3.5 Property photos

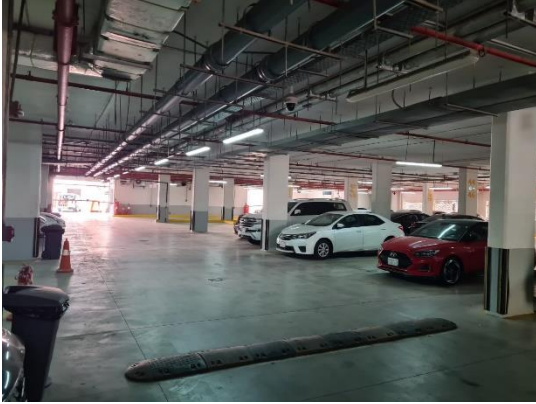


### 3.5 Property photos





### 3.5 | Property photos



### 3.6 Analysis summary

Analysis summary	
Advantages	<ul style="list-style-type: none"> <li>The property is distinguished by its proximity to some of main roads ,the most important of which is Prince Majid Road, which facilitates access to the subject property.</li> <li>The Subject property is located near Jeddah Islamic Seaport.</li> <li>The Subject property is close to Jeddah historical area.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>No disadvantages are observed</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>The downtown Jeddah project is a waterfront redevelopment project in the center of Jeddah Corniche, with the aim of transforming it into a vibrant area and a unique tourist, residential and commercial destination to become the new Jeddah Downtown. On an area of 5 million square meters it accommodates more than 58 thousand people. The implementation of the project will begin in 2019 and will end in 2029 and is expected to provide about 36 thousand job opportunities.the project aims to create an attractive and distinctive environment that contributes to the development of the city of Jeddah, to reach it among the top 100 cities in the world.</li> </ul>
Overall Risks	<ul style="list-style-type: none"> <li>Overall risks related to the real estate market.</li> <li>Financial, economic and natural disaster risks.</li> <li>Risks related to foreign exchange.</li> <li>Political and security risks.</li> <li>Risks related to VAT application.</li> <li>Risks related to real estate transaction tax application.</li> <li>Risks related to White Land fees.</li> <li>Risks related to the impact of the demand for residential and commercial real estate properties in the Kingdom of Saudi Arabia.</li> <li>Risks related to electricity, water and other services prices.</li> <li>Risks related to competition.</li> <li>Risks related to real estate development.</li> <li>Risks related to the nature of the realization or liquidation of real estate assets.</li> <li>Risks related to the devaluation of real estate assets.</li> <li>Risks related to regulatory requirements and regulatory oversight.</li> <li>Risks related to changes in the applicable laws and regulations.</li> </ul>
Property Risks	<ul style="list-style-type: none"> <li>The availability of multiple alternatives in the market, which affects supply and demand .</li> </ul>



## Part 4

# Valuation

- 4.1 Valuation Approaches
- 4.2 Valuation Analysis
- 4.3 Opinion of Value
- 4.4 Validity of review and clarification

## 4.1 | Valuation Approaches

Principal valuation approaches and Residual Method	
Market Approach	<p><i>"The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.</i></p> <p><i>The market approach should be applied and afforded significant weight under the following circumstances:</i></p> <p><i>(a) the subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,</i></p> <p><i>(b) the subject asset or substantially similar assets are actively publicly traded, and/or</i></p> <p><i>(c) there are frequent and/or recent observable transactions in substantially similar assets."</i></p>
Income Approach	<p><i>"The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.</i></p> <p><i>The income approach should be applied and afforded significant weight under the following circumstances:</i></p> <p><i>(a) the income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or</i></p> <p><i>(b) reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables."</i></p>
Cost Approach	<p>Replacement Cost Method is categorized under Cost Approach in the International Valuation Standards 2022 and is defined as <i>"replacement cost is the cost that is relevant to determining the price that a participant would pay as it is based on replicating the utility of the asset, not the exact physical properties of the asset"</i>.</p>
Residual Method	<p><i>"The residual method is so called because it indicates the residual amount</i></p> <p><i>after deducting all known or anticipated costs required to complete the</i></p> <p><i>development from the anticipated value of the project when completed after</i></p> <p><i>consideration of the risks associated with completion of the project.</i></p> <p><i>This is known as the residual value."</i></p>

## 4.1 | Valuation Approaches

The main factors that determining the best approach for valuation	
Factors	<ul style="list-style-type: none"> <li>• The purpose of the valuation</li> <li>• Property type</li> <li>• Basis of value</li> <li>• Source of information</li> </ul>
Approaches and methods used in the report	
Market Approach	<input type="checkbox"/> Comparison Method
Income Approach	<input type="checkbox"/> Direct Capitalization method <input checked="" type="checkbox"/> <b>Cashflow method</b> <input type="checkbox"/> Profits method
Cost Approach	<input type="checkbox"/> Depreciated Replacement Cost (DRC)
Residual Method	<input type="checkbox"/> Residual Method



## 4.2 Valuation Analysis

### 4.2.1 Income Approach

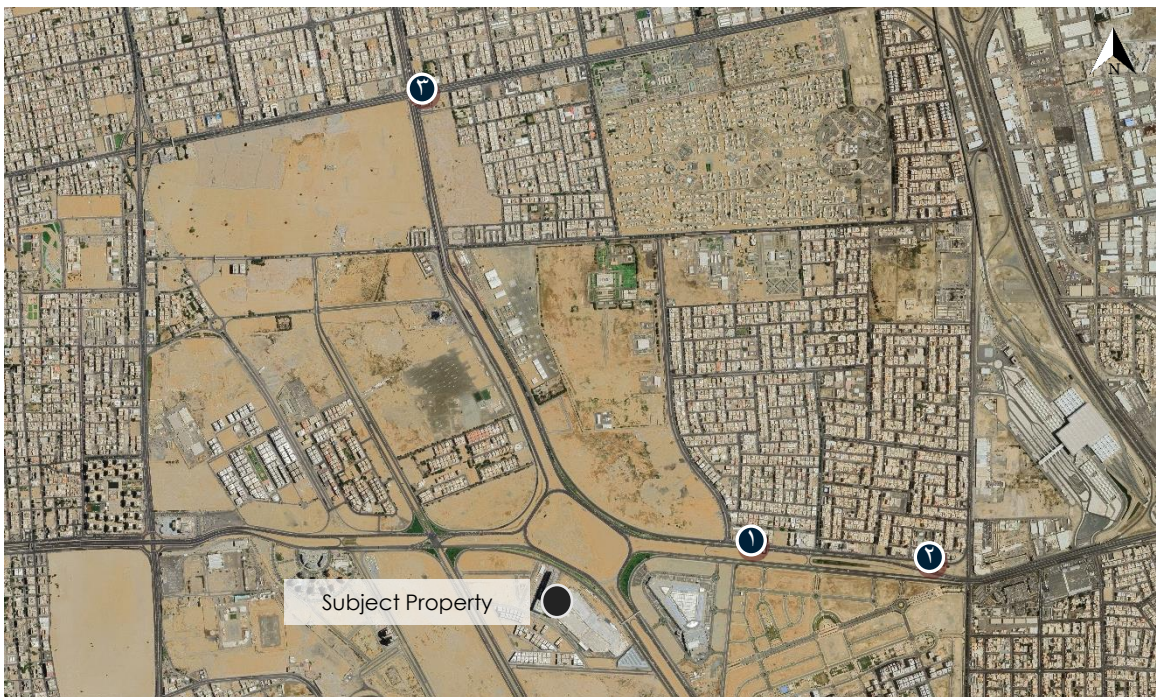
#### 4.2.1.1 Income Approach- Discounted Cash Flow Method

- Discounted Cash Flow Method is categorized under Income Approach in the International Valuation Standards 2022 and is defined as "Under the DCF method the forecasted cash flow is discounted back to the valuation date, resulting in a present value of the asset".

#### 4.2.1.2 Property Income- (Assumed Market Income)

- An investigation was undertaken for the purpose of disclosing market values of similar type properties which have occurred in the area over the last year. The comparable contained here in are the best available indicators of market value for the subject property. Adjustments between the market data and the subject property were made for the elements identified in the next part.

Comparables List - for Room			
Hotel	Room capacity (person)	Number of Bedrooms	price of the night
Radisson Blu Plaza Jeddah	2	1	543 SAR
Warwick Hotel Jeddah	2	1	574 SAR
Al Hayat Jeddah Continental Hotel	2	1	544 SAR



Satellite photo showing subject property and comparables



## 4.2 Valuation Analysis

### 4.2.1 Income Approach

#### 4.2.1.2 Property Income- (Assumed Market Income)

We have conducted comparison to arrive at subject property's Rent/Night as follows:

Comparison Criteria	Subject Property	Comparable 1		Comparable 2		Comparable 3	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Value/night	-	SAR 543.0		SAR 574.0		SAR 544.0	
Transaction Type		Asking Price Offer	5.0%-	Asking Price Offer	5.0%-	Asking Price Offer	5.0%-
Transaction Date		9/7/2023	0.0%	9/7/2023	0.0%	9/7/2023	0.0%
Market conditions	Similar	Similar	0.0%	Similar	0.0%	Similar	0.0%
Adjusted Value / night		27.15-		28.7-		27.2-	
Value per one night		SAR 516		SAR 545		SAR 517	
Location	Very good	Very good	0.0%	Very good	0.0%	Very good	0.0%
Hotel rating	4 stars	4 stars	0.0%	4 stars	0.0%	4 stars	0.0%
Finishing level	good	Very good	2.5%-	Very good	2.5%-	Very good	2.5%-
Value / night	-	SAR 13-	2.5%-	SAR 14-	2.5%-	SAR 13-	2.5%-
Adjusted Value / night	-	SAR 503.0		SAR 531.7		SAR 503.9	
Weighting	-	30%		40%		30%	
Subject Property Adjusted Value (SAR/m <sup>2</sup> )	-	SAR 510					

Weighted average of the three comparables is calculated to arrive at average value per night for Rooms. Largest weight is awarded to comparable (2) as it carry more similarities to the subject property.

#### 4.2.1.3 Revenue assumptions

Revenue assumptions				
	ADR		538.43	
Hotel seasons	%	Number of days	Room	Occupancy percentage
Jeddah Season	16.44%	60 Days	SAR 617.10	80.00%
Eid Holidays	2.74%	10 Days	SAR 701.25	90.00%
Weekends	10.96%	40 Days	SAR 561.00	65.00%
Weekdays	69.86%	255 Days	SAR 510.00	60.00%
<b>Total</b>	<b>100.00%</b>	<b>365 Days</b>		<b>64.66%</b>

#### 4.2.1.4 Assumptions

- We have estimated hotel projections with an occupancy and average daily room rates of 40% and SAR 538.43 in the first year .
- ADR is expected to increase by 7.5% every 3 years
- We have allocated percentage of room revenue to F&B estimated at 10%
- We have allocated percentage of room revenue to other revenue estimated at 10%

## 4.2 Valuation Analysis

### 4.2.1 Income Approach

#### 4.2.1.4 Assumptions

Project Assumptions	
Project period	10 years

- Annex 1 :details the cash flows of the subject property, where a 11% discount rate has been approved to calculate the value of the property, accordingly the value of the property is estimated in the manner of cash flows by:

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	3.32%	<a href="#">Saudi Exchange</a>
Inflation rate	2.70%	<a href="#">General Authority for Statistics</a>
Market Risk	0.68%	<a href="#">knoema Patform Data</a>
Property Risk	4.30%	Valuer's estimate of the market
Discount rate	11.00%	

#### 4.2.1.5 Valuation Result

Income Approach Valuation Result	
Cap rate	8.00%
Discount rate	11.00%
<b>Income approach value (SAR)</b>	<b>150,279,858.56</b>

### 4.3 | Opinion of Value

Opinion of value	
Value	150,280,000
Written	Only one hundred fifty million two hundred eighty thousand SAR
Currency	Saudi Riyal

### 4.4 | Validity of review and clarification

- Review is valid (30 days) from the date the first draft was issued.
- The estimated value of the property was reached through the following international methodologies and methods adopted by Saudi Authority for Accredited Valuers.



## Part 5

# Appendices

- 5.1 Documents
- 5.2 Cash flow analysis
- 5.3 Assumptions and Limiting Conditions
- 5.4 Valuation Standards

## 5.1 Documents



الرقم: 320207023594  
التاريخ: 1444/11/2

### وثيقة تملك عقار






---

1444/11/2  
فعال  
مرهون  
1440/10/23

تاريخ الوثيقة  
الحالة  
القيود  
قيمة الصفقة  
تاريخ الوثيقة السابقة

320207023594  
كتابة العدل الاولى بجدة  
159,133.96  
نقل ملكية  
320211029670

البيانات الأساسية  
رقم الوثيقة  
المصدر  
المساحة (م<sup>2</sup>)  
نوع العملية  
رقم الوثيقة السابقة

### القيود

القيود	الجهة الراحة	الرقم الوطني الموحد	قيمة الرهن
مرهون	البنك الاهلي السعودي	7000025887	ر.س 650,000,000

### الملاك

رقم الهوية	الاسم	الجنسية	نسبة التملك
7001980585	شركة صندوق تمكين العقارية (شركة شخص واحد)	-	100 %

### العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار (م <sup>2</sup> )
لا يوجد	لا يوجد	159,133.96

الموقع	نموذج العقار
لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	المدينة
بدون / ب / 2	444 / ج / س	القيحاء	جدة

الحد	النوع	وصف الحد	الطول (م <sup>2</sup> )
شمالا	الجزء	رقم ب / 1	259.91
جنوبيا	شرقا	الجزء رقم ب/ 3 وغربا الجزء رقم ب/ 4	363.43
شرقا	شمالا	دوار الملك عبدالعزيز وجنوب طريق الامير ماجد متوسط عرض 140 م	425.81
غربا	شارع	عرض 350.08 م	350.08

صدرت هذه الوثيقة من البورصة العقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الالكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان. الصفحة 1 من 1

## 5.2 | Cash flow analysis

Cash Flow Analysis	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rooms		164.00	164.00	164.00	164.00	164.00	164.00	164.00	164.00	164.00	164.00
AVERAGE DAILY RATE		538.43	538.43	538.43	578.82	578.82	578.82	619.20	619.20	619.20	659.58
OCCUPANCY RATE		40%	50%	60%	65%	65%	65%	65%	65%	65%	65%
RevPAR		215.37	269.22	323.06	376.23	376.23	376.23	402.48	402.48	402.48	428.73
Rooms occupied		23,944.00	29,930.00	35,916.00	38,909.00	38,909.00	38,909.00	38,909.00	38,909.00	38,909.00	38,909.00
Rooms revenue		12,892,269.60	16,115,337.00	19,338,404.40	22,521,183.46	22,521,183.46	22,521,183.46	24,092,428.82	24,092,428.82	24,092,428.82	25,663,674.17
FOOD & BEVERAGE 10.0%	21,385,052.20	1,289,226.96	1,611,533.70	1,933,840.44	2,252,118.35	2,252,118.35	2,252,118.35	2,409,242.88	2,409,242.88	2,409,242.88	2,566,367.42
Other revenue 10.0%	21,385,052.20	1,289,226.96	1,611,533.70	1,933,840.44	2,252,118.35	2,252,118.35	2,252,118.35	2,409,242.88	2,409,242.88	2,409,242.88	2,566,367.42
Total Revenue	256,620,626.39	15,470,723.52	19,338,404.40	23,206,085.28	27,025,420.15	27,025,420.15	27,025,420.15	28,910,914.58	28,910,914.58	28,910,914.58	30,796,409.01
Terminal Value	192,477,556.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	192,477,556.29
<b>Gross Revenue</b>	<b>449,098,182.68</b>	<b>15,470,723.52</b>	<b>19,338,404.40</b>	<b>23,206,085.28</b>	<b>27,025,420.15</b>	<b>27,025,420.15</b>	<b>27,025,420.15</b>	<b>28,910,914.58</b>	<b>28,910,914.58</b>	<b>28,910,914.58</b>	<b>223,273,965.30</b>
Operation & Maintenance - 40.0%	(102,648,250.56)	(6,188,289.41)	(7,735,361.76)	(9,282,434.11)	(10,810,168.06)	(10,810,168.06)	(10,810,168.06)	(11,564,365.83)	(11,564,365.83)	(11,564,365.83)	(12,318,563.60)
Royalty Fees - 2.5%	(6,415,515.66)	(386,768.09)	(483,460.11)	(580,152.13)	(675,635.50)	(675,635.50)	(675,635.50)	(722,772.86)	(722,772.86)	(722,772.86)	(769,910.23)
Administrative - 2.5%	(6,415,515.66)	(386,768.09)	(483,460.11)	(580,152.13)	(675,635.50)	(675,635.50)	(675,635.50)	(722,772.86)	(722,772.86)	(722,772.86)	(769,910.23)
Management Fees and FF&E - 2.5%	(6,415,515.66)	(386,768.09)	(483,460.11)	(580,152.13)	(675,635.50)	(675,635.50)	(675,635.50)	(722,772.86)	(722,772.86)	(722,772.86)	(769,910.23)
Undistributed Costs - 2.5%	(6,415,515.66)	(386,768.09)	(483,460.11)	(580,152.13)	(675,635.50)	(675,635.50)	(675,635.50)	(722,772.86)	(722,772.86)	(722,772.86)	(769,910.23)
<b>Operating Expenses</b>	<b>(128,310,313.19)</b>	<b>(7,735,361.76)</b>	<b>(9,669,202.20)</b>	<b>(11,603,042.64)</b>	<b>(13,512,710.07)</b>	<b>(13,512,710.07)</b>	<b>(13,512,710.07)</b>	<b>(14,455,457.29)</b>	<b>(14,455,457.29)</b>	<b>(14,455,457.29)</b>	<b>(15,398,204.50)</b>
<b>EBITDA</b>	<b>320,787,869.49</b>	<b>7,735,361.76</b>	<b>9,669,202.20</b>	<b>11,603,042.64</b>	<b>13,512,710.07</b>	<b>13,512,710.07</b>	<b>13,512,710.07</b>	<b>14,455,457.29</b>	<b>14,455,457.29</b>	<b>14,455,457.29</b>	<b>207,875,760.80</b>
Capital Expenditures	(4,612,000.00)	(4,612,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Operating Income</b>	<b>316,175,869.49</b>	<b>3,123,361.76</b>	<b>9,669,202.20</b>	<b>11,603,042.64</b>	<b>13,512,710.07</b>	<b>13,512,710.07</b>	<b>13,512,710.07</b>	<b>14,455,457.29</b>	<b>14,455,457.29</b>	<b>14,455,457.29</b>	<b>207,875,760.80</b>
Property	Value										
NPV at Discount Rate - 11.0%	150,279,858.56										

## 5.3 | Assumptions and Limiting Conditions

This appraisal is subject to the following assumptions and limiting conditions :

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the addressee, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates, or the identity of the firm or the appraiser may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of the appraiser, ESNAD. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans and sketches provided are intended to assist the addressee in visualizing the property; no other use of these plans is intended. The work file prepared is an electronic work file and incorporates by reference all pertinent electronic data and analysis files retained by the appraiser.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser or made known to the appraiser. No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property. The appraiser is not qualified to detect hazardous or toxic materials. Such determination would require investigation by a qualified environmental engineer or other expert, and is beyond the scope of this assignment.

The value estimate presented is based upon the assumption that the subject is free and clear of contamination or toxic materials of any kind either upon, or impacting, the subject property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover such conditions.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature. The subject is assumed to be following all zoning and legal encumbrances.

The valuation report is based on the data available at the time the assignment is completed. Reasonable amendments or modifications to the valuation based on new information made available after the review was completed will be made, as soon as reasonably possible, for an additional fee.

All maps, plans, property specifications and data relied upon by the appraiser and presented herein are assumed to be correct. No survey of the subject properties was made by this appraiser. Inspection of visual components of the subject was made, which should not be utilized as, or in lieu of, an engineering inspection, or an environmental inspection. The valuation report assignment was not based on a requested minimum valuation, a specific review, or the approval of a loan.

Any compensation is not contingent upon any action resulting from the analysis, opinions, or conclusions presented, or the use of the valuation report.

To the best of our knowledge and belief, the statements of fact contained in this appraiser report are true and correct. Furthermore, no known important or materially relevant facts have been withheld.

The valuation report analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are Esnad's unbiased professional analysis, opinions, and conclusions.

The valuation report is predicated on the extraordinary assumption that the subject can be exposed for sale commensurate with the definition of market value contained herein. If found to be false, the opined value may or may not be impacted.

For the purpose of this valuation, ownership is assumed freehold. We were not provided with municipality constriction permit due to unavailability of the documents with the client the time the valuation is conducted. Should any document be found contrary to this assumption, opinion of value is impacted accordingly, and will require further analysis.

## 5.4 | Valuation Standards

### 5.4.1 Valuation Standards

- All work is carried out in accordance with the Saudi Authority for Accredited Valuers (Taqeem) and the International Valuation Standards ("IVS") published by the International Valuation Standards Council ("IVSC"), by valuers who conform to the requirements thereof. Our valuations may be subject to monitoring by these entities. The valuations are undertaken by appropriately qualified Taqeem valuers.

### 5.4.2 Valuation Basis

- Our reports state the basis of the valuation and, unless otherwise noted, the basis of valuation is as defined in the "the Red Book". The full definition of the basis, which we have adopted, is either set out in our report or appended to these General Principles.

### 5.4.3 Assumptions and Special Assumptions

- Where we make an 'assumption' or 'special assumption' in arriving at our valuations, we define these terms in accordance with the "IVS" as follows:
- These types of assumptions generally fall into one of two categories:
- (a) assumed facts that are consistent with, or could be consistent with, those existing at the date of valuation ("Assumption"), and
- (b) assumed facts that differ from those existing at the date of valuation ("Special Assumption").
- All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
- We will not take steps to verify any assumptions.

### 5.4.4 Disposal Costs Taxation and Other Liabilities

- No allowances are made for any expenses of realization, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon. However, we consider purchaser's costs in investment valuations in accordance with market conventions.
- No allowance is made for the possible impact of potential legislation which is under consideration. Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

### 5.4.5 Sources of Information

- Where we have been provided with information by the addressee, or its agents, we assume that it is correct and complete and is up to date and can be relied upon. We assume that no information that has a material effect on our valuations has been withheld.

### 5.4.6 Title and Tenancy Information

- We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation, we recommend that reliance should not be placed on our interpretation without verification by your lawyers.
- We have assumed that all information provided by the addressee, or its agents, is correct, up to date and can be relied upon.



## 5.4 | Valuation Standards

### 5.4.7 City Planning, Zoning and Regulations

Information on city planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available in electronic or other sources. It is obtained purely to assist us in forming an opinion of market and should not be relied upon for other purposes. If reliance is required, we recommend that verification be obtained from lawyers that:

- I. the position is correctly stated in our report;
- II. the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;
- III. that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including fire regulations, access and use by disabled persons, control and remedial measures for asbestos in the workplace and any applicable by-laws.

### 5.4.8 Surveys

Our reports state the basis of the Unless expressly instructed, we do not carry out any survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. Unless stated otherwise in our reports.

### 5.4.9 Site Conditions

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

### 5.4.10 Environmental Contamination

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with the client.

### 5.4.11 Insurance

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. In particular, we will have regard to the following:

**Composite Panels.** Insurance cover, for buildings incorporating certain types of composite panel may only be available subject to limitation, for additional premium, or unavailable. Information as to the type of panel used is not normally available. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available or may only be available on onerous terms.

**Terrorism.** Our valuations have been made on the basis that the properties are insured against risks of loss or damage.

**Flood and Rising Water Table.** Our valuations have been made on the assumption that the properties are insured against damage by flood and rising water table. Unless stated to the contrary our opinions of value make no allowance for the risk that insurance cover for any property may not be available or may only be available on onerous terms.

### 5.4.12 Outstanding Debts

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favor of contractors, subcontractors or any members of the professional or design team.

### 5.4.13 Confidentiality and Third-Party Liability

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

### 5.4.14 Plans and Maps

All plans and maps included in our report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under license. All rights are reserved

**ESNAD**  
Real Estate Valuation



**إسناد**  
للتقييم العقاري

Thank you

Chief Executive Officer  
Eng. Almuhammad Alhussami  
alhussami@esnadrealestate.com  
Tel: +966122064111  
Internal Tel: 200  
Fax: +966122064111  
Internal Fax: 114  
Mobile: +966 504 315485

نحن لك سند  
We support you