

Real Estate Valuation Report

Presented to: AlAhli REIT Fund (1)

**Al-Andalus Mall
Hotel**



Statement

Dear Esteemed : **AlAhli REIT Fund (1)**

Greetings

Subject: Real Estate Valuation Report for (Al-Andalus Mall Hotel)

We, Qiam Real Estate Valuation Company, extend our sincere thanks and appreciation to you for choosing us and granting you your precious trust to evaluate the property located in the city of **Jeddah, Al-Fayhaa**, neighborhood, pursuant to the assignment issued by you on **28/06/2025 AD**, based on the license granted to us by the Saudi Authority for Accredited Valuers, following the latest version of the internationally recognized **2025 AD** valuation standards and the rules and ethics of the profession to reach the final neutral evaluation based on the actual inspection by the work team and the study of the market area surrounding the property. The fair price estimate was reached using the various valuation methods contained in each report. Accordingly, we are pleased to present to you the real estate valuation certificate listed below.

Based on the completed study, we attach to you the results of the fair price estimation of the hotel property for the purpose of periodic valuation of the Fund's assets and their current status on the estimation date of **30/06/2025 AD**, **For an amount of only (150,077,000) One hundred and fifty million and seventy-seven thousand Saudi riyals.**

With sincere gratitude...

This report was approved by the Executive Director,

Ismail Mohammed Al-Dubaikhi

Under License No. / 1210000052 dated 06-03-1443 AH




Valuation report filing code

At the Saudi Authority for Accredited Valuers

قيـم للتقـيـم

QIAM VALUATION

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- **The specific assumptions and limitations of the report**

Important assumptions and special assumptions

- Based on the type of property, its characteristics, and the purpose of the valuation, the property was evaluated using the Income Approach (**Discounted Cash Flow Method**).
- Based on the purpose of the valuation, which is (**Periodic Valuation of the AIAhli REIT Fund (1)**), the valuation was based on the value (**Fair value**).
- Qiam Valuation Company acknowledges that there is no conflict of interest with the fund managers, property owners and managers, property tenants, and all direct and indirect parties in everything related to the fund.
- Our company does not bear any responsibility for any information received from the customer, which is supposed to be safe and reliable, and our company does not acknowledge the accuracy or completeness of the available data and does not express its opinion and did not offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this report.
- The property has been inspected outwardly and the property has not been structurally inspected, or this appraisal report is considered valid only if it bears the company's seal and the signature of the accredited valuers.
- No legal document was verified for the property that was evaluated or for legal matters involving ownership or mortgage, and it was assumed that the information provided by the client (Ownership documents and Title deed) is current and valid.
- The values estimated in this report are for the property under valuation, and any distribution of the value to parts of the property will not be correct, and this value should not be used for any other purposes, as it could be incorrect if used as well.
- The information provided by other parties, especially with regard to planning, land ownership, leasing, etc., on which all or part of this report was based, was considered reliable, but not all of its authenticity has been confirmed in all cases, and no guarantee has been provided regarding the authenticity of this information if it appears that this information is incorrect. The value shown in this report may change.
- The property was valued in accordance with International Valuation Standards 2025 AD, and the estimated value in this report is for the property under study, and in case of changing the purpose of the valuation, these values may be incorrect.
- Boundaries and lengths are according to the client's information (Ownership documents). The company is not responsible for the boundaries and lengths, and therefore the total area of the lands is taken according to the Title deed data. The company is not responsible for that,
- This report may not be used in whole or in part, or have references to it made without mentioning Qiam and its partner real estate valuation company. It may also not be published in any way without the company's prior written consent, in the form and content in which it appears.
- The company's responsibility with regard to the report and valuation is limited to the client, who is the entity conducting the valuation. Some of the required data was not received from the client, and if any hidden information is available, it could affect the value of the property.



■ Scope of work

Scope of work Standard No. 101

Other users	Client (Report Owner)	Real estate valuer's identity
National Commercial Bank	AIAhli REIT Fund (1)	▪Ismail Al-Dubaikhi - Real estate-Basic Follow - Membership No. 1210000052 ▪ Salem Al Fai' - Real estate-Basic Follow- Membership No 1210000013 ▪Walid Qalisi' - Real estate-Basic Follow- Membership No 1220001145
Assumed value	Value Basis	Purpose of the valuation
Current use	Fair value	Periodic valuation of the assets of AIAhli REIT Fund (1)
Report type for client	Valuation Approach	Asset subject to valuation
Investment or use, and in some cases the property is partly used by the client and partly invested, and has special considerations)	Income Approach (Discounted Cash Flow method)	Hotel
Report issuance date	Valuation date (measurement)	Inspection date
20/07/2025 AD	30/06/2025 AD	02/07/2025 AD

Scope of the Valuer search - Standard No. 102

Gathering sufficient information through a field visit, visible inspection, and conducting analyzes. A study was conducted from sites close to the real estate site and from approved real estate offices in the real estate area, and all information was investigated and studied accurately.

Definition of Value Basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (This definition is taken from IFRS (13)) paragraph 9. It is also defined in IVS 102 Bases of Value paragraph 90 among other bases of value for valuation for financial reporting purposes.

Scope of work Standard No. 101

Report currency

Saudi riyal

Description of report type

A narrative report that explains the valuation methodology, steps, and valuation results, and includes illustrative images of the limits of the asset being valued, along with details of the data.

Valuation Standard followed

All work was carried out in accordance with the regulations of accredited valuers and the executive regulations related to real estate valuation issued by the applicable valuation standards published by the magazine of the Saudi Authority for Certified Valuers (Taqeem) and the latest version of the valuation standards and the valuers who adhere to its requirements. Valuations may be subject to follow-up by these bodies, and the review includes the conformity of the valuation with Requirements of International Valuation Standards for the year 2025 AD

Nature and source of information

The information contained in the report was issued by official bodies, real estate offices in the targeted area, or offices specialized in research and studies, and with reference to the database of Qaim and its partner real estate valuation company.

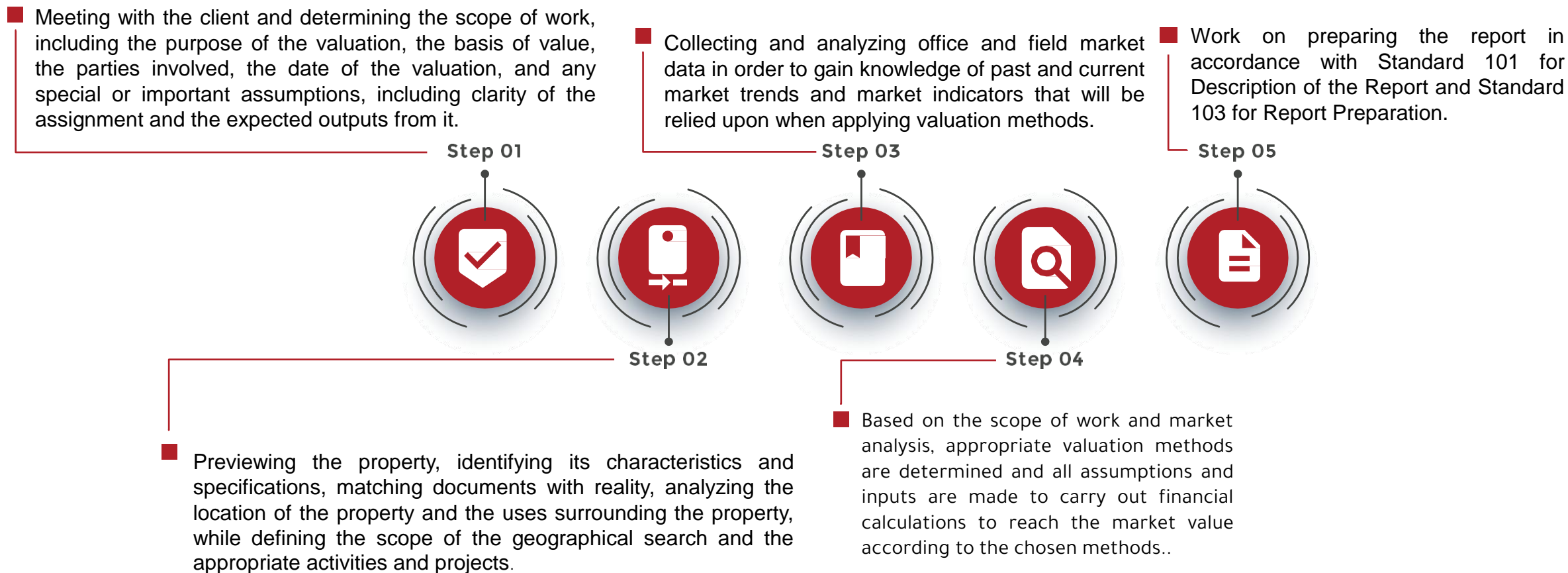
Important assumptions and special assumptions

Our company does not assume any responsibility for any information received from the client, which is supposed to be safe and reliable Also, our company does not endorse the accuracy or completeness of the available data and does not express its opinion, nor did it offer any kind of guarantee for the accuracy of the data or completeness except as indicated clearly in this report

Report usage restrictions

Valuations and reports are confidential to the party to whom they are referred and to whomever they are referred for a specific purpose, with no liability of any kind to any third party. It is not permissible to publish this report in its entirety or any part of it or refer to it in any document or statement or publish it periodically or in any other medium. Communicate with any third party without obtaining prior written consent in the form and context in which it appears. It is a matter of caution that the company and the evaluator reserve the right to make any amendments and make any review of the valuation or support the valuation result under specific circumstances. The company reserves the right, but not any obligation, to review the valuation calculations and amend and revise its results in light of information that existed at the valuation date but became clear to it later.

Work Stages



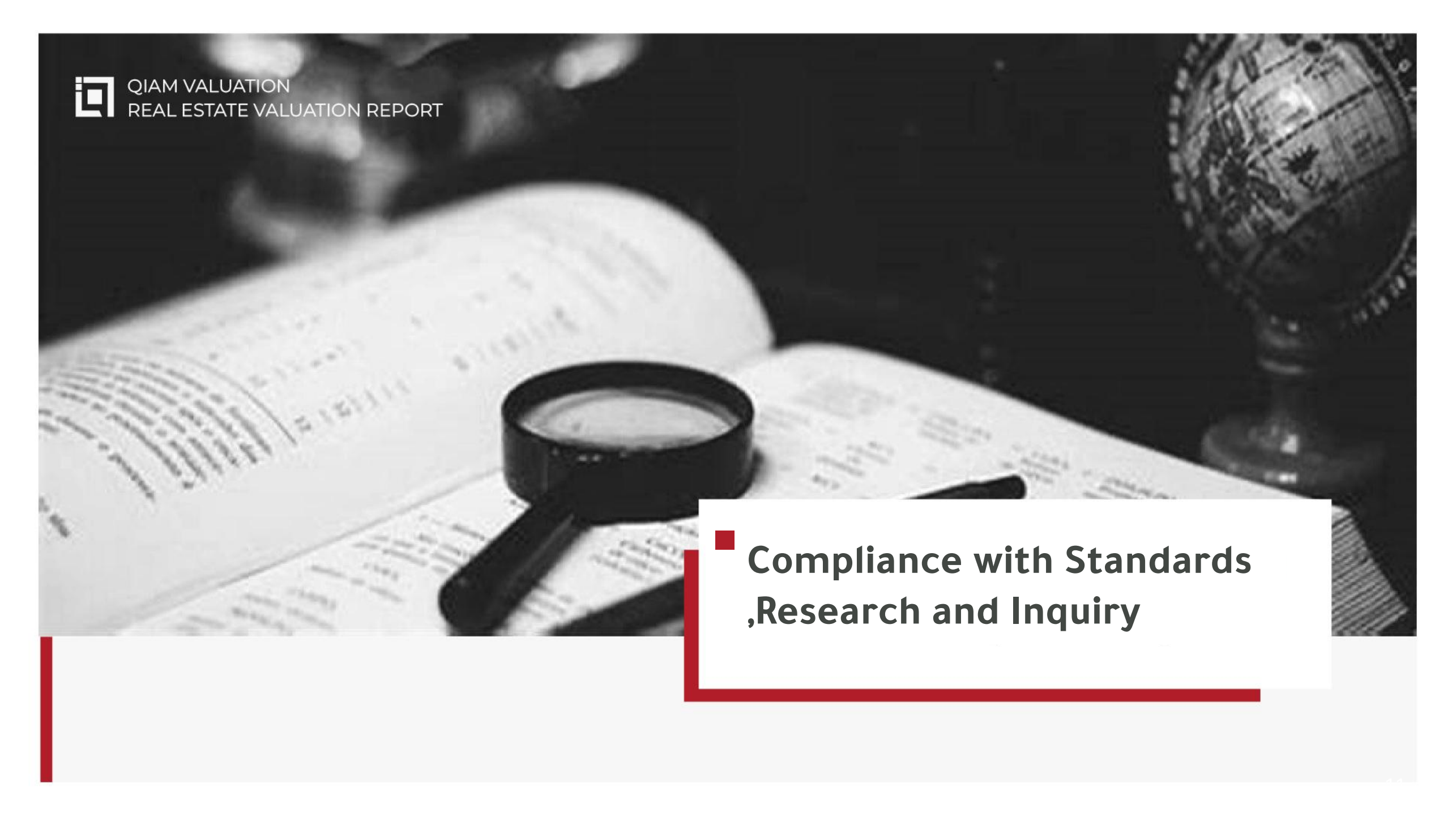
Standard 102: Compliance with Standards and Research and Inquiry

This valuation work was carried out in accordance with the principle of Standard 102 of compliance with the standards, research and survey work, in the following items:

- The basis of the value (**Fair value**) is commensurate with the purpose of valuation (**Periodic valuation of AlAhli REIT Fund (1)**).
- Gathering evidence through field visits at the time of inspecting the property with the inquiries raised at the time of the evaluation of some accredited offices in the area of the property.
- Evidence from field visits was collected and analysis and computational procedures performed to ensure that evaluation work was adequately supported.
- The data cited was judged to ensure the adequacy of all such information obtained to ensure that it is sufficient for the purpose of the valuation.
- Limitations of the research and survey that were carried out indicate the limitations in the scope of work with the analysis of all valuation inputs mentioned in the report.
- Reliability of the information provided by the real estate offices in the real estate area has been confirmed, and they are accredited and licensed offices in the real estate area.

Judging the reliability of the information provided and taken into the report

Provider	Data and information	Verdict	Judgment reasons
Client	Title deed	Trusted	Title deeds sent by the client has been verified
	Building permit	Trusted	The building permit has been validated in Baladi platform
	Rental contracts	---	---
Market	Commercial meter prices	Trusted	Based on the market survey - direct interviews - accredited offices in the real estate area - internal company data
	Practical experience of real estate offices	Trusted	Certified by official records in the real estate area
	Source independence	Trusted	A source independent and external to the asset being valued



■ Compliance with Standards ,Research and Inquiry

Compliance with Standards and Research and Inquiry

01

The research and investigations undertaken in the context of the valuation mission are appropriate to the valuation purpose and value basis

02

Carry out calculations and perform analyzes by gathering sufficient evidence by the following means, such as: field visit, inspection, inquiries and ensuring that evaluation work is appropriately reinforced and professional judgment facility to ensure that the information obtained is sufficient and that it fulfills the purpose of the evaluation

03

In the event that there are restrictions on the research and investigation carried out by the evaluator that do not enable him to adequately value the inputs and assumptions, which are clarified in the special assumptions

04

Taking into account the reliability of the information so that the evaluation results do not appear, and the inputs provided to the valuer (and) from the client or his representative) were considered.

05

Consider the credibility and reliability of the information provided
The following matters were taken into consideration:
The purpose of the valuation
The relevance of the information to the outcome of the valuation
The source practical experience in relation to the subject matter of the valuation
Is the source independent of the asset being evaluated or the beneficiary of it.

06

Record the valuation purpose, basis of value, and scope And the limits of research and survey, and the sources of information that reliable in the scope of work, which must Communicating it to all parties to the evaluation task

Regulatory framework on the International Valuation Standards (IVS 2022)

General Standards - Criterion 101
Scope of Work Paragraph 20:
Emphasizing that the valuation will be prepared in accordance with international valuation standards and that the valuer will assess the appropriateness of all important inputs: Deviations from international evaluation standards and their nature must be mentioned

60.3 Some professional appraisal institutions or regulations allow procedures that deviate from the International Appraisal Standards and in such circumstances, except as described in paragraphs 60.1 and 60.2, the resulting valuation will not be in compliance with the Standards.

General framework: the generally accepted valuation principles and the concepts that should be followed when applying these standards with regard to objectivity, discretionary judgment, efficiency, and the possibility of deviating from the standards, Paragraph (60.1-60.2). requirements mentioned in the reports

Note:

Real estate valuations performed in order to prepare financial reports are regarded as situations of systematic deviation from international valuation norms in order to satisfy certain criteria for the purpose of the relevant valuation.

Real estate and investment properties in the preparation of financial reports

Clarifying the difference between real estate and investment properties in the financial statements

Investment properties in the financial statements

IAS 40 defines investment property as any property (land or a building - or part of a building - or both) held (by the owner or by the lessee as a right-of-use asset) to earn rental income or To grow the capital or for both, and not:

- For use in producing, supplying goods, providing services, or for administrative or
- To sell it in the ordinary course of business

Real estates included in the term of real estate, machinery and equipment in the financial statements

The International Accounting Standard No. 16 "property, plant and equipment" IFRS16 defines as the tangible items that:

- It is kept for use in the production or supply of goods or services, or it is kept for rent to others (except for investment real estate) or for use in administrative purposes.
- It is expected to be used during more than one period



- **An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia**

2030 Vision

His Royal Highness Prince **Mohammed bin Salman bin Abdulaziz Al Saud**, Crown Prince, Deputy Prime Minister and Chairman of the Council for Economic Affairs and Development.



Our ambition is to build a more prosperous country in which every citizen will find what he desires. For the future of our homeland, which we build together, we will accept nothing but to make it at the forefront of the world, with education and rehabilitation, with opportunities available to all, and advanced services, in employment, health care, housing entertainment and others.

Economic growth in Saudi Arabia

During its modern era, the Saudi economy has witnessed growth in a large number of sectors, taking advantage of the Kingdom's natural resources, and its geographical and cultural position among the three continents of the world. This growth resulted in building a solid economic base, as it became among the twenty largest global economies and an active member of the Group of Twenty, and one of the main players in the global economy and global oil markets, supported by a strong financial system and an effective banking sector, and giant government companies based on highly qualified Saudi cadres.

In the past years, the Kingdom has also witnessed structural reforms on the economic and financial side, which enhance the increase in economic growth rates while maintaining financial stability and sustainability.

In order to develop and diversify the economy and reduce dependence on oil, the Kingdom of Saudi Arabia launched the Saudi Vision 2030 based on many economic and financial reforms, which aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on enhancing productivity, raising the contribution of the private sector, and enabling the third sector.

Since the launch of the vision, the Kingdom has succeeded in implementing many supportive initiatives and structural reforms to enable economic transformation.

This transformation consists of several major efforts centered on a sectoral dimension that includes the promotion of local content, national industry, and the launch of various sectors. Promising economy and its development, enabling dimension that aims to maximize the role of the private sector, small and medium enterprises, and enhance the sustainability of Public Finance. It is expected that the pace of this structural transformation towards sustainable economic growth will continue in the coming years, especially in light of the number of Giant investment initiatives, under the umbrella of the Public Investment Fund, and leading companies. It is also expected that the pace of settlement will accelerate Knowledge and innovative technologies.



Business Sectors Overview

Tourism Sector

- Within the framework of the Kingdom's Vision 2030, which aims to lay effective foundations and pillars for the future of the Kingdom of initiatives aimed at reducing the main dependence on oil, through many sectors to support the national economy, including the tourism sector, given what this sector represents from a value, social, civilized and economic dimension. The tourism sector and the hotel sector are closely linked to the Saudi Vision 2030, and it revolves around helping those involved in the hospitality sector, food and entertainment industries to plan for the future.

Office Sector

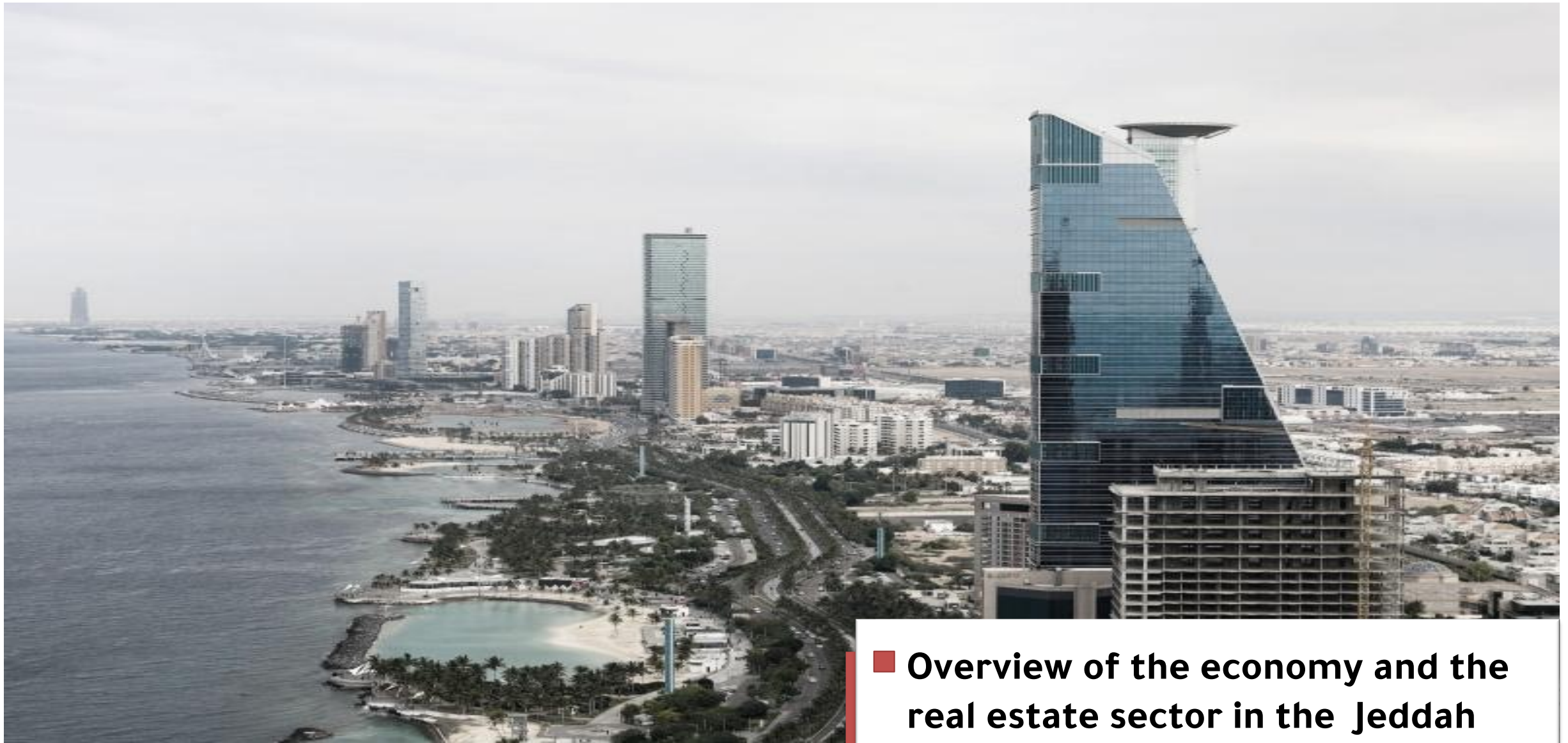
- The offices contribute to achieving the goals of the Saudi national transformation towards prosperity and sustainability by focusing on the goals of Vision 2030, which leads to raising the participation of the private sector in achieving the Kingdom's Vision 2030, working as a representative of the private sector within the national system of vision realization offices in government agencies. Including Riyadh's endeavor to transform into a regional center for international commercial entities, which made it issue a decision to refuse to contract with any company that does not have a regional headquarters in Saudi Arabia by 2024, especially those that have contracts with government agencies, whether they are bodies, institutions, investment funds or devices. Increases the demand for the office sector.

Retail Sector

- The vision of the Kingdom's national transformation for the post-oil stage 2030 paid great attention to the development of the commercial and industrial sector in the Kingdom, as the vision is based on focusing on the development and development of the local industry that will achieve great economic returns for the Saudi economy, and among the goals of the vision by 2030 is to raise the percentage of exports The Kingdom's rank in the Logistics Performance Index increased from 16% to 25 globally and first regionally, and the private sector's contribution to the GDP increased from 40% to 65%.

Housing Sector

- Vision 2030 has provided sustainable housing solutions that enable Saudi families to own suitable homes according to their needs and financial capabilities. To achieve this, the housing system, in terms of structuring, procedures, and policies for dealing with banks and the private sector, has developed a high percentage of Saudi families' ownership of homes, as the proportion of Saudi families' ownership of homes did not exceed 47% in 2016, and rose to 70% by the end of the first phase of the housing program in 2021.



- Overview of the economy and the real estate sector in the Jeddah city

Social, service and real estate indicators - Jeddah City - 2024 AD

Social and service indicators:

<div>470</div> <div>Public and private school</div>	<div>14</div> <div>University and College</div>	<div>+49 M</div> <div>Traveler</div>	<div>1,2 M</div> <div>Size of the workforce</div>	<div>4,7 M</div> <div>Population</div>	<div>770 KM</div> <div>Area</div>
<div>1</div> <div>Ports</div>	<div>1</div> <div>Airports</div>	<div>+300</div> <div>Markets and malls</div>	<div>1.4 K</div> <div>Factory</div>	<div>52</div> <div>Hospitals</div>	<div>+13 M</div> <div>Tourist and visitor</div>

Real estate indicators:

<div>+7 B</div> <div>Total value of leasing transactions</div>	<div>+90 K</div> <div>Rental deal</div>	<div>+53 B</div> <div>Total value of the executed transaction</div>	<div>+57 K</div> <div>Executed transaction</div>
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Hospitality, Administrative and Retail Sector Indicators - Jeddah - 2024

Hospitality sector indicators:

<div>56%</div> <div>Occupancy</div>	<div>+16K</div> <div>Hotel room</div>	<div>94</div> <div>Number of hotels</div>	<div>25</div> <div>5 Star Class</div>	<div>27</div> <div>4 Star Class</div>	<div>42</div> <div>3 Star Class</div>
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Administrative sector indicators:

<div>90%</div> <div>Class A+B Occupancy</div>	<div>+350 SR</div> <div>Average value of a rental meter C class</div>	<div>+700 SR</div> <div>Average value of a rental meter B class</div>	<div>+1400 SR</div> <div>Average value of a rental meter A class</div>	<div>+1,2 M</div> <div>Commercial rental space/m2</div>
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Retail sector indicators:

<div>85%</div> <div>Occupancy</div>	<div>+800 SR</div> <div>Average value of a rental meter C class</div>	<div>+1800 SR</div> <div>Average value of a rental meter B class</div>	<div>+2500 SR</div> <div>Average value of a rental meter A class</div>	<div>+2.1 M</div> <div>Commercial rental space/m2</div>
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Site studies

Property Risk Analysis

Strength point:

- The property's prime location is on King Abdullah Road with Prince Majed Road.
- The location is close to the main axial roads that connect it to parts of Jeddah such as **(Al-Haramain Road, King Fahd Road)**.
- The location is close to business centers, ministries, events and the Al-Haramain Train Station.

Opportunities:

- Benefit from the proximity of the property to business centers, ministries, archaeological sites and events.
- The scarcity of distinctive residential, hotel and administrative projects that meet the market needs in the property area.

Weak points:

- Risks of changing the building system in the property area.

Challenges:

- It seeks to develop in a way that suits the Kingdom's economy and its orientation towards global markets.
- Eliminate all types of risks that threaten the real estate area.
- Achieving revenue is the main factor in estimating the value of the property.

Ownership Data

➤ **Title deed information**

Owner name	Deed number	Deed date	Ownership Type
Tamkeen Real Estate Fund Company (One Person Company)	320207023594	02/11/1444 AH	Absolute ownership

➤ **Location- plan number - plot number - land area:**

City - District	Plot number	Plan number	Land area
Jeddah - Al-Fayha	بدون / ب / 2	444 / ج / س	159133.96 square meters

➤ **Borders and lengths:**

Borders and lengths:							
Northen border	Border length	Southern border	Border length	Eastern border	Border length	Western border	Border length
Part No. B/1	259.91	Part B/3 + Part B/4	363.43	King Abdulaziz Roundabout + Prince Majed Road	425.81	25m wide street	350.08

Assumptions regarding ownership of the property

The property being evaluated is mortgaged to the National Commercial Bank of Saudi Arabia. For the purposes of this report, we have assumed that there is good and valid ownership, free of any obstacles, mortgages, fees, or interests of any third parties, etc. If this is not achieved, the opinion of the property's value may be affected.

Real estate data and Services available in the real estate area

Real Estate Data			
City	Jeddah	Neighborhood	Al Fayha
Street	Prince Majed Road	Property type	Hotel
No. land plan	444 / ج / س	Plot number	بدون / ب / 2
Land Area	159133.96 square meters	Built up Area	154,442 square meters
Services and facilities available in the real estate area			
Electricity network	Telephone network	Water network	Sewerage network
✓	✓	✓	✓
Water drainage network	Mosque	Dispensary	Garden
✓	✓	✓	✓
Public markets	Civil defense	Police station	Hospital
✓	✓	✓	✓
Hotels	Petrol station	Schools	Governmental services and centers
✓	✓	✓	✓

Factors affecting the property

Impact element	Impact determinants	Description
Area overview	Importance of the area	The property is located in the center of Jeddah, in Al Fayhaa district, on Prince Majed Street, with easy access to King Abdullah Road.
Natural factors (Environmental)	Lands topography	Flat
	Pollution	N.A.
Planning factors (Urban)	Location from the city	City center
	Infrastructure	Completed
	Municipal equipment	Completed
	Land properties	Regular sides and lengths
Building Regulations	Land use	Residential - Commercial - Administrative Multi-Use
	Building ratio - number of floors	According to the building mass factor, maximum 12 floors
Economic factors	Supply and demand	Average
	Land prices	Average
Legal factors	Deficit and trespassing on the property	N.A.

- When examining the property, it became clear to us that it is a **(4 Star Hotel)**. Detailed as below:

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Property Description

INTERIOR FINISHES

Doors	Ceiling	Wall Cladding	Floors
Securit Glass	Gypsum plasterboard suspended ceilings	Painting - Cladding	Marble - Double carpet
Windows	Health kits	Stairs	Insulation type
Aluminum and double glazing	High quality	Marble	Thermal - Hydro

EXTERIOR FINISHES

Facades	Facilities	Doors	Floors
Glass - Cladding - Paint	Cosmetic implants	Electric Securit Glass	Marble

Electromechanical and air conditioning systems

Air Conditioning	Elevators	Electrical wiring and outlets	lighting	Water Feeding System
Central	4 Elevators	High quality	High quality energy saving	Automatic electric pump system

Security and safety systems - other facilities

Facilities	Parking	Fire Alarm and Extinguishing Systems	Security Systems
N.A.	Basement + Outdoor	Fire Detection Systems - Fire Hose for All Hotel Parts	Indoor and outdoor surveillance cameras

Property location

Property is located in:
Jeddah

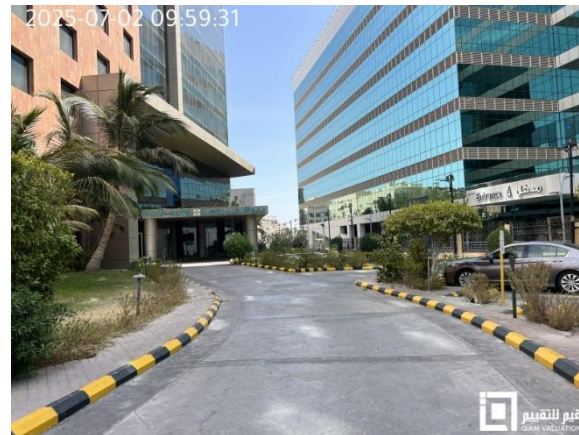
Neighborhood:
Al-Fayhaa

Street:
Prince Majed

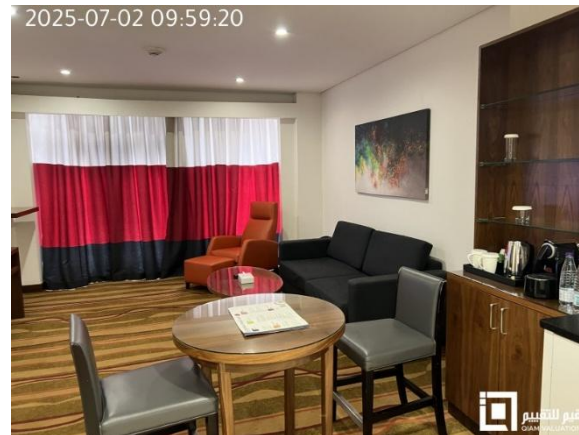
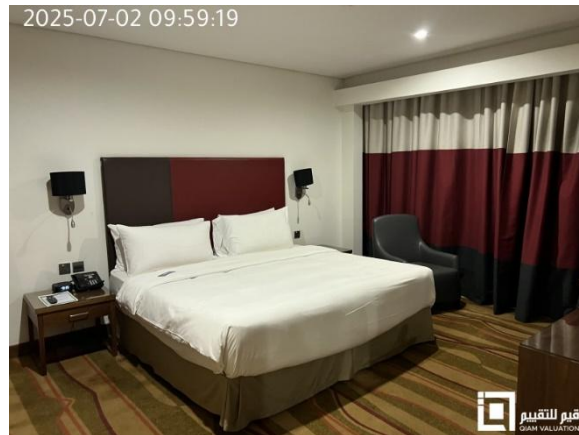
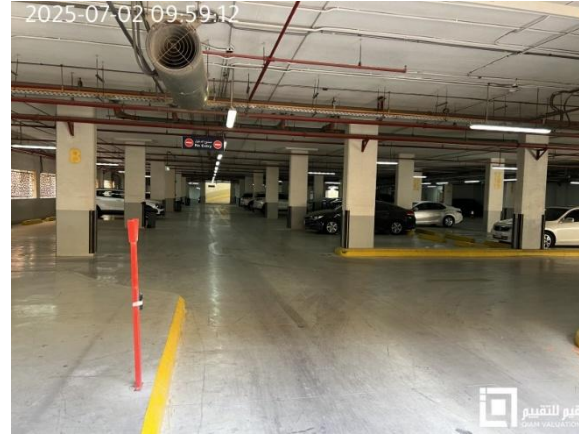
Location coordinates	N : 21.507963°	E :	39.216079°°
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Photographic survey of the building and its components



Photographic survey of the building and its components





Development



Valuation

Valuation Approaches



❖ Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.



❖ Income Approach

The income approach provides an indication of value by converting future cash flows into one current value. According to this method, the value of the asset is determined by reference to the value of the revenue and cash flows generated by the asset or the costs it provides.



❖ Cost Approach

The cost approach provides an indication of value using the economic principle that states that the buyer will not pay an asset more than the cost of obtaining an asset of similar benefit, whether through purchase or construction unless there are time, disturbance, risk, or other related factors. The method provides an indication of value by calculating the current cost of transferring or reproducing the asset, and then discounting the physical wear and tear of all other obsolescence's.

Market Approach-Standard No. 105

It is an approach of estimating the value of a real estate or real estate property based on the market comparison between the property being evaluated and similar properties in the same area that were recently sold. The value indicator of the property being valued is derived by applying appropriate comparison units and making adjustments and adjustments to the selling prices of similar properties based on the comparative elements.

The market approach should be applied and afforded significant weight under the following circumstances:

- ❖ The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value
- ❖ The subject asset or substantially similar assets are actively publicly traded.
- ❖ There are frequent and/or recent observable transactions in substantially similar assets.

The key steps in the comparable transactions method are:

- ❖ Define the units of comparison used by relevant market participants.
- ❖ Determine the relevant comparative transactions and calculate the main evaluation criteria for these transactions.
- ❖ Conduct consistent comparative analysis of the qualitative and quantitative similarities and differences between the comparable assets and the subject asset.
- ❖ Make the necessary adjustments, if any, to the evaluation scales to reflect the differences between the subject of evaluation and the comparative assets.
- ❖ Applying the revised valuation criteria to the subject asset.
- ❖ Value indicators are reconciled if more than one evaluation scale is used.

Cost Approach - Standard No. 105

It is a valuation method that calculates the capital or market value of a property by adding the value of the real estate's land with the value of the buildings erected on the site.

Cost Approach should be applied and afforded significant weight under the following circumstances:

- ❖ Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- ❖ The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- ❖ The basis of value being used is fundamentally based on replacement cost, such as replacement value

Used methods of Cost Approach :

a. **Replacement cost method:** A method of arriving at value by calculating the cost of a similar asset

Method of estimating the value of buildings using the straight line method

- The straight-line method: the straight-line method is calculated by the formula (current age of the building / Lifespan) * 100.

Income Approach-Standard No. 105

Income Approach provides an indication of value by converting future cash flows into a single present value. Under this approach, the value of an asset is determined by reference to the value of the revenue and cash flows that the asset generates or the costs it provides.

Income Approach should be applied and given priority or significant weight in the following cases:

- A. When the ability of the asset to generate income is the primary factor that affects the value from the point of view of market participants.
- B. Reasonable expectations are available for the amount and timing of future revenue for the assessed asset but few, if any, relevant market comparisons.

Income Approach Methods:

Although there are many ways to apply the income method, the methods used under the income method depend largely on discounting the amounts of future cash flows to a present value, which are various applications in using the discounted cash flow (DCF) method and the concepts below apply in part or all of the methods of the income method.

Discounted Cash Flow method (DCF)

It is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows. The discounted cash flow method is applied to evaluate a property or real estate that generates income based on the expectation of future income for the property under valuation. The value index of the property is derived through Calculating the present value of net operating income or the expected net rental value of the property.

Direct Capitalization Method:

The direct capitalization method is applied in the event that the net rental value of the property under valuation is fixed and equal in perpetuity.

Residual value method:

The residual value method is a method of evaluating properties that can be valued by identifying the most appropriate development of the site and property and then predicting the value of such development after it is completed.

Used valuation approaches and methods - Fair value hierarchy

Used valuation methods

Valuation Approaches	Market Approach	Cost Approach	Income Approach
Used approach	Used as an assist	--	Mainly used
Used valuation methods	Similar Comparisons	--	Discounted Cash Flow method
Reasons for use / not use	To know the market prices of lands and units	---	The fact that the property is income-generating

Hierarchy:

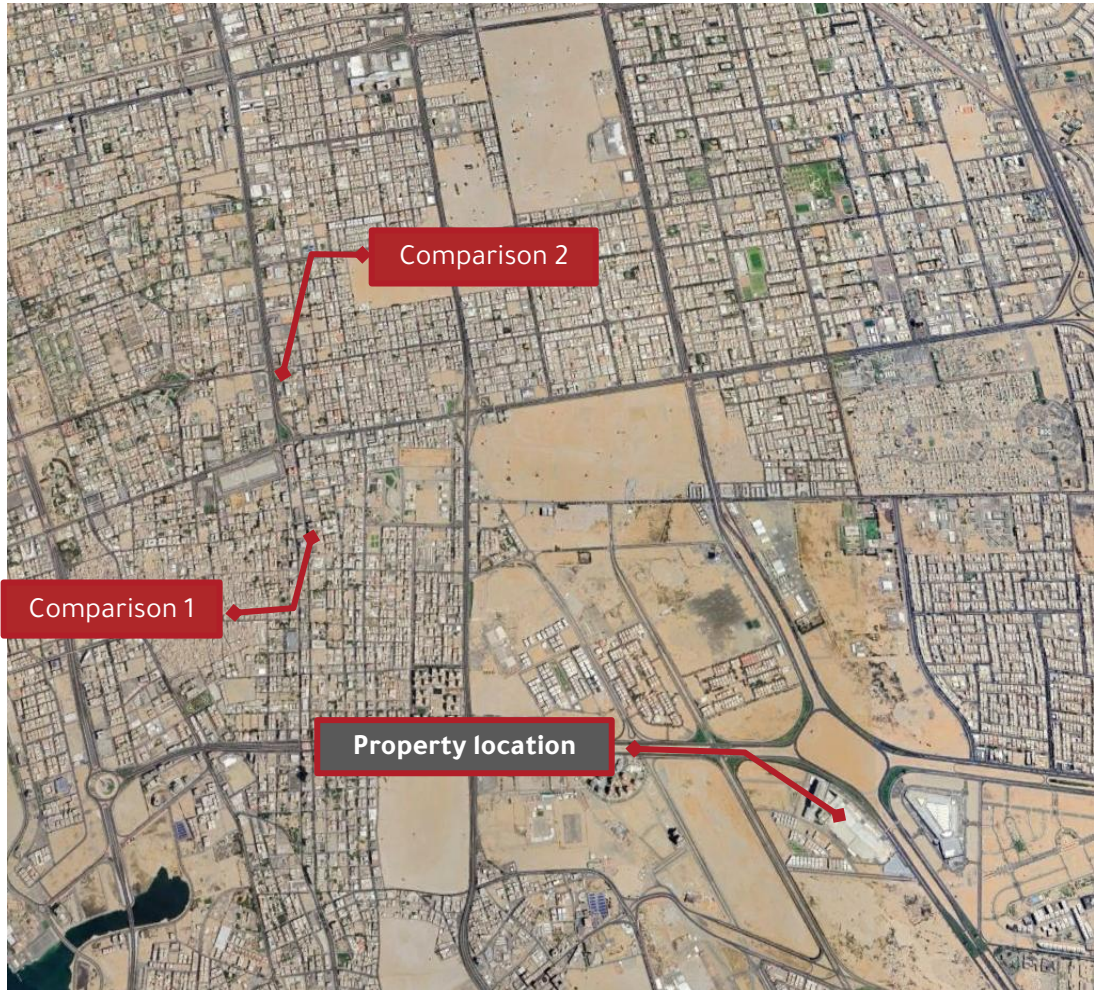
The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value at the measurement date into three levels, as follows:

Level	Clarification	Input statement	Classification	Source	Judgment and documentation
First	Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be reached at the measurement date and are given priority.	----	----	----	----
Second	They are the inputs other than the published prices within the first level that can be monitored for the asset or liability, either directly or indirectly	Commercial and commercial residential offers in the real estate area	It is classified under the second level	Accredited real estate offices in the real estate area	Reliable based on similar market analysis, verification following market research and analysis, in-person interviews, and the company's own database of deals and transactions
Third	They are the inputs that cannot be monitored and are given the lowest priority	----	----	----	----



Value Estimation

Market Survey Data Analysis - Hotel



Similar Comparisons - Market Survey - Hotel Rooms

Comparison factors	Comparison 1	Comparison 2	Results - Property under valuation
Hotel	Centro Shaheen Jeddah Rotana	Movenpick Hotel Jeddah	Andalus Mall Hotel
Rating / Stars	4	4	4
Average Nightly Price for Rooms	360	430	395
Average Nightly Price for Suites	628	550	589
Average Nightly Price for Units	950	1050	1000
Annual Expense Rate	45%	45%	45%
Annual Occupancy Rate - Rooms	78%	76%	77%
Annual Occupancy Rate - Suites	60%	60%	60%
Annual Occupancy Rate - Units	55%	60%	58%

Hotel Income Analysis - Based on Market Survey Results

Clause	Number	Daily rental	Number of days in a year	Total revenue
Rooms	90	395	365	12,975,750
Suites	44	589	365	9,459,340
Units	30	900	365	9,855,000
Other income (Halls - Health Club)	5	2000	365	3,650,000
Total Annual Revenue				35,940,090
Annual Occupancy Rate				%61
Average Annual Expense Rate				%45

Analysis of valuation assumptions data - Discounted Cash Flow Methods

Operating return rate:

Capitalization Rate Analysis - Market Extraction Method By looking at market activity and similar Qiam Investments reports, as well as economic reports issued by some research centers and the Qiam Valuation Information Center, it has become clear to us that the return in the region for similar residential projects ranges from 7% to 8%. Accordingly, the return rate was assumed to be 8%. There are also many factors that affect the return rate, such as the location of the building, its age and condition, the status of the tenants, and the degree of risk associated with repayment. The capitalization rate is affected by the rates of demand and supply for the same type of real estate.

Discount rate:

Discount rate: (Cumulative Model method)

Government bond rate of return	4.48	Saudi Tadawul Fund
Inflation rate (current year average)	1.6	Saudi Central Bank
Market risk premium (recession and recovery)	1.25	According to the condition and circumstances of the market
Special risk premium (the resulting costs of the property)	1.25	According to the condition and circumstances of the property
Discount rate with all data above	9.5	%

Assumptions

Discounted Cash Flow method assumptions

Total property income	35,940,090	Discount rate	9.5%
Occupancy rate	61%	Capitalization rate	8%
Operating Expense Rate	45%	Growth rate - annual from the second year	2%

Occupancy rate:

Based on market data analysis of similar projects and based on customer data analysis, and given the diversity of unit types in the hotel between hotel rooms, suites and apartments, the occupancy rate was assumed to be 61%.

Operating Expense Rate:

Based on market survey data analysis of operating expense rate in similar properties, a rate of 45% has been assumed.

Income:

Based on the analysis of market data, we arrived at the average income for the hotel, and accordingly, it was assumed that it would be 37,035,090 riyals.

Calculating the market value - Discounted Cash Flow method

Cash flow - Inflows		Investment years										Reversion value
		2025 1	2026 2	2027 3	2028 4	2029 5	2030 6	2031 7	2032 8	2033 9	2033 10	
Expected growth value		%0.00	%2.00	%2.00	%2.00	%2.00	%2.00	%0.00	%2.00	%2.00	%2.00	
Total income	35,940,090	35,940,090	35,940,090	36,658,892	37,392,070	38,139,911	38,902,709	38,902,709	39,680,763	40,474,379	41,283,866	
Occupancy rate	%61	21,983,355	21,983,355	22,423,022	22,871,483	23,328,912	23,795,490	23,795,490	24,271,400	24,756,828	25,251,965	
Actual gross income		21,983,355	21,983,355	22,423,022	22,871,483	23,328,912	23,795,490	23,795,490	24,271,400	24,756,828	25,251,965	
Minus operating expense ratio	%45	9,892,510	9,892,510	10,090,360	10,292,167	10,498,011	10,707,971	10,707,971	10,922,130	11,140,573	11,363,384	
Net Operating Income (NOI)		12,090,845	12,090,845	12,332,662	12,579,315	12,830,902	13,087,520	13,087,520	13,349,270	13,616,256	13,888,581	
Reversion value of the building												
Net Cash Flow		12,090,845	12,090,845	12,332,662	12,579,315	12,830,902	13,087,520	13,087,520	13,349,270	13,616,256	13,888,581	
Discount Factor		0.9132	0.8340	0.7617	0.6956	0.6352	0.5801	0.5298	0.4838	0.4418	0.4035	0.4035
Present Value of Cash Flows		11,041,868	10,083,898	9,393,220	8,749,848	8,150,544	7,592,287	6,933,596	6,458,692	6,016,316	5,604,239	70,052,992
Net present value of the property												150,077,499
Final Property Value												150,077,499
Final Property Value (after rounding)												150,077,000

Final value of the property

Based on the purpose of the valuation and the nature of the property and its characteristics as a Hotel ,the valuation of the property using the Income Approach (Discounted Cash Flow Method) is considered the best method for estimating the price on the measurement date of **30/06/2025 AD**, which was reached using the Income Approach as a basis for the fair value of the property subject to valuation, which is as follows:

Price on the date of measurement in numbers (SAR)	Price on the measurement date written (SAR)
150,077,000	One hundred and fifty million and seventy-seven thousand Saudi riyals

This report was approved by the Executive Director

Ismail Muhammad al-Dubaikhi



Team



Walid Muhammad Qalisi
Real estate-Basic Follow
Membership No 1220001145



Salem Mohammed Al Fai'
Real estate-Basic Follow
Membership No 1210000013



Ismail Al-Dubaikhi
Real estate-Basic Follow
Membership No 1210000005



Appendix

Documents received from the client

[illegible]

الرقم: 320207023594
التاريخ: 1444/11/2

وثيقة تملك عقار

السوق العقارية
Real Estate Market

وزارة الشؤون البلدية والقروية والإسكان
Ministry of urban
Affairs

1444/11/2

فعل

مرهون

1440/10/23

تاريخ الوثيقة

الحالة

القيود

قيمة الصفقة

تاريخ الوثيقة السابقة

320207023594

كتابة العدل الأولى بجدة

159,133.96

نقل ملكية

320211029670

رقم الوثيقة

المصدر

المساحة (م²)

نوع العملية

رقم الوثيقة السابقة

القيود

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

العلائق

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

العقار

رقم الهوية المقارية	نوع المقار	مساحة المقار (م²)
لا يوجد	لا يوجد	159,133.96

الموقع	نموذج المقار
لا يوجد	لا يوجد

رقم القطعة	رقم المتخبط	الحي	المدينة
بدون / ب / 2	444 / ج / س	الفيحاء	جدة

الحد	النوع	وصف الحد	الطول (م²)
شمالا	الجزء	رقم ب / 1	259.91
جنوبا	شرقا	الجزء رقم ب / 3 وغربا الجزء رقم ب / 4	363.43
شرقا	شمالا	دوار الملك عبدالعزيز وجنوبا طريق الأمير ماجد متوسط عرض 140م	425.81
غربا	شارع	عرض 350.08م	350.08

صدرت هذه الوثيقة من البورصة المقارية ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الإلكترونية التابعة لوزارة الشؤون البلدية والقروية والإسكان.

الصفحة 1 من 1

Documents received from the client

[illegible]

 وزارة الشؤون البلدية والقروية أمانة محافظة جدة بلدية الجامعة				رخصة نشاط تجاري هذا هيب	
رقم الرخصة الموحدة	39111393547	رقم الطلب	419104963	تاريخ إصدار الرخصة	23/03/1439
رقم الرخصة القديم	1100115508	تاريخ التجديد	16/03/1441	تاريخ انتهاء الرخصة	22/03/1444
ملاحظة: من تجديد أو إلغاء الرخصة قبل نهاية تاريخ استحقاق الرسوم حتى لا تتعرض للعقوبة					
بيانات مالك المحل					
الاسم	... فندق الاندلس مول سكاى بيريج جدة				
رقم الهاتف	4030288046				
ملاك الآخرين					
العنوان					
الموقع الرخصة	اسم الحي				
تاريخ نهاية الإيجار	اسم الشارع				
رقم الرخصة القديم	ماتن الشارع				
رقم المخطط	رقم البلدية				
النوع	عدد المقاحات				
مركز تجاري	رقم المحل				
	رقم المخطط				
محلات الوجبات السريعة (تشمل محلات البيتزا) (5610331)					
محلات الوجبات السريعة					
يقصد بها المحلات التي تقوم بإعداد الوجبات السريعة وتشمل محلات البيتزا أو اللطائف والمعجنات أو البورجر أو الديوست أو الشاورما وماشابهها					
مساحة المحل م ²	100				
لأشعة المتعددة					
مساحة النشاط الأساسية م ²	100.00				
ملاحظة: مع إحدى شركات النظافة المؤهلة من الأمانة لجمع ونقل النفايات					
رسم توضيحي للموقع					
مساحة الوجبات الإرشادية م ²	2				
مساحة الوجبات الاعلانية م ²	0				
مزاولة البodega	1960605729				
	(2,420,000) ريال				

[illegible]

Documents received from the client

**بلدية
الجديدة**

الموقع العام داخل المدينة

تم إعداد هذا الكروكي بناءً على الكروكي المساحي والرفع المساحي الأحدث بواسطة المكتب الهندسي وعلى مستويته صلاحية الكروكي التلخيصي مخمس سنوات من تاريخ اعتماد

الملاحظات

1- التوقيع: *[Signature]*

2- تاريخ: 10/05/2019

3- موقع: شارع 10/05/2019

4- ملاحظات: *[Notes in Arabic]*

الملاحظات

1- التوقيع: *[Signature]*

2- تاريخ: 10/05/2019

3- موقع: شارع 10/05/2019

4- ملاحظات: *[Notes in Arabic]*

الملاحظات

1- التوقيع: *[Signature]*

2- تاريخ: 10/05/2019

3- موقع: شارع 10/05/2019

4- ملاحظات: *[Notes in Arabic]*

المملكة العربية السعودية
ترخيص مرافق الضيافة السياحية
Kingdom of Saudi Arabia
Tourist Hospitality License

وزارة السياحة
Ministry of Tourism

mt.gov.sa

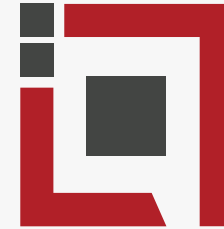
رقم الترخيص:	١/٤١٠٠٣٤٤٩
تاريخ الإصدار:	١٤٤١/٥/٥ هـ
تاريخ الإنتهاء:	١٤٤٢/٥/٥ هـ
رقم السجل التجارى:	
نوع المرفق:	فندق

Trade Name:	Alandalus Mall Stay Bridge Jeddah	الاسم التجاري:	الأندلس مول ستاي جدة
Operator Name:	Alandalus Co	اسم المشغل:	شركة الأندلس العقارية

رقم المبنى :		العنوان :	
٨٨٢٩	المركز التجاري :	الشارع :	الأمير ماجد : المي :
٣٣٨٠	الرمز البريدي :	الرمز الإضافي :	هاتف : ٠١٢٦٣٠٣٧٧٧ فاكس :
البريد الإلكتروني : K.alzahrani@alandalus.com		البلدية : جدة	



هذا الملحق وزارة السياحة الترخيص، لمزاولة نشاط مرافق، الضيافة السياحية حسب الأنظمة والتعليمات



General Administration

Riyadh 11666, Othman Bin Affan Road, Building No. 8484, Office No. 6

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☎ +966 92 002 5832

شركة قيم للتقييم - ترخيص رقم 1210000052 تاريخ الانتهاء 1447/05/03 هـ سجل تجاري رقم 1010927632 تاريخ الانتهاء 1449/03/15 هـ الرقم الموحد 920025832 - مكتب رقم 7 مبنى رقم 8484 طريق عثمان بن عفان - الرياض 11666