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Final Valuation Report

V230102

Vittori Hotel in King Abdullah district in Riyadh

Client / Alinma REIT Hospitality Fund

02 August 2023

الإنماء للاستثمار
alinma investment



Introduction



Dear / Alinma REIT Hospitality Fund

The Subject: Valuation of Vittori Hotel in King Abdullah district in Riyadh

Please find attached the report as per your request for a property valuation, hoping that the report meets your requirements as requested from us, and complies with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in **2022**, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM). Please do not hesitate to contact us should you have any queries or questions.

Best Regards,

Engineer Ammar Abdulaziz Sindi
Chief Executive Officer

Issue Version


Details	Information
Reference No.	V230102
Proposal No.	P230182
Report Status	Final
Report Version	1
Registration code	

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Executive Summary

- Summary of the Report
- General Terms and Conditions

Executive Summary

Report Summary

Property Summary

- The subject property is a 5-star hotel (Vittori Palace Hotel) located in King Abdullah district, south of Al-Orouba Road, Riyadh.
- The land area is 17,274 sqm and the building area is 34,982.44 sqm (according to the license).
- The building consists of 3 hotel buildings called (A, B, & C) in addition to hotel villas. The buildings consist of a basement, a ground floor, and 3 hotel residential floors, and the basement consists of parking, emergency exits, and services.
- Building A consists of 122 rooms, Building B consists of 75 rooms, Building C consists of 119 rooms and the number of villas is 36 villas with a total of 354 rooms and 11 elevators.
- The property is 32.2 km from King Khalid International Airport.

Property Information

Site Details	Information
District	king Abdullah
Use	Commercial/Hospitality
Tenure	Freehold
Number of Title Deed	499074003628
Date of Title Deed	16/06/1444 H
Land Area (square Sqm s)	17,274 (According to title deed)
Owner	Hotel Development Real Estate Company

Valuation Summary

Details	Information
Report Type	Detailed report
Purpose of Valuation	Financial Statements
Other independent Users	Fund Manager and Investors – Report Reviewers
Date of Approval	05 June 2023
Date of Inspection	18 June 2023
Date of Valuation	30 June 2023
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Valuation Approach	Income Approach
Currency	Saudi Arabian Riyal (SAR)
Property Fair Value	437,210,000 SAR (1,235,056 SAR/Key)

Executive Summary

Terms and Conditions



- The Subject Property has been valued according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).
- This report was relied upon and valued according to the specific conditions and restrictions presented in this report.
- The report was issued without any conflict of interest or personal gain.
- The valuation report has been prepared based on the instructions received from the Manager of Alinma REIT Hotel Fund, referred to as (the Client), in order to estimate the Fair Value of the property described for the purpose of the financial statements.
- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, and that the information contained in this report is completely confidential and that the report is issued to the client only.
- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the Property and the legal consequences thereof.
- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the Property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.
- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.
- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the Property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Valuation Conditions



Ability to Valuate:

- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the Fair Value by the required date.

Subject of Valuation:

- The subject of the valuation is the assessment of the Fair Value of Vittori Hotel in King Abdullah district in Riyadh

Professional Standards:

- The valuation exercise was carried out in compliance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM), and based on recognized procedures and professional used in valuation of real estate properties, which rely on analysis, comparison, and direct inspect of each property, as well searching to the extent possible for positive and negative effects and characteristics of the subject property.

Valuation Approach:

- The approach used in valuation is the income approach.

Basis of Valuation:

- Our valuation will be submitted on the basis of the Fair Value, which is defined in accordance with the International Valuation Standards in 2022 as follows:

- International Accounting Standard No. (13) defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation Date

- We confirm that the valuation was carried out on 30 June 2023.

Inspection Date:

- We confirm that the inspection was carried out on 18 June 2023.

Sources of Information:

- In the preparation of the valuation report, we have relied on a set of resources, information and office and field data which we believe are commensurate with the purpose and timing of the valuation. We have also relied on the set of data provided by the Client related to the subject property, and which will clearly affect the output of this report. Therefore, any change or error in the data will render this report as incomplete, and the valuer shall be reverted to.

The Following Documents Were Reviewed:

#	Document
1	Title Deed
2	Building Permit
3	Lease Contract

We therefore assume that the information is correct and that there is nothing to contradict or conflict with them. The report is issued on this basis and we disclaim any liability for anything to the contrary.



Disclaimers

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions

Disclaimers



Intellectual Property and Re-Publishing

- This report is issued for personal use only, and for the professional advisors, for the specific purpose referred to therein.
- Abaad Real Estate Valuation Company may not be held liable to any third party for all or part of the contents of the report.

Confidentiality

- This report is prepared upon special request and for an advisory purpose. We therefore understand that it is of utmost importance to the originator of the request to safeguard the confidentiality of the contents and output of this report. We are committed to this and the Client's information will not be used in anything other than this report. The Client's information is considered to be proprietary to its owner and to the users specified in this report, and may not be reviewed by any third party.

Important Assumptions and Special Assumptions

- According to the definition of the International Valuation Standards "Important Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required, and may be accepted as fact in the context of the valuation exercises without verification or validation in a specific manner. Moreover, they are matters which are accepted when stated. Such
- We were provided with the building areas by the client.

assumptions are necessary to understand the valuation or the consultation that is provided. Special assumptions are assumptions which differ from actual facts which exist as at the valuation date, or those which are not assumed by a usual market participant in a certain transaction on the valuation date."



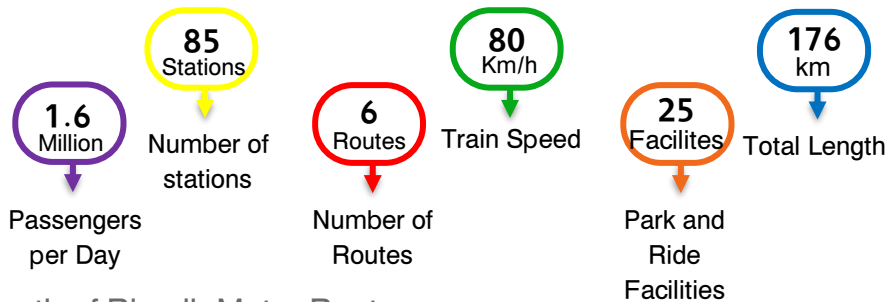
Site Location Analysis

- Macro Location - Introduction
- Macro Location - Infrastructure Projects
- Property Description at City Level
- Property Description at District Level
- Property Photographs

Site Location Analysis

Public Transport – Riyadh Metro

- Metro Riyadh is a high-speed transport system. It is currently under construction. It is one of the largest infrastructure projects in the City of Riyadh.
- The Metro is design as a world class transport system, including **756** metro cars, **85** stations, six metro lines and a network spanning **176** kiloSqm s.
- The construction of the metro system has resulted in several road closures which affected traffic in various parts of the city.



Length of Riyadh Metro Routes

Route	Route Length (Km)
First Route (Blue)	38.0
Second Route (Red)	25.3
Third Route (Orange)	40.7
Fourth Route (Yellow)	29.6
Fifth Route (Green)	12.9
Sixth Route (Purple)	29.5

Riyadh Metro Route Map:



Site Location Analysis

Development Projects at City Level



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The Royal Commission for the City of Riyadh carries out many programs and development projects which are strategic in nature with multiple objectives and dimensions and different requirements for execution over time.

هيئة تطوير
بوابة الدرعية



Between the architectural, cultural, economic and social features and the environmental development requirements of Wadi Hanifa, it provides a model for the development of the oasis.

The program adopted the principle of integration with the City of Riyadh, making Diriya a world class cultural, tourism and promotional suburb.

Riyadh Art Project



Includes the performance of over 1000 artworks by local and international artists in front of audiences in the various parts of the City of Riyadh, as part of 10 programs covering residential neighborhoods, public parks, natural promenades, public squares, public transport stations, bridges, pedestrian crossings, city entrances and all tourism destinations of the city.

Riyadh Boulevard

المسار الرياضي
Sports Boulevard



Extends 135 kiloSqm s, penetrating the City of Riyadh to connect Wadi Hanifa in the west of the City with Wadi Al Sulay in its east. It includes sports, cultural, recreational and environmental activities, including bicycle tracks, horse tracks, pedestrian sidewalks, a number of gates, stations and rest areas for bikers and hikers. Along the Boulevard inside the City and at Wadi Hanifa and Wadi Al Sulay, recreational services are provided to bikers and hikers, including coffee shops and diverse retail outlets.

Green Riyadh

الرياض الخضراء
GREEN RIYADH

The program aims at planting over 7.5 million trees in all parts of the city, including public parks, community parks, promenades, mosques, schools, academic, health and public installations and facilities, green belts along the spans of public utility lines, in addition to King Khalid International Airport, a roads and streets network, in addition to public transport routes, car parking spaces, vacant lands, valleys and river tributaries.

King Salman Park:

حديقة
الملك سلمان
King Salman Park

The largest city park in the World with an area exceeding 13 square kiloSqm s. It is considered to be an environmental, cultural, sports and recreational project which contributes to the changing lifestyle in the city.

Site Location Analysis

The Property at City Level



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Riyadh City Boundaries

King Khalid
International
Airport

Danman Road

Khurais Road

King Fahd Road

King Khalid Road

Northern Ring Road

Eastern Ring Road

Subject
Property

Boundaries of the White Land
Area

طريق مكة المكرمة

Southern Ring Road

The subject property is located in Riyadh, the capital and largest city of the Kingdom of Saudi Arabia, and the center of the Riyadh region. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million people in 1440 H / 2018. Riyadh is one of the largest cities in the Arab countries in terms of area, with an area of about 1,913 square kilometers. The city of Riyadh is witnessing a remarkable development in its infrastructure projects and public transport projects, as work is underway on the Riyadh metro project and the public transport project. The property is under review. Located in downtown Riyadh, the property is approximately 40 kilometers from King Khalid International Airport. The area of the property under valuation is located within the white land range.

Site Location Analysis

The Property at District Level



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Health Oasis Hospital



Orouba Road

General Directorate of Medical
Services Armed Forces

Eastern Ring Road

Subject Property



General Organization for Military Industries

Gulf Training
Institute

The property is located north of Riyadh, and it can be reached through Al-Orouba Road and through the Eastern Ring Road.

The property is 8.4 km from Al Nakheel Mall and 10.9 km from Al Rajhi Grand Mosque.

The property is 32.2 km from King Khalid Airport.

The property is located on 3 streets. 1- Khuzam Street. 2- Al-Duwayan Street. 3- Al-Na'ayem Street.

All services are available in the area of the property.

Site Location Analysis

Property Description



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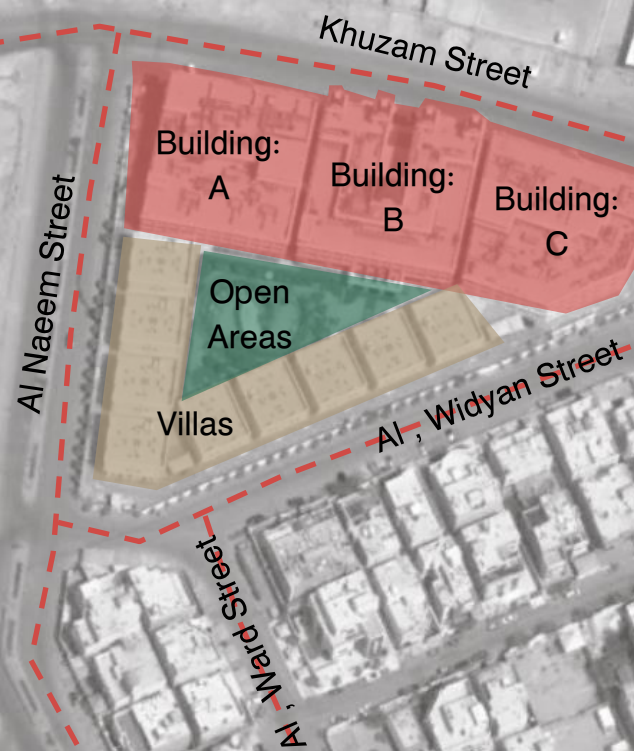
The property under valuation is a 5-star hotel (Vittori Palace Hotel) located in King Abdullah neighborhood, south of Al-Orouba Road, Riyadh.

The land area is 17,274 sqm and the building area is 34,982.44 sqm (according to the building permit and the customer's statement).

The building consists of 3 hotel buildings named A, B, & C in addition to residential villas.

The buildings consist of a basement, a ground floor, and 3 residential floors, the basement consists of parking and services.

Building A consists of 122 rooms, Building B consists of 75 rooms, Building C consists of 119 rooms and the number of villas is 36 villas with a total of 354 rooms and 11 elevators.

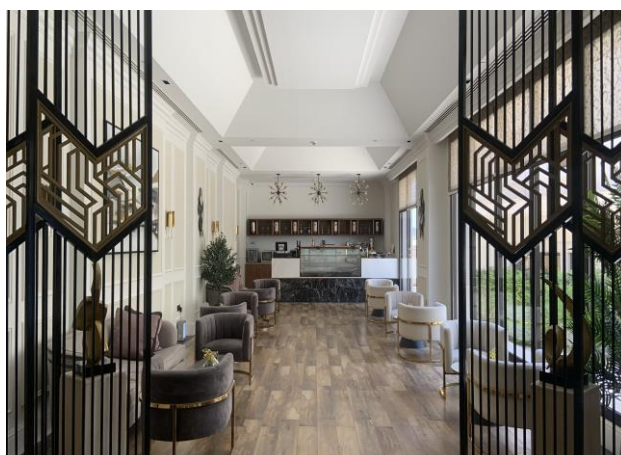
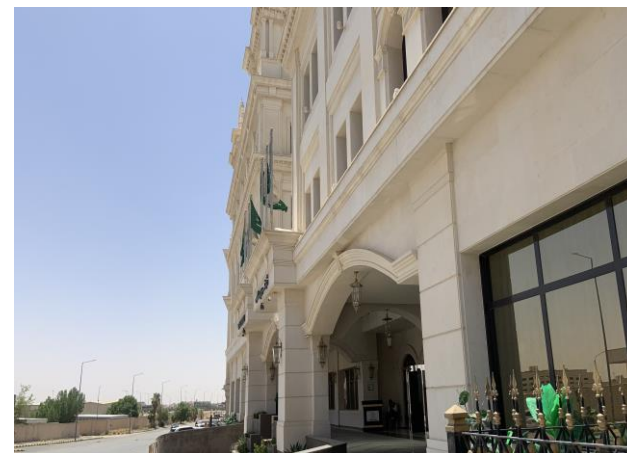
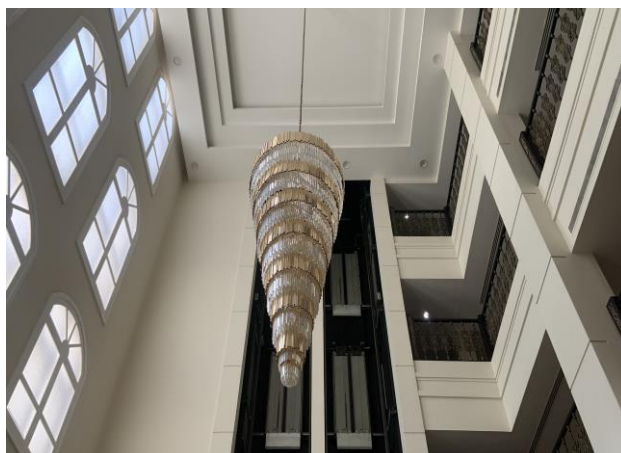


Site Location Analysis

Property Photographs



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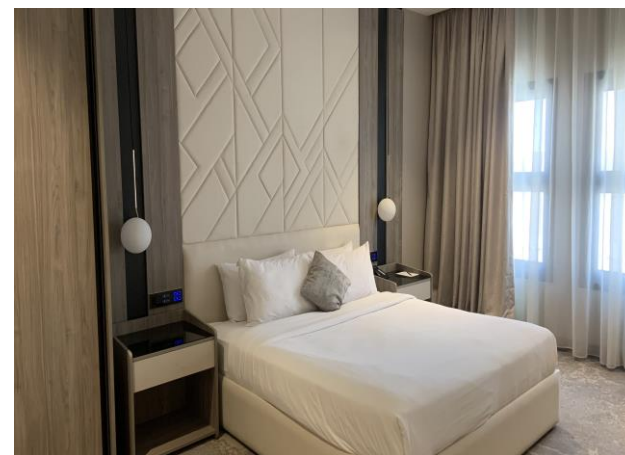


Site Location Analysis

Property Photographs



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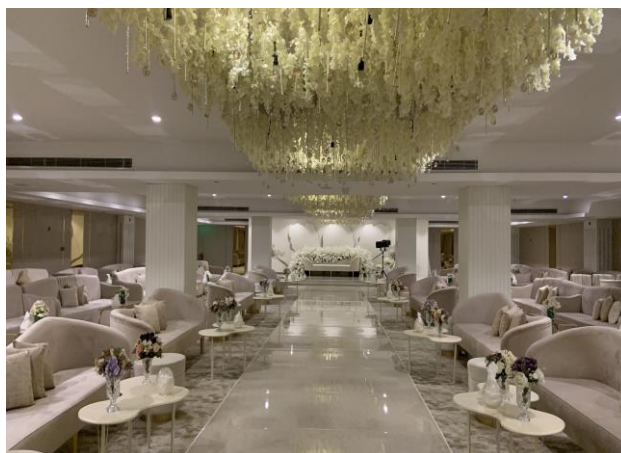
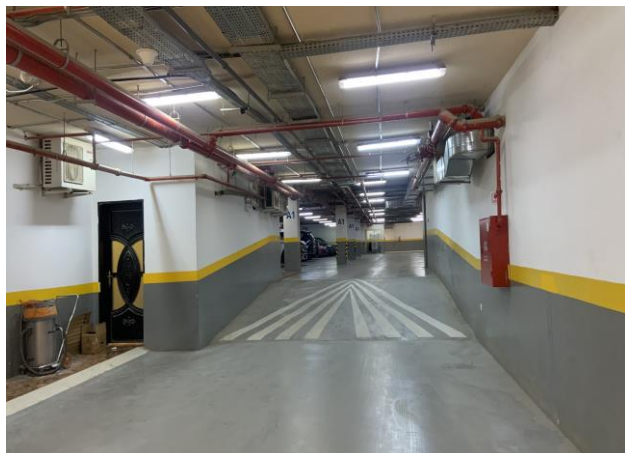


Site Location Analysis

Property Photographs



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Property Details

- Title Information
- Dimensions and street widths
- lease contract summary

Tenure

Property Information



Property Details (Freehold Details)

ID	Description		
Owner	Hotel Development Real Estate Company		
Property Name	Vittori Hotel in King Abdullah district in Riyadh		
Plot No.	148		
Masterplan No.	3220		
District	king Abdullah		
Block No.	-		
Coordinates	24°44'04.5"N	46°44'36.3"E	
City	Riyadh		
Ownership Type	Freehold		
Title Deed Info	Deed No.	499074003628	
	Deed Date	16/06/1444 H	

Lease Contract Summary:

Year	Income
First party (owner)	Hotel Development Real Estate Company
Second Party (Tenant)	Ashad Company
Contract Period	16 years
First Year	33,004,650
Second Year	33,004,650
Third Year	33,004,650
Fourth Year	33,004,650
Fifth Year	33,004,650

Dimensions and street widths

Side	Frontage Length	Street Name	Width (m)	Frontage
North	181.27	Khuzam Street	30	1
South	193.15	Al , Widyan Street	20	3
East	36	Khuzam Street	-	2
West	137.43	Mosque	30	4

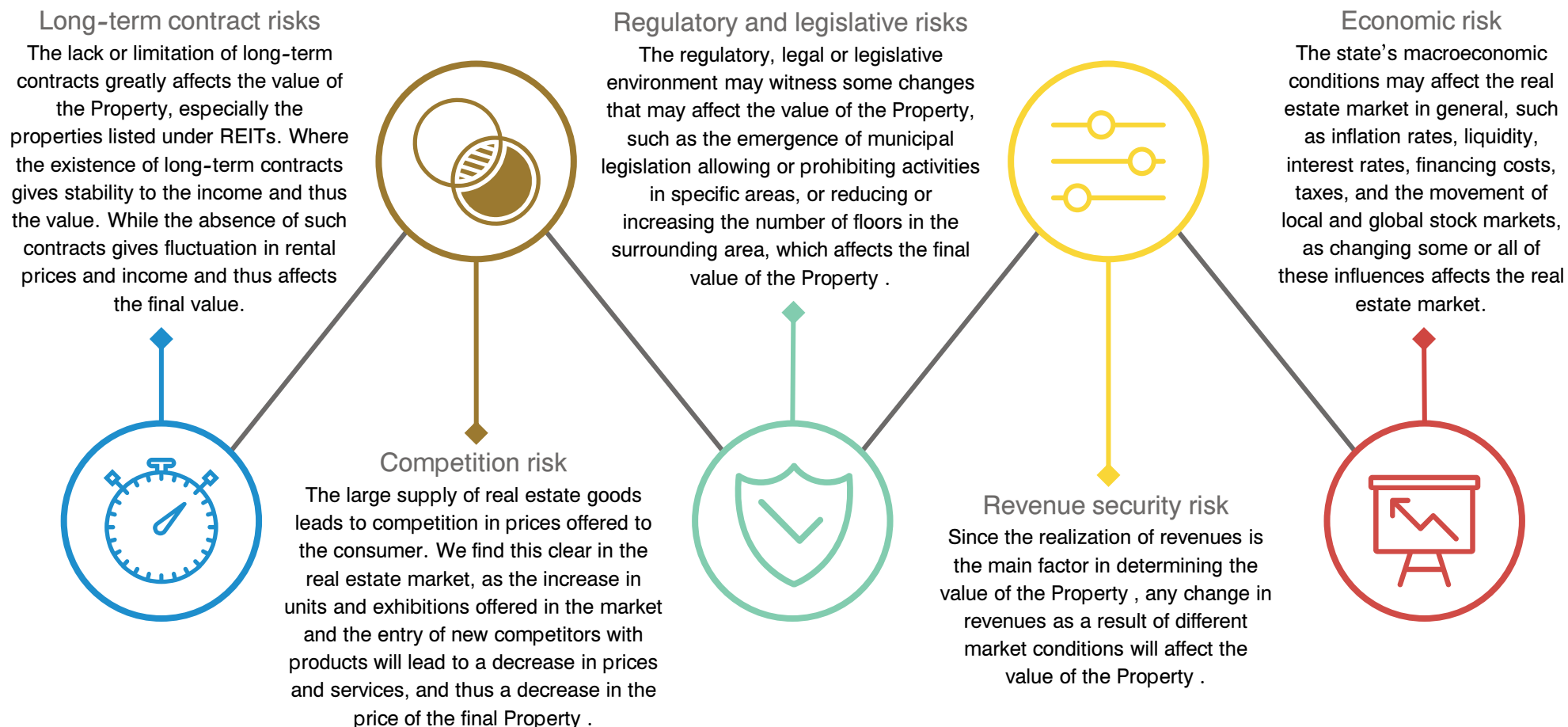
- Sources: Title Deed

- No legal document has been verified for the subject property under valuation, which includes planning, ownership, mortgage and some legal matters on which all or part of this report is based and considered reliable. It was assumed that the instrument was valid and binding. It was also assumed that the property is free from any legal obligations, mortgage rights or any Constraints.
- Sources: leasehold



Valuation

- Analysis of Property Risks
- Valuation Using the Income Method
- Valuation Approach
- Field Research and Market Analysis
- Revenue Estimation
- Future Performance Assumptions
- Explicit Forecasting Period
- Summary of Value



Valuation Methods Used

When choosing the most appropriate methodology for estimating the value of the property under Valuation, we took into account the information provided by the client, the current situation of the property as well as our own analysis of the local market conditions, when determining the Fair Value of the property under valuation, the following methods and methods were used:

Income Method (Profit 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

The income method should be applied and given priority or significant weight in the following cases:

- a) When the ability of an asset to generate income is the primary element that affects value from the point of view of the participants.
- b) Reasonable projections are available as to the amount and timing of future revenue for the asset being valued, but there are few, if any, fair comparisons relevant.

When it comes to valuation of commercial assets such as hotels, we usually follow the profit method.

Profit Method

When valuing hotels, the approach involves estimating earnings before interest, tax, depreciation and amortization (EBITDA) over a given period. Usually this type of real estate is exited within **10** years, and the time duration of cash flows has been assumed to be **10** years.

Regarding EBITDA Forecast

First, this is achieved by analyzing the current or future performance of the property under Valuation, taking into account factors such as location, hotel popularity, condition, specifications, and operating structure. Second: We study the local hospitality sector by evaluating the current performance of the market in addition to the rooms expected to enter the market, as well as analyzing the hotel sector and some economic indicators.

Assumptions are then made regarding vacancy ratio, average daily rent, available per room revenue, hotel department expenses, undistributed expenses, management fees, fixed fees, and furnishings and equipment renovation reserves. In terms of the growth rate during cash flow calculations, we examined the average long-term inflation rate in Saudi Arabia, as well as the typical growth rates among similar hotels, and reached a rate of **2.8%**.

Income Approach Valuation

Field Research and Market Analysis



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Field research was conducted for hotels that have similar characteristics to the subject property, and the details of the comparisons are as follows.

Hotel Name	Forsan Hotel	Crowne Plaza Hotel
classification	4 Stars	4 Stars
Average rental price in the middle of the week (SR/room/night)	420	590
Average rental price on weekends (SAR/room/night)	385	665

When looking at the nature of the prices of the rooms offered in the property area, there is a relative convergence between the prices, which is affected by the location of the hotel, the area of the room, the services provided and the facilities, and through field research it becomes clear as follows:

It is clear from comparisons that prices range from 420 SAR/Sqm to 590 SAR/Sqm in the middle of the week and prices range from 385 SAR/Sqm to 665 SAR/Sqm on weekends.

The map shows the locations of the comparisons used in the valuation and was used to determine the expected income of the property, as shown in the following pages of this report.



Valuation

Revenue Estimation

Revenue Calculation

Based on the analysis of hotel comparisons, the tables below show a summary of room revenue for the first two years.

In the cash flow assumptions of hotel units, occupancy of the hotel starting from the first year was assumed at 69% and stabilizes at 66%.

Table of room revenue for the first year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	82,907	33,163	116,070
Occupancy (%)	65%	80%	69%
Number of occupied rooms	53,890	26,530	80,420
Average daily rent	530	610	556
Average yield for available rooms	345	488	385
Expected income	28,561,511	16,170,209	44,731,720

Table of room revenue for the second year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	9,386	3,754	13,140
Occupancy (%)	60%	80%	66%
Number of occupied rooms	5,631	3,003	8,635
Average daily rent	2,200	2,530	2,315
Average yield for available rooms	1,320	2,024	1,521
Expected income	12,389,143	7,598,674	19,987,817



Summary of future performance assumptions

Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	318	318	318	318	318
Room Occupancy (%)	69%	69%	69%	69%	69%
Average Room Rate (SAR)	556	556	556	556	556
RevPAR (SAR)	385	385	385	385	385
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (%)	58.0%	58.0%	58.0%	58.0%	58.0%
Food & Beverage (%)	30.0%	30.0%	30.0%	30.0%	30.0%
Spaces inside the hotel (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Meeting Rooms (%)	10.0%	10.0%	10.0%	10.0%	10.0%
Other Revenue (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Total Departmental Profit (%)	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses (%)	35.2%	35.2%	35.2%	35.2%	35.2%
Department Revenue (%)	64.8%	64.8%	64.8%	64.8%	64.8%
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (%)	9.0%	9.0%	9.0%	9.0%	9.0%
Sales & Marketing (%)	5.0%	5.0%	5.0%	5.0%	5.0%
Property Operations and Maintenance (%)	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities (%)	7.0%	7.0%	7.0%	7.0%	7.0%
Total undistributed expenses (%)	26.0%	26.0%	26.0%	26.0%	26.0%
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (%)	5.2%	5.2%	5.2%	5.2%	5.2%
Total Fixed Charges (%)	1.3%	1.3%	1.3%	1.3%	1.3%
Reserve for Renewals (FF&E) (%)	1.0%	1.0%	1.0%	1.0%	1.0%
EBITDA					
(EBITDA) (SAR)	24,195	24,195	24,195	24,195	24,195
Net Profit Percentage (%)	31.4%	31.4%	31.4%	31.4%	31.4%

Valuation

Summary of future performance assumptions



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Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	318	318	318	318	318
Room Occupancy (%)	69%	69%	69%	69%	69%
Average Room Rate (SAR)	556	556	556	556	556
RevPAR (SAR)	385	385	385	385	385
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (SAR)	44,732	44,732	44,732	44,732	44,732
Food & Beverage (SAR)	23,137	23,137	23,137	23,137	23,137
Spaces inside the hotel (SAR)	771	771	771	771	771
Meeting Rooms (SAR)	7,712	7,712	7,712	7,712	7,712
Other Revenue (SAR)	771	771	771	771	771
Total Departmental Profit (SAR)	77,124	77,124	77,124	77,124	77,124
Department Expenses (SAR)	27,117	27,117	27,117	27,117	27,117
Department Revenue (SAR)	50,007	50,007	50,007	50,007	50,007
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (SAR)	6,941	6,941	6,941	6,941	6,941
Sales & Marketing (SAR)	3,856	3,856	3,856	3,856	3,856
Property Operations and Maintenance (SAR)	3,856	3,856	3,856	3,856	3,856
Utilities (SAR)	5,399	5,399	5,399	5,399	5,399
Total undistributed expenses (SAR)	20,052	20,052	20,052	20,052	20,052
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (SAR)	4,025	4,025	4,025	4,025	4,025
Total Fixed Charges (SAR)	964	964	964	964	964
Reserve for Renewals (FF&E) (SAR)	771	771	771	771	771
EBITDA					
(EBITDA) (SAR)	24,195	24,195	24,195	24,195	24,195
Net Profit Percentage (%)	31.4%	31.4%	31.4%	31.4%	31.4%

Valuation

Explicit forecasting period

Discounted Cash flow table:

- The property was valued by income from the lease for the remainder of the contract and then the expected income was assumed after the completion of the lease based on market as shown in the cash flow table below, and the following key assumptions were made:
- Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of 2.8% per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past 12 years as per the Central Bank of Saudi Arabia.
- Rate of return on capital: The rate of return is calculated according to the location of the property and the type of construction, as well as the field and office research for similar rates of return to the property under valuation, and according to our understanding of the real estate market in the Kingdom, a rate of 8.00% has been reached.
- Discount rate: Based on our understanding of similar properties in the real estate area, and taking into account the characteristics of the location, area, use, supply and demand, we applied a discount rate of 11.80%.

Net Income Summary:

The table below shows income based on the contract for the remaining period and then income based on market.

description	1	2	3	4	5	6	7	8	9	10
EBITDA From Rooms (000 SAR)	24,476	25,161	25,865	26,590	27,334	28,100	28,886	29,695	30,527	31,381
EBITDA From Villas (000 SAR)	10,937	11,243	11,558	11,881	12,214	12,556	12,908	13,269	13,640	14,022
Total EBITDA From Rooms & Villas (000 SAR)	35,412	36,404	37,423	38,471	39,548	40,656	41,794	42,964	44,167	45,404
Discounted Period (%)	0.9	1.9	2.9	3.9	4.9	5.9	6.9	7.9	8.9	9.9

Discounted Cash flow table

السنة	1	2	3	4	5	6	7	8	9	10	Exit
EBITDA From Rooms & Villas (SAR 000s)	36,305	36,305	36,305	38,471	39,548	40,656	41,794	42,964	44,167	45,404	
Exit Value (SAR 000s)											567,547
Net Cashflow (SAR 000s)	32,777	29,317	26,223	24,854	22,854	22,161	20,561	19,077	17,699	16,421	205,266
Market Value (Rounded)	437,210,000										
Room Value (SAR per room)	1,235,056										

Valuation

Opinion of Value

Abaad is of the opinion that the value of the Subject Property as of the date of valuation, based upon assumptions and detail within this report, may be fairly stated as follows:

The Fair Value of the property using the income approach as of **30 June 2023** is:

- SAR 437,210,000 (Four Hundred Thirty-Seven Million Two Hundred Ten Thousand Saudi Riyal)
- Room Value 1,088,607 SAR/Room

Signatures

Eng. Ammar Abdulaziz Sindi
Taqeem ID: **1210000219**
Fellow Member
Membership Date: **22/12/2015**
Real Estate Sector

Eng. Ammar Mohamed Qutub
Taqeem ID: **1210000392**
Fellow Member
Membership Date: **24/01/2016**
Real Estate Sector

Eng. Yousuf Abdullah Khan
Taqeem ID: **1220001989**
Provisional Member
Membership Date: **17/09/2020**
Real Estate Sector

Company Stamp
Company Name: Abaad &
Partner for Real Estate Valuation
Company No. **11000111**
CR No: **4030297686**
CL No: **323/18/781**



Appendix

- General Terms Used in the Preparation of the Valuation Report
- Property Documents

General Terms Used in the Preparation of the Valuation Report

Authority

Means the Saudi Authority for Accredited Valuers (TAQEEM), the authority concerned with developing requisite guidelines and standards for the valuation of properties, business establishments, equipment, movable property, etc. in accordance with the Accredited Valuers Regulations promulgated by Royal Decree No. (M/43) dated (9/7/1433). Its objective is to develop the valuation profession and improve the qualifications of valuers, as well as to develop and maintain the general rules for Authority membership of various levels with ongoing development of the qualifications of its members to keep abreast of the highest state of the art levels. The (Authority) is a legal entity, not for profit, with an independent budget. It operates under the supervision of the Ministry of Commerce and Investment.

Asset(s)

To facilitate reading of the standards and in order to avoid repetition, the term Asset(s) generally refers to the items which are the subject of the valuation exercise. Unless otherwise provided in the standards, these terms may be taken to mean and include each of the following words: (an asset, group of assets, obligation, group of obligations, or a group of assets and obligations).

Client

The word (Client) refers to the person(s) or entity for which the valuation is carried out, including the external clients (that is when the valuer is contracted with a third party), as well as the internal clients (that is the valuations prepared for the owner).

Legal Jurisdiction

The word (Jurisdiction) refers to the legal and regulatory environment wherein the valuation process is carried out. It includes the laws and regulations issued by

government authorities, such as the district, state and municipality, and the laws issued by certain regulatory entities commensurate with the purpose of the valuation, such as central banks and capital market authorities.

May

The word (May) describes the action which the valuer is required to take into consideration. Matters described as such require the valuer's attention and understanding. The ability to apply these matters in the valuation process depends on the valuer's judgement and professional experience under conditions which are in line with the objectives of the standards.

Shall

The word (Shall) refers to an unconditional responsibility, that is, the valuer must fulfil any responsibilities of this type in all cases and under all circumstances where the condition is applicable.

Participant

The word (Participant) refers to the participants concerned on the basis(es) of the value used in the valuation exercise (see Standard 104 – Basis of Value). The different bases of value require the valuer to take different points of view into consideration, such as the points of view of the market participants, including for example the Fair Value, the Fair Value of the International Financial Reporting Standards (IFRS), a certain owner or a prospective buyer, such as the investment value.

Purpose

The word (Purpose) refers to the cause(s) of carrying out the valuation. It includes the general purposes (for example, without limitation) the purposes of the financial reports, tax reports, litigation support, transactions support and support of secured lending decisions.

[illegible]

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل

٢٧٧

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 148 من البلك رقم 13 من المخطط رقم 3220 الواقع في حي الملك عبد الله بمدينة الرياض، وحودها وأطوالها: شمالاً: شارع عرض 30 م بطول 5.66 خمسة متر وستة و ستون سنتيمتر + 57 م + 109.07م + 9.54م جنوباً: شارع عرض 20م بطول 172.26 مائة و اثنين و سبعون متر وستة و عشر ون سنتيمتر + 15.33م + 5.56م شرقاً: مسجد بطول 36 ستة و ثلاثون متر غرباً: شارع عرض 30م بطول 137.43 مائة و سبعة و ثلاثون متر وثلاثة و اربعون سنتيمتر ومساحتها 17274 سبعة عشر ألفا و مئتين و أربعة و سبعون متر مربعاً بموجب الصك الصادر من الموثقين بالرياض 9 برقم 299634004106 في 15 / 06 / 1444 قد أصبحت في ملكه/ شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 بئس وقدره: 420000000 فقط اربعمائة و عشرون مليون ريال سعودي لا غير، وعليه جرى التصديق تحريراً في 16 / 06 / 1444 لا عتداده، بوصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل، ويجب التحقق من بيلكها وسريتها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٢-٣٠٠٠١)

مصلحة طبابع الخافضة-٢٩٢١٣٩
(هذا النموذج مخصص لاستخدام المجلسائي ويتمتع بخاصة)

صفحة رقم 1 من 1



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

Mohamed Ibrahim Masoud Street,
Al-Salama District
Zahid Offices Building, 5th Floor, suite 21
Jeddah, Kingdom of Saudi Arabia

Riyadh Branch:

Imam Saud bin Faisal Road,
Al-Sahafa District
Al-Difaa Office, 2nd Floor, suite 106
Riyadh, Kingdom of Saudi Arabia

For more information, please contact us at:
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CEO

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Eng. Ammar Qutub

Executive Director

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Email: ammarq@sa-abaad.com



أبعد
للتقييم العقاري

Final Valuation Report

V230102

Rafal Hotel (Ascot) in Al-Sahafa district in Riyadh

Client / Alinma REIT Hospitality Fund

02 August 2023

الإنماء للاستثمار
alinma investment



Introduction



Dear / Alinma REIT Hospitality Fund

The Subject: Valuation of Rafal Hotel (Ascot) in Al-Sahafa district in Riyadh

Please find attached the report as per your request for a property valuation, hoping that the report meets your requirements as requested from us, and complies with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in **2022**, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM). Please do not hesitate to contact us should you have any queries or questions.

Best Regards,

Engineer Ammar Abdulaziz Sindi
Chief Executive Officer

Issue Version


Details	Information
Reference No.	V230102
Proposal No.	P230182
Report Status	Final
Report Version	1
Registration code	

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- General Terms Used in the Preparation of the Valuation Report
- Property Documents



Executive Summary

- Summary of the Report
- General Terms and Conditions

Executive Summary

Report Summary

Property Summary

- The subject property is a 4-star hotel (Ascot Rafal Hotel) located in Al-Sahafa district in Riyadh.
- The land area is 5,312.69 Sqm (according to the title deed) and the building area under valuation is 25,462.74 Sqm (according to the title deed).
- The building consists of 234 rooms and a ground floor containing a reception area, a café, two restaurants, a prayer room for women and men, and meeting rooms.
- The hotel has two outdoor swimming pools, two gyms, 24-hour reception service, security room, laundry room, electricity room, firefighting system room, and valet parking.
- The property also consists of a basement used for the role of parking. The hotel will be evaluated except (hotel apartments). The property is located on 4 streets, the most important of which is Olaya Street, where the property is located directly on the street.

Property Information

Site Details	Information
District	As Sahafa
Use	Commercial/Hospitality
Tenure	Freehold
Number of Title Deed	410115065922
Date of Title Deed	02/06/1444 H
Land Area (square Sqm s)	25,462.74 (According to title deed)
Owner	Hotel Development Real Estate Company

Valuation Summary

Details	Information
Report Type	Detailed report
Purpose of Valuation	Financial Statements
Other independent Users	Fund Manager and Investors – Report Reviewers
Date of Approval	05 June 2023
Date of Inspection	15 June 2023
Date of Valuation	30 June 2023
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Valuation Approach	Income Approach
Currency	Saudi Arabian Riyal (SAR)
Property Fair Value	265,620,000 SAR (1,088,607 SAR/Key)

Executive Summary

Terms and Conditions



- The Subject Property has been valued according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).
- This report was relied upon and valued according to the specific conditions and restrictions presented in this report.
- The report was issued without any conflict of interest or personal gain.
- The valuation report has been prepared based on the instructions received from the manager of Alinma REIT Hotel Fund, hereinafter referred to as (the client), in order to estimate the Fair Value of the property described for the purpose of financial statements.
- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, and that the information contained in this report is completely confidential and that the report is issued to the client only.
- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the Property and the legal consequences thereof.
- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the Property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.
- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.
- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the Property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Valuation Conditions



Ability to Valuate:

- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the Fair Value by the required date.

Subject of Valuation:

- The subject of the valuation is the assessment of the Fair Value of Rafal Hotel (Ascot) in Al-Sahafa district in Riyadh

Professional Standards:

- The valuation exercise was carried out in compliance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM), and based on recognized procedures and professional used in valuation of real estate properties, which rely on analysis, comparison, and direct inspect of each property, as well searching to the extent possible for positive and negative effects and characteristics of the subject property.

Valuation Approach:

- The approach used in valuation is the income approach.

Basis of Valuation:

- Our valuation will be submitted on the basis of the Fair Value, which is defined in accordance with the International Valuation Standards in 2022 as follows:

- International Accounting Standard No. (13) defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation Date

- We confirm that the valuation was carried out on 30 June 2023.

Inspection Date:

- We confirm that the inspection was carried out on 15 June 2023.

Sources of Information:

- In the preparation of the valuation report, we have relied on a set of resources, information and office and field data which we believe are commensurate with the purpose and timing of the valuation. We have also relied on the set of data provided by the Client related to the subject property, and which will clearly affect the output of this report. Therefore, any change or error in the data will render this report as incomplete, and the valuer shall be reverted to.

The Following Documents Were Reviewed:

#	Document
1	Title Deed
2	Building Permit
3	Lease Contract

We therefore assume that the information is correct and that there is nothing to contradict or conflict with them. The report is issued on this basis and we disclaim any liability for anything to the contrary.



Disclaimers

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions

Intellectual Property and Re-Publishing

- This report is issued for personal use only, and for the professional advisors, for the specific purpose referred to therein.
- Abaad Real Estate Valuation Company may not be held liable to any third party for all or part of the contents of the report.

Confidentiality

- This report is prepared upon special request and for an advisory purpose. We therefore understand that it is of utmost importance to the originator of the request to safeguard the confidentiality of the contents and output of this report. We are committed to this and the Client's information will not be used in anything other than this report. The Client's information is considered to be proprietary to its owner and to the users specified in this report, and may not be reviewed by any third party.

Important Assumptions and Special Assumptions

- According to the definition of the International Valuation Standards "Important Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required, and may be accepted as fact in the context of the valuation exercises without verification or validation in a specific manner. Moreover, they are matters which are accepted when stated. Such
- No assumptions or special assumptions were made.

assumptions are necessary to understand the valuation or the consultation that is provided. Special assumptions are assumptions which differ from actual facts which exist as at the valuation date, or those which are not assumed by a usual market participant in a certain transaction on the valuation date."



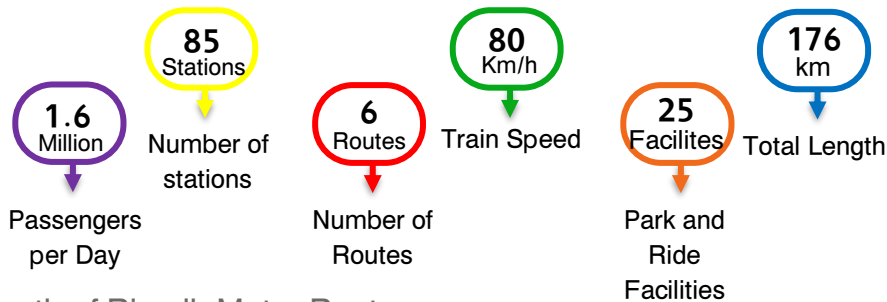
Site Location Analysis

- Macro Location - Introduction
- Macro Location - Infrastructure Projects
- Property Description at City Level
- Property Description at District Level
- Property Photographs

Site Location Analysis

Public Transport – Riyadh Metro

- Metro Riyadh is a high-speed transport system. It is currently under construction. It is one of the largest infrastructure projects in the City of Riyadh.
- The Metro is design as a world class transport system, including **756** metro cars, **85** stations, six metro lines and a network spanning **176** kiloSqm s.
- The construction of the metro system has resulted in several road closures which affected traffic in various parts of the city.



Length of Riyadh Metro Routes

Route	Route Length (Km)
First Route (Blue)	38.0
Second Route (Red)	25.3
Third Route (Orange)	40.7
Fourth Route (Yellow)	29.6
Fifth Route (Green)	12.9
Sixth Route (Purple)	29.5

Riyadh Metro Route Map:



Site Location Analysis

Development Projects at City Level



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The Royal Commission for the City of Riyadh carries out many programs and development projects which are strategic in nature with multiple objectives and dimensions and different requirements for execution over time.

هيئة تطوير
بوابة الدرعية



Between the architectural, cultural, economic and social features and the environmental development requirements of Wadi Hanifa, it provides a model for the development of the oasis.

The program adopted the principle of integration with the City of Riyadh, making Diriya a world class cultural, tourism and promotional suburb.

Riyadh Art Project



Includes the performance of over 1000 artworks by local and international artists in front of audiences in the various parts of the City of Riyadh, as part of 10 programs covering residential neighborhoods, public parks, natural promenades, public squares, public transport stations, bridges, pedestrian crossings, city entrances and all tourism destinations of the city.

Riyadh Boulevard



Extends 135 kiloSqm s, penetrating the City of Riyadh to connect Wadi Hanifa in the west of the City with Wadi Al Sulay in its east. It includes sports, cultural, recreational and environmental activities, including bicycle tracks, horse tracks, pedestrian sidewalks, a number of gates, stations and rest areas for bikers and hikers. Along the Boulevard inside the City and at Wadi Hanifa and Wadi Al Sulay, recreational services are provided to bikers and hikers, including coffee shops and diverse retail outlets.

Green Riyadh



The program aims at planting over 7.5 million trees in all parts of the city, including public parks, community parks, promenades, mosques, schools, academic, health and public installations and facilities, green belts along the spans of public utility lines, in addition to King Khalid International Airport, a roads and streets network, in addition to public transport routes, car parking spaces, vacant lands, valleys and river tributaries.

King Salman Park:



The largest city park in the World with an area exceeding 13 square kiloSqm s. It is considered to be an environmental, cultural, sports and recreational project which contributes to the changing lifestyle in the city.

Site Location Analysis

The Property at City Level



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Riyadh City Boundaries

King Khalid
International
Airport

Danman Road

Khurais Road

King Fahd Road

King Khalid Road

Northern Ring Road

Eastern Ring Road

Subject
Property

Boundaries of the White Land
Area

طريق مكة المكرمة

Southern Ring Road

The subject property is located in Riyadh, the capital and largest city of the Kingdom of Saudi Arabia, and the center of the Riyadh region. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million people in 1440 H / 2018. Riyadh is one of the largest cities in the Arab countries in terms of area, with an area of about 1,913 square kilometers. The city of Riyadh is witnessing a remarkable development in its infrastructure projects and public transport projects, as work is underway on the Riyadh metro project and the public transport project. The property is under review. Located in downtown Riyadh, the property is approximately 40 kilometers from King Khalid International Airport. The area of the property under valuation is located within the white land range.

Site Location Analysis

The Property at District Level



The property is located in the center of Riyadh in As Sahafa district and it's bordered on the north by Anas Ibn Malik Road, to the west by King Fahd Road and to the east by Olaya Street.

The property is located south of King Khalid International Airport and bordered on the north by Al-Yasmin neighborhood, on the south and west by Al-Malqa neighborhood, and on the east by Al-Sahafa neighborhood

The subject property can be accessed through King Fahd Road and Olaya Street, which is one of the most important streets in Riyadh and flourishes on both sides of economic and commercial activities. All services are available in the area of the propert.

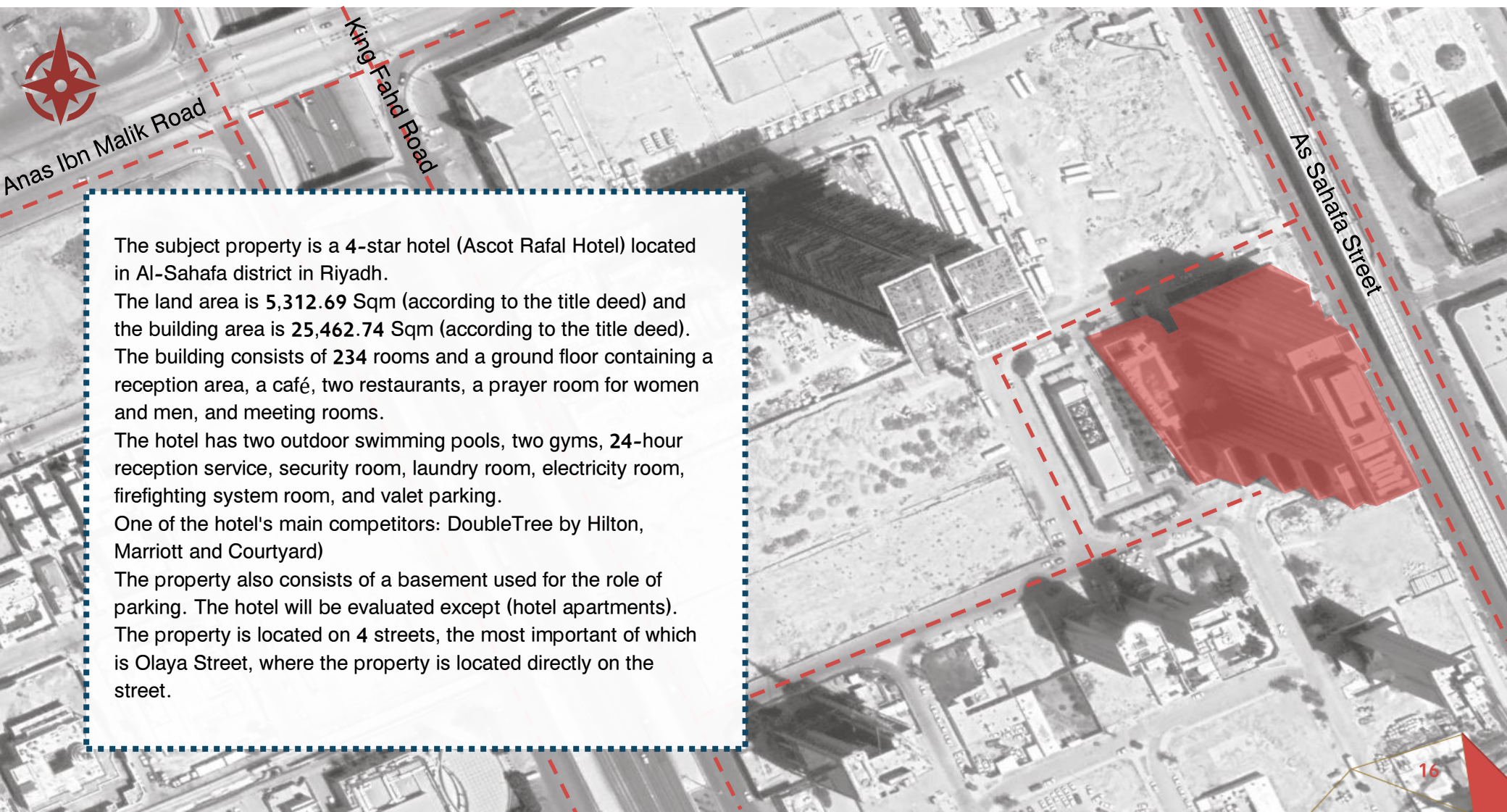


Site Location Analysis

Property Description



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The subject property is a 4-star hotel (Ascot Rafal Hotel) located in Al-Sahafa district in Riyadh.

The land area is 5,312.69 Sqm (according to the title deed) and the building area is 25,462.74 Sqm (according to the title deed). The building consists of 234 rooms and a ground floor containing a reception area, a café, two restaurants, a prayer room for women and men, and meeting rooms.

The hotel has two outdoor swimming pools, two gyms, 24-hour reception service, security room, laundry room, electricity room, firefighting system room, and valet parking.

One of the hotel's main competitors: DoubleTree by Hilton, Marriott and Courtyard)

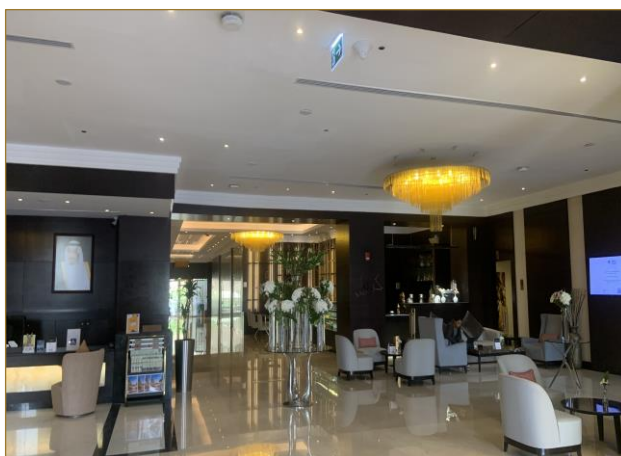
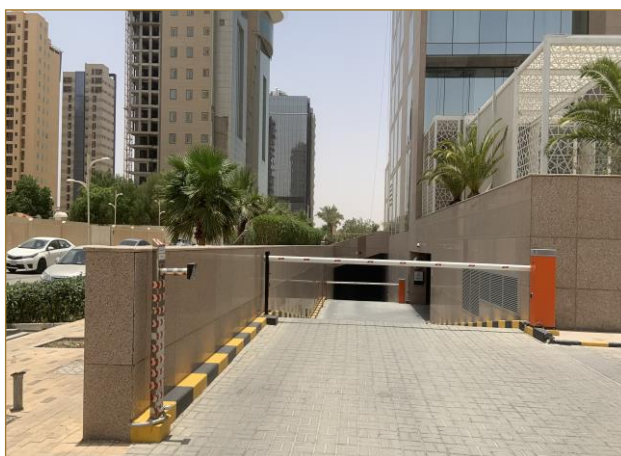
The property also consists of a basement used for the role of parking. The hotel will be evaluated except (hotel apartments). The property is located on 4 streets, the most important of which is Olaya Street, where the property is located directly on the street.

Site Location Analysis

Property Photographs



أبجد
للتقييم العقاري

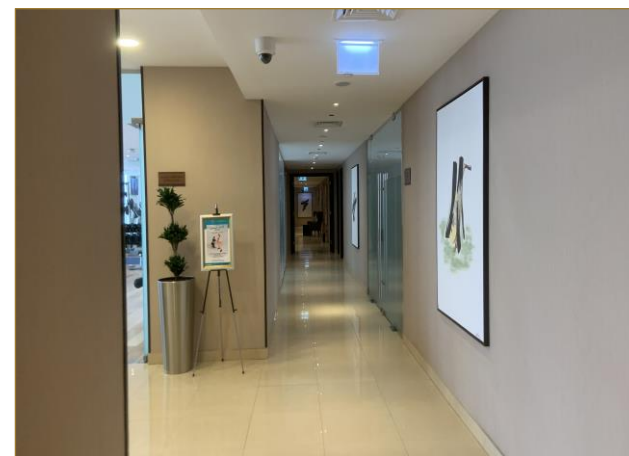
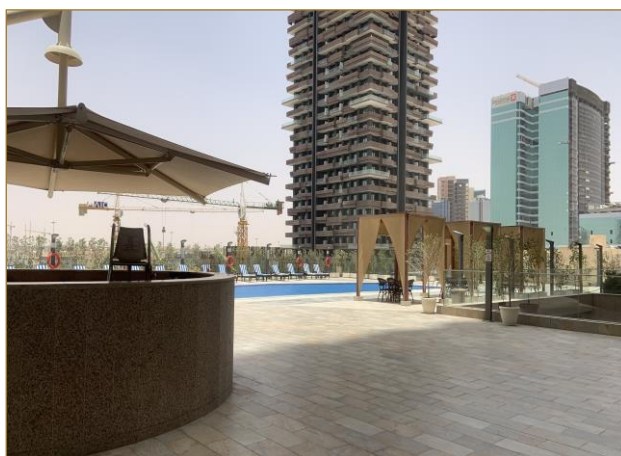
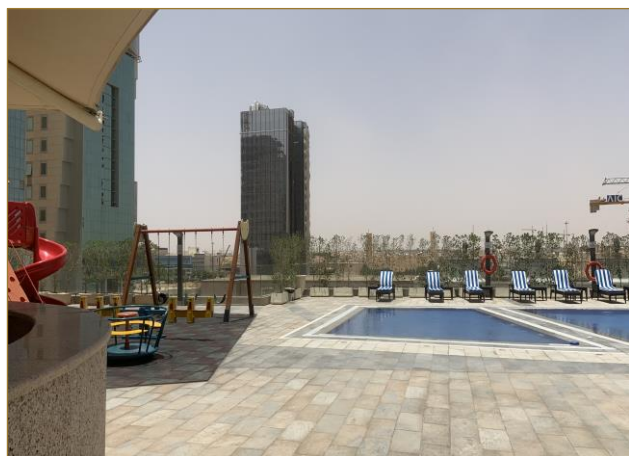


Site Location Analysis

Property Photographs



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للتقييم العقاري

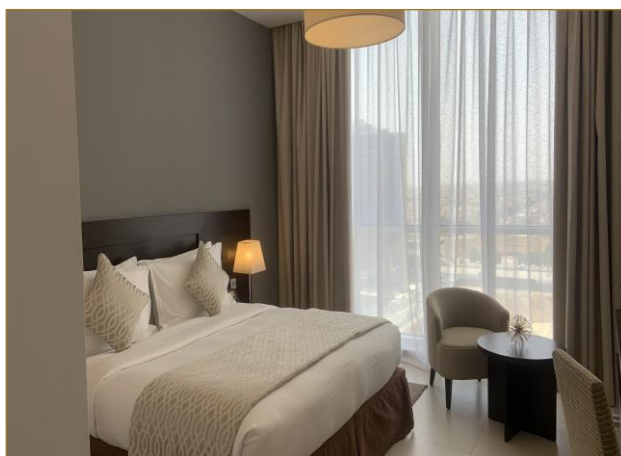
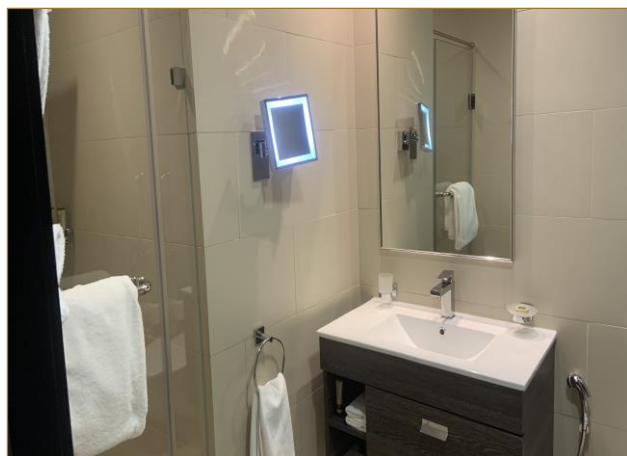
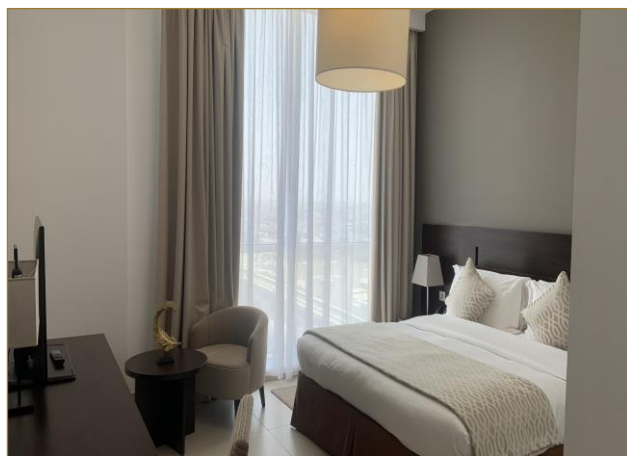


Site Location Analysis

Property Photographs



أبجد
للتقييم العقاري





Property Details

- Title Information
- Dimensions and street widths
- lease contract summary

Tenure

Property Information



Property Details (Freehold Details)

ID	Description		
Owner	Hotel Development Real Estate Company		
Property Name	Rafal Hotel (Ascot) in Al-Sahafa district in Riyadh		
Plot No.	-		
Masterplan No.	ب إ/1863		
District	As Sahafa		
Block No.	-		
Coordinates	24°48'31.7"N	46°37'34.0"E	
City	Riyadh		
Ownership Type	Freehold		
Title Deed Info	Deed No.	410115065922	
	Deed Date	02/06/1444 H	

Dimensions and street widths

Side	Frontage Length	Street Name	Width (m)	Frontage
North	99	NA	15	4
South	58	NA	20	3
East	103	As Sahafa Street	40	1
West	72.84	NA	20	2

- Sources: Title Deed

Lease Contract Summary:

Year	Income
First party (owner)	Hotel Development Real Estate Company
Second Party (Tenant)	Al Maskan Al Hadhari Real Estate Development Company
Contract Period	5
First Year	18,800,000
Second Year	18,800,000
Third Year	18,800,000
Fourth Year	18,800,000
Fifth Year	18,800,000

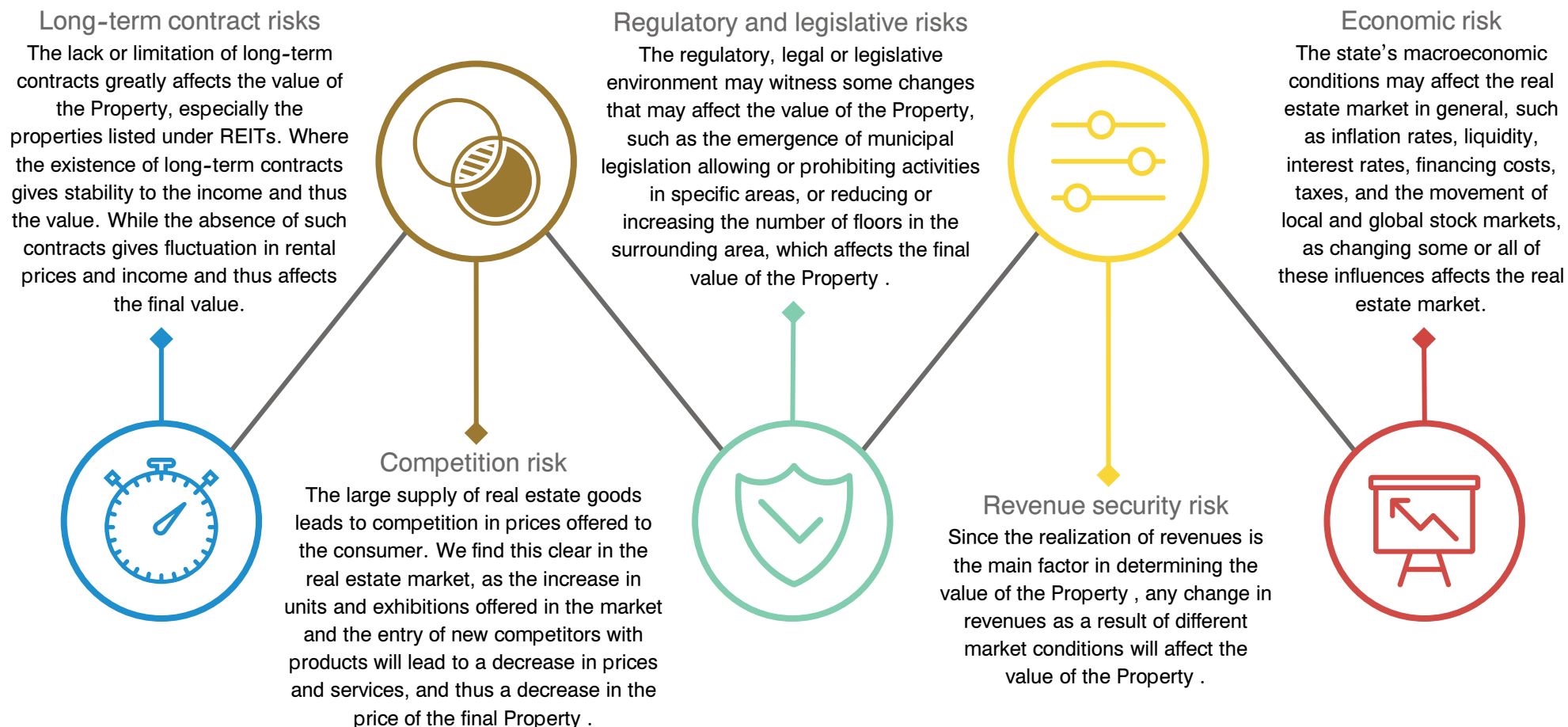
No legal document has been verified for the subject property under valuation, which includes planning, ownership, mortgage and some legal matters on which all or part of this report is based and considered reliable. It was assumed that the instrument was valid and binding. It was also assumed that the property is free from any legal obligations, mortgage rights or any Constraints.

- Sources: leasehold



Valuation

- Analysis of Property Risks
- Valuation Using the Income Method
- Valuation Approach
- Field Research and Market Analysis
- Revenue Estimation
- Future Performance Assumptions
- Explicit Forecasting Period
- Summary of Value



Valuation Methods Used

When choosing the most appropriate methodology for estimating the value of the property under Valuation, we took into account the information provided by the client, the current situation of the property as well as our own analysis of the local market conditions, when determining the Fair Value of the property under valuation, the following methods and methods were used:

Income Method (Profit 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

The income method should be applied and given priority or significant weight in the following cases:

- a) When the ability of an asset to generate income is the primary element that affects value from the point of view of the participants.
- b) Reasonable projections are available as to the amount and timing of future revenue for the asset being valued, but there are few, if any, fair comparisons relevant.

When it comes to valuation of commercial assets such as hotels, we usually follow the profit method.

Profit Method

When valuing hotels, the approach involves estimating earnings before interest, tax, depreciation and amortization (EBITDA) over a given period. Usually this type of real estate is exited within **10** years, and the time duration of cash flows has been assumed to be **10** years.

Regarding EBITDA Forecast

First, this is achieved by analyzing the current or future performance of the property under Valuation, taking into account factors such as location, hotel popularity, condition, specifications, and operating structure. Second: We study the local hospitality sector by evaluating the current performance of the market in addition to the rooms expected to enter the market, as well as analyzing the hotel sector and some economic indicators.

Assumptions are then made regarding vacancy ratio, average daily rent, available per room revenue, hotel department expenses, undistributed expenses, management fees, fixed fees, and furnishings and equipment renovation reserves. In terms of the growth rate during cash flow calculations, we examined the average long-term inflation rate in Saudi Arabia, as well as the typical growth rates among similar hotels, and reached a rate of **2.8%**.

Income Approach Valuation

Field Research and Market Analysis



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Field research was conducted for hotels that have similar characteristics to the subject property, and the details of the comparisons are as follows.

Hotel Name	Crown Rose Hotel	Swiss International Hotel
classification	4 Stars	4 Stars
Average rental price in the middle of the week (SR/room/night)	470	630
Average rental price on weekends (SAR/room/night)	470	670

When looking at the nature of the prices of the rooms offered in the property area, there is a relative convergence between the prices, which is affected by the location of the hotel, the area of the room, the services provided and the facilities, and through field research it becomes clear as follows:

Comparisons show that prices range from 470 SAR/sqm to 630 SAR/sqm in the middle of the week and prices range from 470 SAR/sqm to 670 SAR/sqm on weekends.

The map shows the locations of the comparisons used in the valuation and was used to determine the expected income of the property, as shown in the following pages of this report.



Valuation

Revenue Estimation

Revenue Calculation

Based on the analysis of hotel comparisons, the tables below show a summary of room revenue for the first year.

In the cash flow assumptions of hotel units, occupancy of the hotel starting from the first year was assumed at 72% and stabilizes on this percentage.

Table of room revenue for the first year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	63,614	25,446	89,060
Occupancy (%)	75%	65%	72%
Number of occupied rooms	47,711	16,540	64,250
Average daily rent	560	616	574
Average yield for available rooms	420	400	414
Expected income	26,718,000	10,188,464	36,906,464

Calculation of revenues of the commercial part

According to field research, the price of the rental Sqm for the commercial part was reached, the tables below summarize the revenues of the commercial part.

In the cash flow assumptions for the commercial part, occupancy starts from the first year was assumed at 100% and stabilized at this ratio for the rest of the years.

Table of Revenue Breakdown of the Commercial Part for the First Year

#	Exhibition Area (Sqm)	Lease Rate (Sqm)	Total (SAR/Year)
1	480	1,500	720,000
2	406	1,500	609,000
3	613	1,500	919,500
4	483	1,500	724,500
Total	1,982		2,973,000
Operating expenses discount rate (%)			10
Net Operating Income (SAR/Year)			2,675,700

Note: The commercial part has not been calculated in the assumptions described in the following pages of this report and the net operating income of the commercial part has been reached and added separately in the cash flow schedule.

Valuation

Summary of future performance assumptions

Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	244	244	244	244	244
Room Occupancy (%)	72%	72%	72%	72%	72%
Average Room Rate (SAR)	574	574	574	574	574
RevPAR (SAR)	414	414	414	414	414
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (%)	77.0%	77.0%	77.0%	77.0%	77.0%
Food & Beverage (%)	20.0%	20.0%	20.0%	20.0%	20.0%
Meeting Rooms (%)	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Total Departmental Profit (%)	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses (%)	28.3%	28.3%	28.3%	28.3%	28.3%
Department Revenue (%)	71.7%	71.7%	71.7%	71.7%	71.7%
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (%)	9.0%	9.0%	9.0%	9.0%	9.0%
Sales & Marketing (%)	5.0%	5.0%	5.0%	5.0%	5.0%
Property Operations and Maintenance (%)	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities (%)	7.0%	7.0%	7.0%	7.0%	7.0%
Total undistributed expenses (%)	26.0%	26.0%	26.0%	26.0%	26.0%
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (%)	5.7%	5.7%	5.7%	5.7%	5.7%
Total Fixed Charges (%)	1.3%	1.3%	1.3%	1.3%	1.3%
Reserve for Renewals (FF&E) (%)	1.0%	1.0%	1.0%	1.0%	1.0%
EBITDA					
(EBITDA) (SAR)	18,076	18,076	18,076	18,076	18,076
Net Profit Percentage (%)	37.7%	37.7%	37.7%	37.7%	37.7%

Valuation

Summary of future performance assumptions



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Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	90	90	90	90	90
Room Occupancy (%)	54%	59%	64%	64%	64%
Average Room Rate (SAR)	380	409	439	439	439
RevPAR (SAR)	204	239	279	279	279
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (SAR)	36,906	36,906	36,906	36,906	36,906
Food & Beverage (SAR)	9,586	9,586	9,586	9,586	9,586
Meeting Rooms (SAR)	959	959	959	959	959
Other Revenue (SAR)	479	479	479	479	479
Total Departmental Profit (SAR)	47,930	47,930	47,930	47,930	47,930
Department Expenses (SAR)	13,583	13,583	13,583	13,583	13,583
Department Revenue (SAR)	34,347	34,347	34,347	34,347	34,347
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (SAR)	4,314	4,314	4,314	4,314	4,314
Sales & Marketing (SAR)	2,397	2,397	2,397	2,397	2,397
Property Operations and Maintenance (SAR)	2,397	2,397	2,397	2,397	2,397
Utilities (SAR)	3,355	3,355	3,355	3,355	3,355
Total undistributed expenses (SAR)	12,462	12,462	12,462	12,462	12,462
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (SAR)	2,730	2,730	2,730	2,730	2,730
Total Fixed Charges (SAR)	599	599	599	599	599
Reserve for Renewals (FF&E) (SAR)	479	479	479	479	479
EBITDA					
(EBITDA) (SAR)	18,076	18,076	18,076	18,076	18,076
Net Profit Percentage (%)	37.7%	37.7%	37.7%	37.7%	37.7%

Valuation

Explicit forecasting period

Discounted Cash flow table:

- The property was valued by income from the lease for the remainder of the contract and then the expected income was assumed after the completion of the lease based on market as shown in the cash flow table below, and the following key assumptions were made:
- Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of 2.8% per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past 12 years as per the Central Bank of Saudi Arabia.
- Rate of return on capital: The rate of return is calculated according to the location of the property and the type of construction, as well as the field and office research for similar rates of return to the property under valuation, and according to our understanding of the real estate market in the Kingdom, a rate of 8.00% has been reached.
- Discount rate: Based on our understanding of similar properties in the real estate area, and taking into account the characteristics of the location, area, use, supply and demand, we applied a discount rate of 11.80%.

Net Income Summary:

The table below shows income based on the contract for the remaining period and then income based on market.

description	1	2	3	4	5	6	7	8	9	10
EBITDA (000 SAR)	Income based on contract						Income based on market			
	23,782	19,377	19,920	20,478	21,051	21,641	22,246	22,869	23,510	23,510
Discounted Period (%)	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0

Discounted Cash flow table

السنة	1	2	3	4	5	6	7	8	9	10	Exit
EBITDA (SAR 000s)	23,782	19,377	19,920	20,478	21,051	21,641	22,246	22,869	23,510	23,510	
Exit Value (SAR 000s)											293,871
Net Income from Commercial Part (SAR 000s)	2,751	2,828	2,907	2,988	3,072	3,158	3,246	3,337	3,431	3,527	
Exit Value (SAR 000s)											44,084
Net Cashflow (SAR 000s)	23,732	17,765	16,335	15,020	13,811	13,402	12,435	11,537	10,704	9,695	121,188
Market Value (Rounded)	265,620,000										
Room Value (SAR per room)	1,088,607										

Valuation

Opinion of Value

Abaad is of the opinion that the value of the Subject Property as of the date of valuation, based upon assumptions and detail within this report, may be fairly stated as follows:

The Fair Value of the property using the income approach as of **30 June 2023** is:

- SAR 265,620,000 (Two Hundred Sixty-Five Million Six Hundred Twenty Thousand Saudi Riyal)
- Room Value 1,088,607 SAR/Room

Signatures

Eng. Ammar Abdulaziz Sindi
Taqeem ID: **1210000219**
Fellow Member
Membership Date: **22/12/2015**
Real Estate Sector

Eng. Ammar Mohamed Qutub
Taqeem ID: **1210000392**
Fellow Member
Membership Date: **24/01/2016**
Real Estate Sector

Eng. Yousuf Abdullah Khan
Taqeem ID: **1220001989**
Provisional Member
Membership Date: **17/09/2020**
Real Estate Sector

Company Stamp
Company Name: Abaad &
Partner for Real Estate Valuation
Company No. **11000111**
CR No: **4030297686**
CL No: **323/18/781**



Appendix

- General Terms Used in the Preparation of the Valuation Report
- Property Documents

General Terms Used in the Preparation of the Valuation Report

Authority

Means the Saudi Authority for Accredited Valuers (TAQEEM), the authority concerned with developing requisite guidelines and standards for the valuation of properties, business establishments, equipment, movable property, etc. in accordance with the Accredited Valuers Regulations promulgated by Royal Decree No. (M/43) dated (9/7/1433). Its objective is to develop the valuation profession and improve the qualifications of valuers, as well as to develop and maintain the general rules for Authority membership of various levels with ongoing development of the qualifications of its members to keep abreast of the highest state of the art levels. The (Authority) is a legal entity, not for profit, with an independent budget. It operates under the supervision of the Ministry of Commerce and Investment.

Asset(s)

To facilitate reading of the standards and in order to avoid repetition, the term Asset(s) generally refers to the items which are the subject of the valuation exercise. Unless otherwise provided in the standards, these terms may be taken to mean and include each of the following words: (an asset, group of assets, obligation, group of obligations, or a group of assets and obligations).

Client

The word (Client) refers to the person(s) or entity for which the valuation is carried out, including the external clients (that is when the valuer is contracted with a third party), as well as the internal clients (that is the valuations prepared for the owner).

Legal Jurisdiction

The word (Jurisdiction) refers to the legal and regulatory environment wherein the valuation process is carried out. It includes the laws and regulations issued by

government authorities, such as the district, state and municipality, and the laws issued by certain regulatory entities commensurate with the purpose of the valuation, such as central banks and capital market authorities.

May

The word (May) describes the action which the valuer is required to take into consideration. Matters described as such require the valuer's attention and understanding. The ability to apply these matters in the valuation process depends on the valuer's judgement and professional experience under conditions which are in line with the objectives of the standards.

Shall

The word (Shall) refers to an unconditional responsibility, that is, the valuer must fulfil any responsibilities of this type in all cases and under all circumstances where the condition is applicable.

Participant

The word (Participant) refers to the participants concerned on the basis(es) of the value used in the valuation exercise (see Standard 104 – Basis of Value). The different bases of value require the valuer to take different points of view into consideration, such as the points of view of the market participants, including for example the Fair Value, the Fair Value of the International Financial Reporting Standards (IFRS), a certain owner or a prospective buyer, such as the investment value.

Purpose


The word (Purpose) refers to the cause(s) of carrying out the valuation. It includes the general purposes (for example, without limitation) the purposes of the financial reports, tax reports, litigation support, transactions support and support of secured lending decisions.

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[illegible]

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية الجزائرية الديمقراطية الشعبية
وزارة العدل
[٢٧٧]



صلك

الحمد لله وبهدة الصلاة والسلام على من لا نبي بعده، وبعد:

فإن الشقة رقم 1 / 1167 في حي الأرضي العاشر من البرج رقم 1167 المقامة على البرج رقم 1167 من المخطط رقم 1863 / أ ب الواقع في حي الصحافة بمدينة الرياض .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض 15.00م يارتداد 3.00م بطول: ()
 $21.00 + 1.40 + 19.40 + 9.90 + 11.80 + 8.50 + 26.35$
جنوباً: شارع عرض 20.00م يارتداد 4.00م بطول: ()
 $19.20 + 5.60 + 11.80 + 4.20 + 16.93$
شرقاً: شارع عرض 40م يارتداد 6.00م بطول: ()
 $9.90 + 4.20 + 19.20 + 4.20 + 25.30 + 21.00 + 19.20$
غرباً: شارع 20.00م يارتداد 4.00م بطول: (72.84) اثنين وسبعون متراً وأربعة وثمانون سنتيمتراً

وساحتها : (25,462.74) خمسة وعشرون ألفاً وأربعمائة واثنين وستين متراً مربعاً وأربعة وسبعون سنتيمتراً مربعاً فقط مساحة الأرض مشاعاً 2,531.69م² ، تكون حصص كل مالك في الأجزاء المشتركة بنسبة قيمة الجزء الذي يملكه موزعة 0.578%، حسب التقرير المساحي رقم 5767/43 في 27/10/1437م بالخلاف رقم 3700261211 في 12/1437م، والمقيّد برقم 38161337 في 10/1/1438م كما يجب على مالك كل وحدة التنسيق مع باقي المالكين بالعقار ، وتكوين جمعية ملاك بعد مدة أقصاها 6 أشهر من اكتمال النصاب ، وذلك عند بلوغ عدد الوحدات المفردة للعقار أكثر من 10 وحدات ، وإذا عد ملكها عن 5 أشخاص وذلك وفق مألّف عليه نظام ملكية الوحدات العقارية وفرزها الصادر بقر والمستند في إقرارها على الصك الصادر من كتابة العدل بوسط الرياض برقم 614010002737

في 1 / 12 / 1443 هـ


قد انتقلت ملكيتها لـ: شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 في 1 / 7 / 1443 هـ ويتّمت في 1 / 7 / 1446 هـ ..

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من صحتها بتسجيلها عبر الخدمات الإلكترونية لوزارة العدل
نموذج رقم (١٦-٢٠٢٤)

(هذا النموذج مطبوع للاستخدام بالعملاء التي وضعت للتسهيل)

ملحوظة: نموذج العقارية ٢٠٢٤

صفحة رقم 2 من





Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

Mohamed Ibrahim Masoud Street,
Al-Salama District
Zahid Offices Building, 5th Floor, suite 21
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Al-Sahafa District
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Final Valuation Report

V230102

Clarion Hotel in Al-Marwah district in Jeddah

Client / Alinma REIT Hospitality Fund

02 August 2023

الإنماء للاستثمار
alinma investment



Introduction



Dear / Alinma REIT Hospitality Fund

The Subject: Valuation of Clarion Hotel in Al-Marwah district in Jeddah

Please find attached the report as per your request for a property valuation, hoping that the report meets your requirements as requested from us, and complies with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in **2022**, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM). Please do not hesitate to contact us should you have any queries or questions.

Best Regards,

Engineer Ammar Abdulaziz Sindi
Chief Executive Officer

Issue version


Details	Information
Reference No.	V230102
Proposal No.	P230182
Report Status	Final
Report Version	1
Registration code	

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- General Terms Used in the Preparation of the Valuation Report
- Property Documents



Executive Summary

- Summary of the Report
- General Terms and Conditions

Executive Summary

Report Summary

- The subject property under Valuation is a 4-star hotel (Clarion) located in Al-Marwah district in Jeddah.
- The land area is 3,311.25 Sqm (according to the title deed) and the building area is 25,312.52 Sqm (according to the building permit).
- The building consists of 3 basement floors, ground floor and frequent hospitality floors.
- The basement consists of parking for 204 cars, the ground floor contains a reception area and the first floor contains a restaurant. The typical hotel floors consist of 200 different hotel rooms, and the building also consists of a service area and outdoor seating.
- The property is located on Prince Majid Street, which is one of the most important commercial streets in Jeddah.
- The property is 11 km from King Abdulaziz International Airport.

Property Information

Site Details	Information
District	Al Marwa
Use	Commercial/Hospitality
Tenure	Freehold
Number of Title Deed	499074003352
Date of Title Deed	1444/05/28
Land Area (m2)	3,311.25 sqm (According to title deed)
Owner	Hotel Development Real Estate Company

Valuation Summary

Details	Information
Report Type	Detailed report
Purpose of Valuation	Financial Statements
Other independent Users	Fund Manager and Investors – Report Reviewers
Date of Approval	05 June 2023
Date of Inspection	14 June 2023
Date of Valuation	30 June 2023
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Valuation Approach	Income Approach
Currency	Saudi Arabian Riyal (SAR)
Property Fair Value	157,290,000 SAR (786,450 SAR/Key)

Executive Summary

Terms and Conditions



- The Subject Property has been valued according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).
- This report was relied upon and valued according to the specific conditions and restrictions presented in this report.
- The report was issued without any conflict of interest or personal gain.
- The valuation report has been prepared based on the instructions received from the manager of Alinma REIT Hotel Fund, hereinafter referred to as (the client), in order to estimate the Fair Value of the property described for the purpose of financial statements.
- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, and that the information contained in this report is completely confidential and that the report is issued to the client only.
- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the Property and the legal consequences thereof.
- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the Property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.
- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.
- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the Property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Valuation Conditions



Ability to Valuate:

- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the Fair Value by the required date.

Subject of Valuation:

- The subject of the valuation is the assessment of the Fair Value of Clarion Hotel in Al-Marwah district in Jeddah

Professional Standards:

- The valuation exercise was carried out in compliance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM), and based on recognized procedures and professional used in valuation of real estate properties, which rely on analysis, comparison, and direct inspect of each property, as well searching to the extent possible for positive and negative effects and characteristics of the subject property.

Valuation Approach:

- The approach used in valuation is the income approach.

Basis of Valuation:

- Our valuation will be submitted on the basis of the Fair Value, which is defined in accordance with the International Valuation Standards in 2022 as follows:

- International Accounting Standard No. (13) defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation Date

- We confirm that the valuation was carried out on 30 June 2023.

Inspection Date:

- We confirm that the inspection was carried out on 14 June 2023.

Sources of Information:

- In the preparation of the valuation report, we have relied on a set of resources, information and office and field data which we believe are commensurate with the purpose and timing of the valuation. We have also relied on the set of data provided by the Client related to the subject property, and which will clearly affect the output of this report. Therefore, any change or error in the data will render this report as incomplete, and the valuer shall be reverted to.

The Following Documents Were Reviewed:

#	Document
1	Title Deed
2	Building Permit
3	Lease Contract

We therefore assume that the information is correct and that there is nothing to contradict or conflict with them. The report is issued on this basis and we disclaim any liability for anything to the contrary.



Disclaimers

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions

Disclaimers



Intellectual Property and Re-Publishing

- This report is issued for personal use only, and for the professional advisors, for the specific purpose referred to therein.
- Abaad Real Estate Valuation Company may not be held liable to any third party for all or part of the contents of the report.

Confidentiality

- This report is prepared upon special request and for an advisory purpose. We therefore understand that it is of utmost importance to the originator of the request to safeguard the confidentiality of the contents and output of this report. We are committed to this and the Client's information will not be used in anything other than this report. The Client's information is considered to be proprietary to its owner and to the users specified in this report, and may not be reviewed by any third party.

Important Assumptions and Special Assumptions

- According to the definition of the International Valuation Standards "Important Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required, and may be accepted as fact in the context of the valuation exercises without verification or validation in a specific manner. Moreover, they are matters which are accepted when stated. Such
- The payment date and contract details have been modified according to the client's statement.

assumptions are necessary to understand the valuation or the consultation that is provided. Special assumptions are assumptions which differ from actual facts which exist as at the valuation date, or those which are not assumed by a usual market participant in a certain transaction on the valuation date."

- The property valuation is prepared assuming the completion of the project and infrastructure.
- Income is estimated after the end of the contract term assuming the application of Ministry of Finance resolution to reduce annual rents by 20%.



Site Location Analysis

- Macro Location - Introduction
- Macro Location - Infrastructure Projects
- Property Description at City Level
- Property Description at District Level
- Property Photographs

Site Location Analysis

Macro Location - Infrastructure Projects



Operational

Current Status



2018

Completion Date



4 Stations

No. Stations

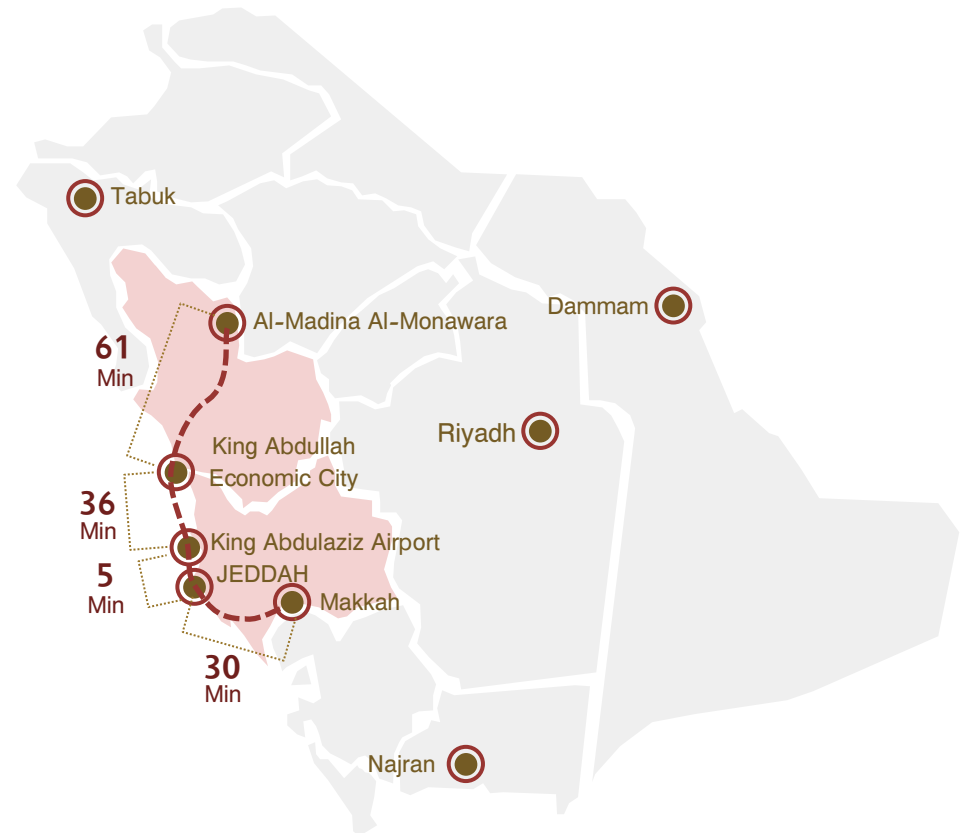


60 Million
Per Annum

Total Capacity

- The Haramain High-Speed Railway (HHSR) runs for approximately **450km**, connecting the two holy cities of Makkah and Madinah, via the Central Jeddah Station, King Abdulaziz International Airport (KAIA), and King Abdullah Economic City Station (KAEC).
- The railway is expected to carry around **60** million passengers per annum, onboard a fleet of **35** trains, each consisting of **417** seats.
- Currently, the train line goes by Four stations, located as follows:
 - Jeddah Naseem Station.
 - Jeddah King Abdulaziz Int' Airport Station.
 - King Abdullah Economic City Station.
 - Madinah Station.

Public Transportation



Site Location Analysis

Macro Location - Infrastructure Projects



- King Abdulaziz International Airport is currently undergoing expansion plans, which are divided into three phases.
- Phase 1 of the expansion project is currently operational, although not at its full handling capacity. Phase 1 will increase the annual capacity of passengers from 13 Million Annual Passengers (MAP) to 30 MAP.
- However, due to delays in the expansion plans, the focus of the project is currently on phase 1 and uncertainty surrounds phases 2 and 3, but initially the project is expected to be completed by 2035, capturing 80 MAP.
- The new Expansion of KAIA spans a total Gross Floor Area of 670,000 sqm and featuring 120 retail outlets and 120 hospitality keys.



120 Room Keys



46 Gates



120 Retail Stores



21.6K parking Bays



Hajj and Umrah Terminal Complex

Site Location Analysis

Macro Location

Location

- Jeddah is one of the governorates of Makkah Province, Saudi Arabia located on the Red Sea coast. The province is **900 km** from the capital, Riyadh, **75 km** from Mecca, and **400 km** from Medina, which is the economic and tourist capital of the Kingdom of Saudi Arabia,
- It is considered the first destination in the Kingdom for tourists, whether from inside or outside the Kingdom, and is the first in terms of towers and skyscraper projects.
- With a population of about **3,456,259** people, Jeddah is the second largest city in Saudi Arabia after the capital Riyadh, the largest city in the Makkah region and is considered the gateway to the Two Holy Mosques.
- It has the largest seaport on the Red Sea, is considered a financial and business center in Saudi Arabia and a major port for the export of non-oil goods and for importing local needs, and there are approximately **135** skyscrapers in Jeddah under construction.
- The subject property is approximately **11 km** from King Abdulaziz International Airport.
- The map shows the location of the property under Valuation at the city level.



Site Location Analysis

The Property at District Level



The property is located north of Jeddah in Al-Marwah district, with a high population density and medium to high income.

The property is surrounded by 3 streets, the most important of which is Prince Majid Road.

The surrounding area of the property can be accessed through Madinah Road and is one of the most important streets in Jeddah.

All services are available in the area of the subject property under Valuation.

King Abdulaziz
International
Airport

Mall of Arabia

Subject Property

Periodic
examination

Mandarin
Mall

Palestine Medical
Complex

Al Marwa
Plaza

Hyper
Panda

King Fahd Road

Al Makarunah Road

Prince Miteb Bin Abdulaziz Road

Site Location Analysis

Property Description



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The property under Valuation is a 4-star hotel (Clarion) located in Al-Marwah district in Jeddah.

The land area is 3,311.25 Sqm (according to the title deed) and the building area is 25,312.52 Sqm (according to the building permit).

The building consists of 3 basement floors, ground floor and frequent hotel floors.

The basement consists of parking for 204 cars, the ground floor contains a reception area and the first floor contains a restaurant. The typical hotel floors consist of 200 different hotel rooms, and the building also consists of a service area and outdoor seating.

The property is located on Prince Majid Street, which is one of the most important commercial streets in Jeddah.

شارع الأمير ماجد

شارع علي القوطي

Site Location Analysis

Property Photographs



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Site Location Analysis

Property Photographs



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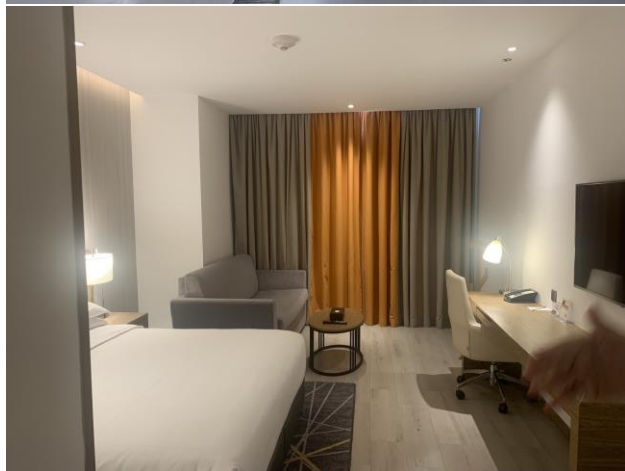


Site Location Analysis

Property Photographs



أبجد
للتقييم العقاري





Property Details

- Title Information
- Dimensions and street widths
- lease contract summary

Tenure

Property Information



Property Details (Freehold Details)

ID	Description		
Owner	Hotel Development Real Estate Company		
Property Name	Clarion Hotel in Al-Marwah district in Jeddah		
Plot No.	33-32-31-30		
Masterplan No.	171/ب/أ المعدل		
District	Al Marwa		
Block No.	-		
Coordinates	21°37'43.2"N	39°11'00.3"E	
City	Jeddah		
Ownership Type	Freehold		
Title Deed Info	Deed No.	499074003352	
	Deed Date	28/05/1444 H	

Lease Contract Summary:

Year	Income
First party (owner)	Hotel Development Real Estate Company
Second Party (Tenant)	Seera Hospitality Company
Contract Period	5 years
First Year	11,598,777
Second Year	11,598,777
Third Year	11,598,777
Fourth Year	11,598,777
Fifth Year	11,598,777

Dimensions and street widths

Side	Frontage Length	Street Name	Width (m)	Frontage
North	56.91	NA	16	2
South	-	neighbor	-	4
East	101.62	NA	15	3
West	95.58	Prince Majid Street	80	1

- Sources: Title Deed

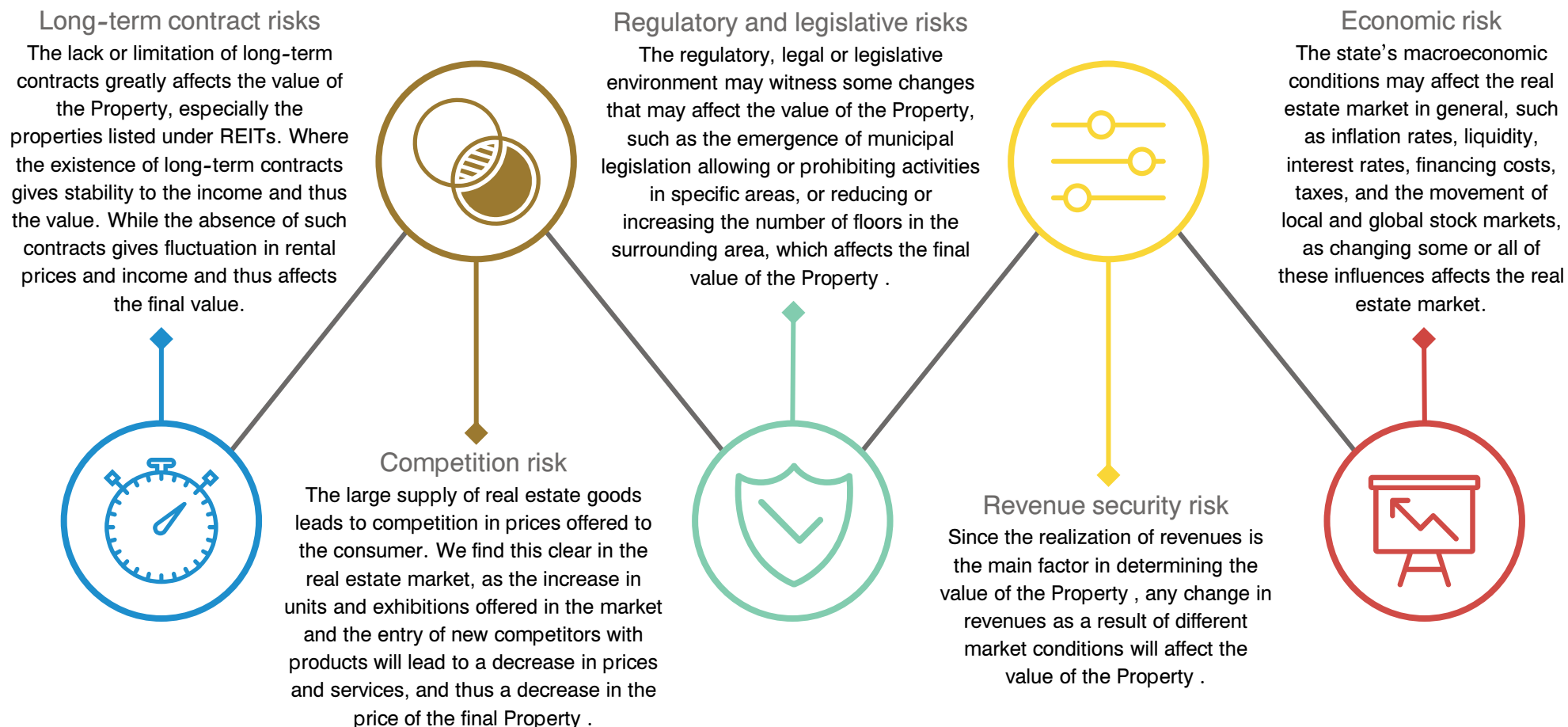
No legal document has been verified for the subject property under Valuation, which includes planning, ownership, mortgage and some legal matters on which all or part of this report is based and considered reliable. It was assumed that the instrument was valid and binding. It was also assumed that the property is free from any legal obligations, mortgage rights or any Constraints.

- Sources: leasehold



Valuation

- Analysis of Property Risks
- Valuation Using the Income Method
- Valuation Approach
- Field Research and Market Analysis
- Revenue Estimation
- Future Performance Assumptions
- Explicit Forecasting Period
- Summary of Value



Valuation Methods Used

When choosing the most appropriate methodology for estimating the value of the property under Valuation, we took into account the information provided by the client, the current situation of the property as well as our own analysis of the local market conditions, when determining the Fair Value of the property under valuation, the following methods and methods were used:

Income Method (Profit 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

The income method should be applied and given priority or significant weight in the following cases:

- a) When the ability of an asset to generate income is the primary element that affects value from the point of view of the participants.
- b) Reasonable projections are available as to the amount and timing of future revenue for the asset being valued, but there are few, if any, fair comparisons relevant.

When it comes to valuation of commercial assets such as hotels, we usually follow the profit method.

Profit Method

When valuing hotels, the approach involves estimating earnings before interest, tax, depreciation and amortization (EBITDA) over a given period. Usually this type of real estate is exited within **10** years, and the time duration of cash flows has been assumed to be **10** years.

Regarding EBITDA Forecast

First, this is achieved by analyzing the current or future performance of the property under Valuation, taking into account factors such as location, hotel popularity, condition, specifications, and operating structure. Second: We study the local hospitality sector by evaluating the current performance of the market in addition to the rooms expected to enter the market, as well as analyzing the hotel sector and some economic indicators.

Assumptions are then made regarding vacancy ratio, average daily rent, available per room revenue, hotel department expenses, undistributed expenses, management fees, fixed fees, and furnishings and equipment renovation reserves. In terms of the growth rate during cash flow calculations, we examined the average long-term inflation rate in Saudi Arabia, as well as the typical growth rates among similar hotels, and reached a rate of **2.8%**.

Income Approach Valuation

Field Research and Market Analysis



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Subject Property

1

2

Field research was conducted for hotels that have similar characteristics to the subject property, and the details of the comparisons are as follows.

Hotel Name	Al Manzil Hotel	Centro Al Salama Hotel
classification	5 Stars	4 Stars
Average rental price in the middle of the week (SR/sqm.)	470	330
Average weekend rental price (SAR/sqm)	475	360

When looking at the nature of the prices of the rooms offered in the property area, there is a relative convergence between the prices, which is affected by the location of the hotel, the area of the room, the services provided and the facilities, and through field research it becomes clear as follows:

It is clear from comparisons that the prices range from 330 riyals / room / night to 470 riyals / room / night in the middle of the week and prices range from 360 riyals / room / night to 475 riyals / room / night on weekends.

The map shows the locations of the comparisons used in the assessment, used to determine expected room income, as shown in the following pages of this report.

Valuation

Revenue Estimation

Revenue Calculation

Based on the analysis of hotel comparisons, the tables below show a summary of room revenue for the first two years.

In the cash flow assumptions of hotel units, occupancy of the hotel starting from the first year was assumed at 59% and stabilizing in the second year at 68%.

Table of room revenue for the first year

description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	52,143	20,857	73,000
Occupancy (%)	55%	70.0%	59%
Number of occupied rooms	28,679	14,600	43,279
Average daily rent	419	419	419
Average yield for available rooms	231	293	249
Expected income	12,023,491	6,121,050	18,144,541

Table of room revenue for the second year

description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	52,143	20,857	73,000
Occupancy (%)	65%	75%	68%
Number of occupied rooms	33,893	15,643	49,536
Average daily rent	451	451	451
Average yield for available rooms	293	338	306
Expected income	15,275,299	7,050,138	22,325,437

Valuation

Summary of future performance assumptions



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Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	200	200	200	200	200
Room Occupancy (%)	59%	68%	68%	68%	68%
Average Room Rate (SAR)	419	451	451	451	451
RevPAR (SAR)	249	306	306	306	306
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (%)	79.0%	76.5%	74.0%	74.0%	74.0%
Food & Beverage (%)	18.0%	20.0%	22.0%	22.0%	22.0%
Meeting Rooms (%)	2.0%	2.5%	3.0%	3.0%	3.0%
Other Revenue (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Total Departmental Profit (%)	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses (%)	28.8%	28.4%	27.8%	27.8%	27.8%
Department Revenue (%)	71.2%	71.6%	72.2%	72.2%	72.2%
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (%)	9.0%	8.5%	8.0%	8.0%	8.0%
Sales & Marketing (%)	5.0%	4.0%	3.0%	3.0%	3.0%
Property Operations and Maintenance (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Utilities (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Total undistributed expenses (%)	24.0%	21.5%	19.0%	19.0%	19.0%
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (%)	5.8%	6.0%	6.2%	6.2%	6.2%
Total Fixed Charges (%)	1.3%	1.3%	1.3%	1.3%	1.3%
Reserve for Renewals (FF&E) (%)	1.0%	1.0%	1.0%	1.0%	1.0%
EBITDA					
(EBITDA) (SAR)	8,995	12,207	13,494	13,494	13,494
Net Profit Percentage (%)	39.2%	41.8%	44.7%	44.7%	44.7%

Valuation

Summary of future performance assumptions

Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	200	200	200	200	200
Room Occupancy (%)	59%	68%	68%	68%	68%
Average Room Rate (SAR)	419	451	451	451	451
RevPAR (SAR)	249	306	306	306	306
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (SAR)	18,145	22,325	22,325	22,325	22,325
Food & Beverage (SAR)	4,134	5,837	6,637	6,637	6,637
Meeting Rooms (SAR)	459	730	905	905	905
Other Revenue (SAR)	230	292	302	302	302
Total Departmental Profit (SAR)	22,968	29,184	30,170	30,170	30,170
Department Expenses (SAR)	6,610	8,293	8,387	8,387	8,387
Department Revenue (SAR)	16,358	20,891	21,782	21,782	21,782
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (SAR)	2,067	2,481	2,414	2,414	2,414
Sales & Marketing (SAR)	1,148	1,167	905	905	905
Property Operations and Maintenance (SAR)	1,148	1,313	1,207	1,207	1,207
Utilities (SAR)	1,148	1,313	1,207	1,207	1,207
Total undistributed expenses (SAR)	5,512	6,274	5,732	5,732	5,732
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (SAR)	1,333	1,753	1,878	1,878	1,878
Total Fixed Charges (SAR)	287	365	377	377	377
Reserve for Renewals (FF&E) (SAR)	230	292	302	302	302
EBITDA					
(EBITDA) (SAR)	8,995	12,207	13,494	13,494	13,494
Net Profit Percentage (%)	39.2%	41.8%	44.7%	44.7%	44.7%

Valuation

Explicit forecasting period

Discounted Cash flow table:

- The property was valued by income from the lease for the remainder of the contract and then the expected income was assumed after the completion of the lease based on market as shown in the cash flow table below, and the following key assumptions were made:
- Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of 2.8% per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past 12 years as per the Central Bank of Saudi Arabia.
- Rate of return on capital: The rate of return is calculated according to the location of the property and the type of construction, as well as the field and office research for similar rates of return to the property under valuation, and according to our understanding of the real estate market in the Kingdom, a rate of 8.00% has been reached.
- Discount rate: Based on our understanding of similar properties in the real estate area, and taking into account the characteristics of the location, area, use, supply and demand, we applied a discount rate of 11.80%.

Net Income Summary:

The table below shows income based on the contract for the remaining period and then income based on market.

description	1	2	3	4	5	6	7	8	9	10
EBITDA (000 SAR)	Income based on contract				Income based on market					
	8,699	11,599	11,599	11,599	15,279	15,707	16,147	16,599	17,064	17,541
Discounted Period (%)	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5

Discounted Cash flow table

السنة	1	2	3	4	5	6	7	8	9	10	Exit
EBITDA (000 SAR)	8,699	11,599	11,599	11,599	15,279	15,707	16,147	16,599	17,064	17,541	
Exit Value (SAR 000s)											219,267
Net Cashflow (SAR 000s)	8,227	9,812	8,776	7,850	9,249	8,936	8,290	7,692	7,136	6,621	74,697
Market Value (Rounded)	157,290,000										
Room Value (SAR per room)	786,450										

Valuation

Opinion of Value

Abaad is of the opinion that the value of the Subject Property as of the date of valuation, based upon assumptions and detail within this report, may be fairly stated as follows:

The Fair Value of the property using the income approach as of **30 June 2023** is:

- SAR **157,290,000** (One Hundred Fifty-Seven Million Two Hundred Ninety Thousand Saudi Riyal)
- Room Value **786,450 SAR/Room**

Signatures

Eng. Ammar Abdulaziz Sindi
Taqeem ID: **1210000219**
Fellow Member
Membership Date: **22/12/2015**
Real Estate Sector

Eng. Ammar Mohamed Qutub
Taqeem ID: **1210000392**
Fellow Member
Membership Date: **24/01/2016**
Real Estate Sector

Eng. Yousuf Abdullah Khan
Taqeem ID: **1220001989**
Provisional Member
Membership Date: **17/09/2020**
Real Estate Sector

Company Stamp
Company Name: Abaad &
Partner for Real Estate Valuation
Company No. **11000111**
CR No: **4030297686**
CL No: **323/18/781**



Appendix

- General Terms Used in the Preparation of the Valuation Report
- Property Documents

General Terms Used in the Preparation of the Valuation Report

Authority

Means the Saudi Authority for Accredited Valuers (TAQEEM), the authority concerned with developing requisite guidelines and standards for the valuation of properties, business establishments, equipment, movable property, etc. in accordance with the Accredited Valuers Regulations promulgated by Royal Decree No. (M/43) dated (9/7/1433). Its objective is to develop the valuation profession and improve the qualifications of valuers, as well as to develop and maintain the general rules for Authority membership of various levels with ongoing development of the qualifications of its members to keep abreast of the highest state of the art levels. The (Authority) is a legal entity, not for profit, with an independent budget. It operates under the supervision of the Ministry of Commerce and Investment.

Asset(s)

To facilitate reading of the standards and in order to avoid repetition, the term Asset(s) generally refers to the items which are the subject of the valuation exercise. Unless otherwise provided in the standards, these terms may be taken to mean and include each of the following words: (an asset, group of assets, obligation, group of obligations, or a group of assets and obligations).

Client

The word (Client) refers to the person(s) or entity for which the valuation is carried out, including the external clients (that is when the valuer is contracted with a third party), as well as the internal clients (that is the valuations prepared for the owner).

Legal Jurisdiction

The word (Jurisdiction) refers to the legal and regulatory environment wherein the valuation process is carried out. It includes the laws and regulations issued by

government authorities, such as the district, state and municipality, and the laws issued by certain regulatory entities commensurate with the purpose of the valuation, such as central banks and capital market authorities.

May

The word (May) describes the action which the valuer is required to take into consideration. Matters described as such require the valuer's attention and understanding. The ability to apply these matters in the valuation process depends on the valuer's judgement and professional experience under conditions which are in line with the objectives of the standards.

Shall

The word (Shall) refers to an unconditional responsibility, that is, the valuer must fulfil any responsibilities of this type in all cases and under all circumstances where the condition is applicable.

Participant

The word (Participant) refers to the participants concerned on the basis(es) of the value used in the valuation exercise (see Standard 104 – Basis of Value). The different bases of value require the valuer to take different points of view into consideration, such as the points of view of the market participants, including for example the Fair Value, the Fair Value of the International Financial Reporting Standards (IFRS), a certain owner or a prospective buyer, such as the investment value.

Purpose

The word (Purpose) refers to the cause(s) of carrying out the valuation. It includes the general purposes (for example, without limitation) the purposes of the financial reports, tax reports, litigation support, transactions support and support of secured lending decisions.

Appendix

Subject Property Documents



أبعداد
للتقييم العقاري

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إدارة رخصن البناء
أمانة جدة

رخصة بناء

اصفحه وتعديل

رقم الرخصة	4000027116	الناشر	13/ربيع الأول/1441	صاحبها	13/ربيع الأول/1441
اسم صاحب الرخصة	شركة الطيار للتطوير والاستثمار السياحي والعقاري	رقم السجل	1010256065	رقم الصك	720220021940
رخصة بناء فندق	0561750760	رقم الصك	1439/شعبان/24	تاريخ الصك	
البلدية	رقم الكروكي	رقم المخطط	رقم القطعة	الحجى	اسم الشارع
المطار الغربية	3300459037	171/ب المعدل	33+32+31+30	العروة	غير مسطح
مساحة الأرض	3311.25				

جميع التجهيزات الواردة بالمعاملة الإلكترونية تعتبر طريقة على المكتب الهندسي والمالك كل فيما يخصه وعلى جميع المكتب الهندسي صوره اطلاع المالك على جميع التجهيزات وحسن من مسئوليتهم. يجب الالتزام بتبسيط العمل الحراري وفق قيم العمل الحراري المحددة بمخطط العمل الحراري للمبنى. في حال تركيب ألواح الألومنيوم المستخدمة في تغطية واجهات المبنى تكون من النوع المعقود لتتحقق

الجهة	الحدود	الارتفاع
الشمال	بطول 56.91 متر ينكسر 3.39 متر بحد 8.60 شارع عرض 16م	
الشرق	من الشمال الجنوب شكل قوس 101.62 متر بحد شارع عرض 15م	3
الجنوب	بطول 6.20 متر بحد حديقة على شكل حدائق مغطى شارع	15.77
الغرب	بطول 95.85 متر 8.84 متر بحد طريق الأمير ماجد عرض 80م	5.50

المساحات وعدد الوحدات ومواقف السيارات	إجمالي	أخرى	سكنى	تجاري	محتويات المبنى
	مساحة	عدد	مساحة	عدد	عدد
كروكي - عرضي	3321.89	0	3321.89	0	0
كروكي - عرضي	3321.89	0	3321.89	0	0
كروكي - عرضي	3321.89	0	3321.89	0	0
طابق أرضي - معدل	1495.47	3	1234.01	0	261.46
طابق أول - معدل	1680.79	1	1235.86	0	444.93
طابق ثالث - معدل	1504.49	27	456.37	0	1048.12
طابق ثالث - معدل	1504.49	22	456.37	0	1048.12
طابق رابع - عرضي	1504.49	22	456.37	0	1048.12
طابق هكتري - عرضي	7657.12	102	3370.4	0	4286.72
عدد عريف الكهرباء	3				
عدد المواقف	204				

المعقود الإداري	طوب السور	عدد الوحدات	عدد الأدوار	قسم الأمانة
خليل إبراهيم أحمد عرب	268	177	10	
مهندس الدراسة				
مدير عبدالله إبراهيم العنزي				
اعتماد مدير السكنى				
مدير الترخيص محمد عبدالرحيم				

بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٤٤/٥/٢٨ هـ
رقم الصك: ٤٩٩٠٧٤٠٠٢٣٥٢

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 30 / 31 / 32 من المخطط رقم 171 / ب / 1 المعدل الواقع في حي النزهة بمدينة جدة - وحدودها وأطوالها: شمالاً: شارع عرض 16م بطول 56.91 ستة وخمسون متر واحد وتسعون سنتيمتر يبدأ من الغرب إلى الشرق ثم ينكسر بشطفه إلى الجنوب الشرقي بطول 3.39م جنوباً: جزء من حديقة على شكل مثلث ثم يلتقي شوارع بطول 6.2 ستة متر وعشرون سنتيمتر شرقاً: شارع عرض 15م بطول 101.62 مائة واحد متر واثنين وستون سنتيمتر يبدأ من الشمال إلى الجنوب على شكل قوس غرباً: طريق الأمير ماجد عرض 80م بطول 95.85 خمسة وتسعون متر وخمسة وثمانون سنتيمتر يبدأ من الجنوب الشرقي إلى الشمال الغربي ثم ينكسر بشطفه إلى الشمال الشرقي بطول 3.84م ومساحتها 3311.25 ثلاثة آلاف وثلاثمائة وأحد عشر متراً مربعاً وخمسة وعشرون سنتيمتراً مربعاً بموجب الصك الصادر من الموثقين بالرياض 9 برقم 799684000718 في 21 / 12 / 1443 قد أصبحت في ملك / شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 بطن وقدره: 147600000 فقط مائة وسبعة وأربعون مليوناً وستمائة ألف ريال سعودي لا غير. وعليه جرى التصديق تجزئاً في 1444 / 05 / 28 لاعتماده بوصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
(هذا النموذج مخصص للاستخدام بالكمبيوتر الإلكتروني)
ملاحظة: مطبوع إلكترونياً - ٢٠٢٢
نموذج رقم (١٦ - ٢٠٢٢)

صفحة رقم 1 من 1



Abaad & Partner For Real Estate Valuation Co.

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Final Valuation Report

V230102

Comfort Inn Hotel in Al-Zahra district in Jeddah

Client / Alinma REIT Hospitality Fund

02 August 2023

الإنماء للاستثمار
alinma investment



Introduction



Dear / Alinma REIT Hospitality Fund

The Subject: Valuation of Comfort Inn Hotel in Al-Zahra district in Jeddah

Please find attached the report as per your request for a property valuation, hoping that the report meets your requirements as requested from us, and complies with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in **2022**, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM). Please do not hesitate to contact us should you have any queries or questions.

Best Regards,

Engineer Ammar Abdulaziz Sindi
Chief Executive Officer

Issue Version


Details	Information
Reference No.	V230102
Proposal No.	P230182
Report Status	Final
Report Version	1
Registration code	

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Executive Summary

- Summary of the Report
- General Terms and Conditions

Executive Summary

Report Summary

- The subject property is a 3-star hotel (Comfort Inn Hotel) located in Al-Zahra district in Jeddah.
- The land area is **1,560 Sqm** (according to the title deed) and the building area is **9,655.67 Sqm** (according to the building permit).
- The building consists of a basement, ground floor, parking floor, mezzanine floor, and 5 hotel floors.
- The basement and the first floor consist of car parking and the ground floor consists of a reception area, a restaurant (serving breakfast only) and parking spaces with a total of **90** parking spaces spread over three floors.
- The typical hotel floors consist of **25** hotel rooms on each floor and a total of **125** various hotel rooms and **3** meeting rooms.

Property Information

Site Details	Information
District	Al , Zahra
Use	Commercial/Hospitality
Tenure	Freehold
Number of Title Deed	399074003354
Date of Title Deed	28/05/1444 H
Land Area (m2)	1,560 (According to title deed)
Owner	Hotel Development Real Estate Company

Valuation Summary

Details	Information
Report Type	Detailed report
Purpose of Valuation	Financial Statements
Other independent Users	Fund Manager and Investors – Report Reviewers
Date of Approval	05 June 2023
Date of Inspection	14 June 2023
Date of Valuation	30 June 2023
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Valuation Approach	Income Approach
Currency	Saudi Arabian Riyal (SAR)
Property Fair Value	87,450,000 SAR (699,600 SAR/Key)

Executive Summary

Terms and Conditions



- The Subject Property has been valued according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).
- This report was relied upon and valued according to the specific conditions and restrictions presented in this report.
- The report was issued without any conflict of interest or personal gain.
- The valuation report has been prepared based on the instructions received from the manager of Alinma REIT Hotel Fund, hereinafter referred to as (the client), in order to estimate the Fair Value of the property described for the purpose of financial statements.
- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, and that the information contained in this report is completely confidential and that the report is issued to the client only.
- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the Property and the legal consequences thereof.
- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the Property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.
- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.
- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the Property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Valuation Conditions



Ability to Valuate:

- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the Fair Value by the required date.

Subject of Valuation:

- The subject of the valuation is the assessment of the Fair Value of Comfort Inn Hotel in Al-Zahra district in Jeddah

Professional Standards:

- The valuation exercise was carried out in compliance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM), and based on recognized procedures and professional used in valuation of real estate properties, which rely on analysis, comparison, and direct inspect of each property, as well searching to the extent possible for positive and negative effects and characteristics of the subject property.

Valuation Approach:

- The approach used in valuation is the income approach.

Basis of Valuation:

- Our valuation will be submitted on the basis of the Fair Value, which is defined in accordance with the International Valuation Standards in 2022 as follows:

- International Accounting Standard No. (13) defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation Date

- We confirm that the valuation was carried out on 30 June 2023.

Inspection Date:

- We confirm that the inspection was carried out on 14 June 2023.

Sources of Information:

- In the preparation of the valuation report, we have relied on a set of resources, information and office and field data which we believe are commensurate with the purpose and timing of the valuation. We have also relied on the set of data provided by the Client related to the subject property, and which will clearly affect the output of this report. Therefore, any change or error in the data will render this report as incomplete, and the valuer shall be reverted to.

The Following Documents Were Reviewed:

#	Document
1	Title Deed
2	Building Permit
3	Lease Contract

We therefore assume that the information is correct and that there is nothing to contradict or conflict with them. The report is issued on this basis and we disclaim any liability for anything to the contrary.



Disclaimers

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions

Disclaimers



Intellectual Property and Re-Publishing

- This report is issued for personal use only, and for the professional advisors, for the specific purpose referred to therein.
- Abaad Real Estate Valuation Company may not be held liable to any third party for all or part of the contents of the report.

Confidentiality

- This report is prepared upon special request and for an advisory purpose. We therefore understand that it is of utmost importance to the originator of the request to safeguard the confidentiality of the contents and output of this report. We are committed to this and the Client's information will not be used in anything other than this report. The Client's information is considered to be proprietary to its owner and to the users specified in this report, and may not be reviewed by any third party.

Important Assumptions and Special Assumptions

- According to the definition of the International Valuation Standards "Important Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required, and may be accepted as fact in the context of the valuation exercises without verification or validation in a specific manner. Moreover, they are matters which are accepted when stated. Such
- The payment date and contract details have been modified according to the client's statement.

assumptions are necessary to understand the valuation or the consultation that is provided. Special assumptions are assumptions which differ from actual facts which exist as at the valuation date, or those which are not assumed by a usual market participant in a certain transaction on the valuation date."

- The property valuation is prepared assuming the completion of the project and infrastructure.
- Income is estimated after the end of the contract term assuming the application of Ministry of Finance resolution to reduce annual rents by 20%.



Site Location Analysis

- Macro Location - Introduction
- Macro Location - Infrastructure Projects
- Property Description at City Level
- Property Description at District Level
- Property Photographs

Site Location Analysis

Macro Location - Infrastructure Projects



Operational

Current Status



2018

Completion Date



4 Stations

No. Stations

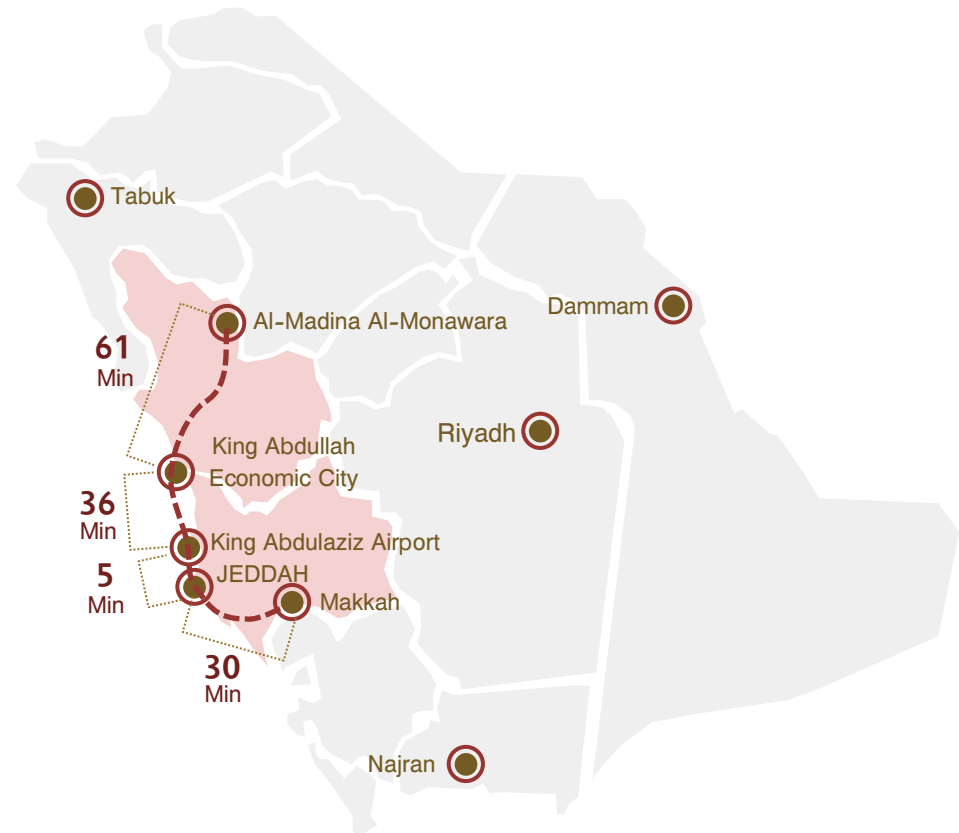


60 Million
Per Annum

Total Capacity

- The Haramain High-Speed Railway (HHSR) runs for approximately **450km**, connecting the two holy cities of Makkah and Madinah, via the Central Jeddah Station, King Abdulaziz International Airport (KAIA), and King Abdullah Economic City Station (KAEC).
- The railway is expected to carry around **60** million passengers per annum, onboard a fleet of **35** trains, each consisting of **417** seats.
- Currently, the train line goes by Four stations, located as follows:
 - Jeddah Naseem Station.
 - Jeddah King Abdulaziz Int' Airport Station.
 - King Abdullah Economic City Station.
 - Madinah Station.

Public Transportation



Site Location Analysis

Macro Location - Infrastructure Projects



- King Abdulaziz International Airport is currently undergoing expansion plans, which are divided into three phases.
- Phase 1 of the expansion project is currently operational, although not at its full handling capacity. Phase 1 will increase the annual capacity of passengers from 13 Million Annual Passengers (MAP) to 30 MAP.
- However, due to delays in the expansion plans, the focus of the project is currently on phase 1 and uncertainty surrounds phases 2 and 3, but initially the project is expected to be completed by 2035, capturing 80 MAP.
- The new Expansion of KAIA spans a total Gross Floor Area of 670,000 sqm and featuring 120 retail outlets and 120 hospitality keys.



120 Room Keys



46 Gates



120 Retail Stores



21.6K parking Bays



Hajj and Umrah Terminal Complex

Site Location Analysis

Macro Location

Location

- Jeddah is one of the governorates of Makkah Province, Saudi Arabia located on the Red Sea coast. The province is **900 km** from the capital, Riyadh, **75 km** from Mecca, and **400 km** from Medina, which is the economic and tourist capital of the Kingdom of Saudi Arabia,
- It is considered the first destination in the Kingdom for tourists, whether from inside or outside the Kingdom, and is the first in terms of towers and skyscraper projects.
- With a population of about **3,456,259** people, Jeddah is the second largest city in Saudi Arabia after the capital Riyadh, the largest city in the Makkah region and is considered the gateway to the Two Holy Mosques.
- It has the largest seaport on the Red Sea, is considered a financial and business center in Saudi Arabia and a major port for the export of non-oil goods and for importing local needs, and there are approximately **135** skyscrapers in Jeddah under construction.
- The subject property is approximately **21.7 km** from King Abdulaziz International Airport.
- The map shows the location of the property under Valuation at the city level.



Site Location Analysis



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The Property at District Level



The property is located west of Jeddah in Al-Zahra district and borders the property from the west with King Abdulaziz Road with a direct view on it, and from the east by Naeem Bin Qadab Street.

The property is located southwest of King Abdulaziz International Airport and is bordered to the north by Al-Nahda neighborhood, to the south by Al-Khalidiya neighborhood, to the east by Al-Salama neighborhood, and to the west by Al-Shati neighborhood and the Red Sea.

The property can be accessed through King Abdulaziz Road.

All services are available in the area of the property under valuation

Site Location Analysis

Property Description



The subject property is a 3-star hotel (Comfort Inn Hotel) located in Al-Zahra district in Jeddah. The land area is 1,560 Sqm (according to the title deed) and the building area is 9,655.67 Sqm (according to the building permit). The building consists of a basement, ground floor, parking floor, mezzanine floor, and 5 hotel floors. The basement and the first floor consist of car parks and the ground floor consists of a reception area, a restaurant and parking lots with a total of 90 parking spaces spread over three floors. The hotel has administrative offices on the mezzanine floor. The hotel has a restaurant (serving breakfast only) and seats 75 people. The hotel has two guest elevators and one service elevator. The hotel has 3 meeting rooms. The typical hotel floors consist of 25 hotel rooms on each floor and a total of 125 various hotel rooms. The property is located on King Abdulaziz Road, which is one of the most important commercial streets in Jeddah.

King Abdulaziz Road

Orwa Bin Al Jaad Street

Naeem Bin Qadab Street

Site Location Analysis

Property Photographs



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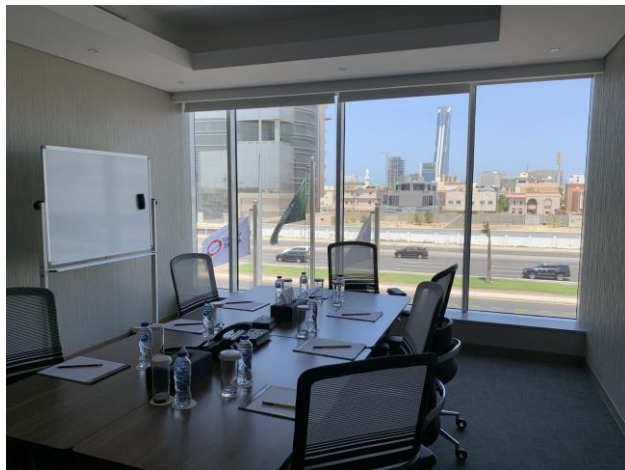


Site Location Analysis

Property Photographs



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Site Location Analysis

Property Photographs



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Property Details

- Title Information
- Dimensions and street widths
- lease contract summary

Tenure

Property Information

Property Details (Freehold Details)

ID	Description		
Owner	Hotel Development Real Estate Company		
Property Name	Comfort Inn Hotel in Al-Zahra district in Jeddah		
Plot No.	150		
Masterplan No.	ع / 488 / 3		
District	Al , Zahra		
Block No.	-		
Coordinates	21°36'11.4"N	39°07'18.2"E	
City	Jeddah		
Ownership Type	Freehold		
Title Deed Info	Deed No.	399074003354	
	Deed Date	28/05/1444 H	

Dimensions and street widths

Side	Frontage Length	Street Name	Width (m)	Frontage
North	60	neighbor	-	3
South	60	neighbor	-	4
East	26	Naeem Al Qadab Street	12	2
West	26	King Abdulaziz Road	75.6	1

- Sources: Title Deed

Lease Contract Summary:

#	description	Details
1	First party (owner)	Hotel Development Real Estate Company
2	Second Party (Tenant)	Seera Hospitality Company
3	Contract Period	5 years

Payments Summary:

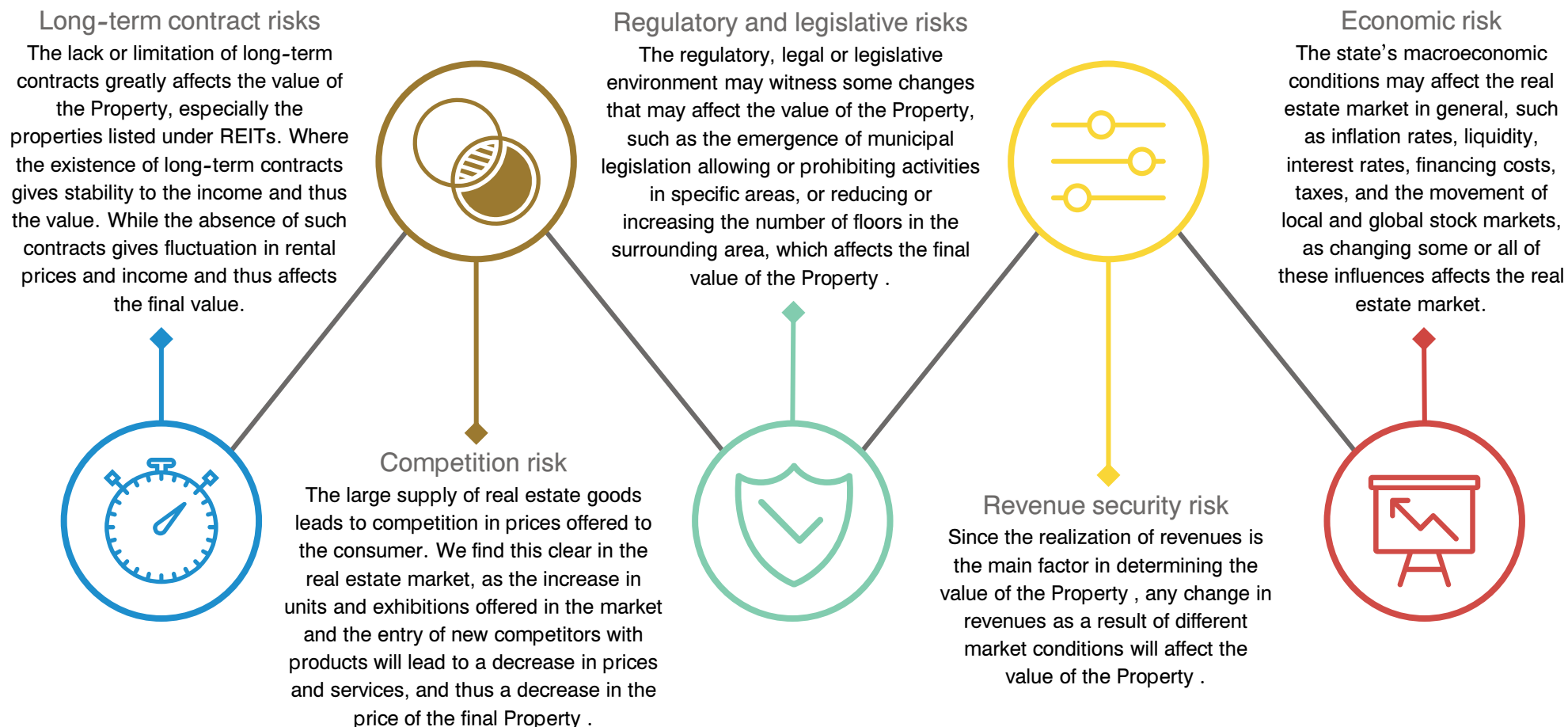
Year	Income (Yearly/SAR)
The first 5 years	6,239,451
Management and operating fees	10,000
Net Operating Income	6,229,451

- No legal document has been verified for the subject property under valuation, which includes planning, ownership, mortgage and some legal matters on which all or part of this report is based and considered reliable. It was assumed that the instrument was valid and binding. It was also assumed that the property is free from any legal obligations, mortgage rights or any Constraints.
- Sources: leasehold



Valuation

- Analysis of Property Risks
- Valuation Using the Income Method
- Valuation Approach
- Field Research and Market Analysis
- Revenue Estimation
- Future Performance Assumptions
- Explicit Forecasting Period
- Summary of Value



Valuation Methods Used

When choosing the most appropriate methodology for estimating the value of the property under Valuation, we took into account the information provided by the client, the current situation of the property as well as our own analysis of the local market conditions, when determining the Fair Value of the property under valuation, the following methods and methods were used:

Income Method (Profit 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

The income method should be applied and given priority or significant weight in the following cases:

- When the ability of an asset to generate income is the primary element that affects value from the point of view of the participants.
- Reasonable projections are available as to the amount and timing of future revenue for the asset being valued, but there are few, if any, fair comparisons relevant.

When it comes to valuation of commercial assets such as hotels, we usually follow the profit method.

Profit Method

When valuing hotels, the approach involves estimating earnings before interest, tax, depreciation and amortization (EBITDA) over a given period. Usually this type of real estate is exited within **10** years, and the time duration of cash flows has been assumed to be **10** years.

Regarding EBITDA Forecast

First, this is achieved by analyzing the current or future performance of the property under Valuation, taking into account factors such as location, hotel popularity, condition, specifications, and operating structure. Second: We study the local hospitality sector by evaluating the current performance of the market in addition to the rooms expected to enter the market, as well as analyzing the hotel sector and some economic indicators.

Assumptions are then made regarding vacancy ratio, average daily rent, available per room revenue, hotel department expenses, undistributed expenses, management fees, fixed fees, and furnishings and equipment renovation reserves. In terms of the growth rate during cash flow calculations, we examined the average long-term inflation rate in Saudi Arabia, as well as the typical growth rates among similar hotels, and reached a rate of **2.8%**.

Income Approach Valuation

Field Research and Market Analysis



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Field research was conducted for hotels that have similar characteristics to the subject property, and the details of the comparisons are as follows.

Hotel Name	Ibis Hotel	Hotel Adagio
classification	3 Stars	4 Stars
Average rental price in the middle of the week (SR/room/night)	317	426
Average rental price on weekends (SAR/room/night)	353	456

When looking at the nature of the prices of the rooms offered in the property area, there is a relative convergence between the prices, which is affected by the location of the hotel, the area of the room, the services provided and the facilities, and through field research it becomes clear as follows:

Comparisons show that prices range from SR 317/sqm to SR 426/sqm in the middle of the week and prices range from SR 353/room/night to SR 456/room/night on weekends.

The map shows the locations of the comparisons used in the valuation, and was used to determine the expected income of the property, as shown in the following pages of this report.

King Abdulaziz Road



Subject Property

1

2

Valuation

Revenue Estimation

Revenue Calculation

Based on the analysis of hotel comparisons, the tables below show a summary of room revenue for the first two years.

In the cash flow assumptions of hotel units, occupancy of the hotel starting from the first year was assumed at 59% and stabilizing in the second year at 64%.

Table of room revenue for the first year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	32,589	13,036	45,625
Occupancy (%)	55%	70%	59%
Number of occupied rooms	17,924	9,125	27,049
Average daily rent	378	378	378
Average yield for available rooms	208	265	224
Expected income	6,775,313	3,449,250	10,224,563

Table of room revenue for the second year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	32,589	13,036	45,625
Occupancy (%)	60%	75%	64%
Number of occupied rooms	19,554	9,777	29,330
Average daily rent	397	397	397
Average yield for available rooms	238	298	255
Expected income	7,760,813	3,880,406	11,641,219

Valuation

Summary of future performance assumptions



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Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	125	125	125	125	125
Room Occupancy (%)	59%	64%	64%	64%	64%
Average Room Rate (SAR)	378	397	397	397	397
RevPAR (SAR)	224	255	255	255	255
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (%)	89.0%	88.0%	87.0%	87.0%	87.0%
Food & Beverage (%)	10.0%	11.0%	12.0%	12.0%	12.0%
Meeting Rooms (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Other Revenue (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Total Departmental Profit (%)	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses (%)	23.8%	23.1%	21.3%	21.3%	21.3%
Department Revenue (%)	76.2%	77.0%	78.7%	78.7%	78.7%
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (%)	9.0%	8.5%	8.0%	8.0%	8.0%
Sales & Marketing (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Property Operations and Maintenance (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Utilities (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Total undistributed expenses (%)	24.0%	22.0%	20.0%	20.0%	20.0%
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (%)	5.7%	5.7%	5.7%	5.7%	5.7%
Total Fixed Charges (%)	1.3%	1.3%	1.3%	1.3%	1.3%
Reserve for Renewals (FF&E) (%)	1.0%	1.0%	1.0%	1.0%	1.0%
EBITDA					
(EBITDA) (SAR)	5,089	6,198	6,737	6,737	6,737
Net Profit Percentage (%)	44.3%	46.9%	50.4%	50.4%	50.4%

Valuation

Summary of future performance assumptions



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Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	200	200	200	200	200
Room Occupancy (%)	59%	68%	68%	68%	68%
Average Room Rate (SAR)	419	451	451	451	451
RevPAR (SAR)	249	306	306	306	306
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (SAR)	10,225	11,641	11,641	11,641	11,641
Food & Beverage (SAR)	1,149	1,455	1,606	1,606	1,606
Meeting Rooms (SAR)	0	0	0	0	0
Other Revenue (SAR)	115	132	134	134	134
Total Departmental Profit (SAR)	11,488	13,229	13,381	13,381	13,381
Department Expenses (SAR)	2,734	3,049	2,849	2,849	2,849
Department Revenue (SAR)	8,754	10,179	10,532	10,532	10,532
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (SAR)	1,034	1,124	1,070	1,070	1,070
Sales & Marketing (SAR)	574	595	535	535	535
Property Operations and Maintenance (SAR)	574	595	535	535	535
Utilities (SAR)	574	595	535	535	535
Total undistributed expenses (SAR)	2,757	2,910	2,676	2,676	2,676
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (SAR)	650	773	818	818	818
Total Fixed Charges (SAR)	144	165	167	167	167
Reserve for Renewals (FF&E) (SAR)	115	132	134	134	134
EBITDA					
(EBITDA) (SAR)	5,089	6,198	6,737	6,737	6,737
Net Profit Percentage (%)	44.3%	46.9%	50.4%	50.4%	50.4%

Valuation

Explicit forecasting period

Discounted Cash flow table:

- The property was valued by income from the lease for the remainder of the contract and then the expected income was assumed after the completion of the lease based on market as shown in the cash flow table below, and the following key assumptions were made:
- Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of 2.8% per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past 12 years as per the Central Bank of Saudi Arabia.
- Rate of return on capital: The rate of return is calculated according to the location of the property and the type of construction, as well as the field and office research for similar rates of return to the property under valuation, and according to our understanding of the real estate market in the Kingdom, a rate of 8.00% has been reached.
- Discount rate: Based on our understanding of similar properties in the real estate area, and taking into account the characteristics of the location, area, use, supply and demand, we applied a discount rate of 10.80%.

Net Income Summary:

The table below shows income based on the contract for the remaining period and then income based on market.

description	1	2	3	4	5	6	7	8	9	10
EBITDA (000 SAR)	Income based on contract				Income based on market					
	6,229	6,229	6,229	6,229	6,737	8,552	8,792	8,792	8,792	8,792
Discounted Period (%)	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0

Discounted Cash flow table

السنة	1	2	3	4	5	6	7	8	9	10	Exit
EBITDA (000 SAR)	6,229	6,229	6,229	6,229	6,737	8,552	8,792	8,792	8,792	8,792	
Exit Value (SAR 000s)											109,898
Net Cashflow (SAR 000s)	5,622	5,074	4,580	4,133	4,034	4,881	4,569	4,162	3,790	3,452	43,148
Market Value (Rounded)	87,450,000										
Room Value (SAR per room)	699,600										

Valuation

Opinion of Value

Abaad is of the opinion that the value of the Subject Property as of the date of valuation, based upon assumptions and detail within this report, may be fairly stated as follows:

The Fair Value of the property using the income approach as of **30 June 2023** is:

- SAR **87,450,000** (Eighty-Seven Million Four Hundred Fifty Thousand Saudi Riyal)
- Room Value **699,600 SAR/Room**

Signatures

Eng. Ammar Abdulaziz Sindi
Taqeem ID: **1210000219**
Fellow Member
Membership Date: **22/12/2015**
Real Estate Sector

Eng. Ammar Mohamed Qutub
Taqeem ID: **1210000392**
Fellow Member
Membership Date: **24/01/2016**
Real Estate Sector

Eng. Yousuf Abdullah Khan
Taqeem ID: **1220001989**
Provisional Member
Membership Date: **17/09/2020**
Real Estate Sector

Company Stamp
Company Name: Abaad &
Partner for Real Estate Valuation
Company No. **11000111**
CR No: **4030297686**
CL No: **323/18/781**



Appendix

- General Terms Used in the Preparation of the Valuation Report
- Property Documents

General Terms Used in the Preparation of the Valuation Report

Authority

Means the Saudi Authority for Accredited Valuers (TAQEEM), the authority concerned with developing requisite guidelines and standards for the valuation of properties, business establishments, equipment, movable property, etc. in accordance with the Accredited Valuers Regulations promulgated by Royal Decree No. (M/43) dated (9/7/1433). Its objective is to develop the valuation profession and improve the qualifications of valuers, as well as to develop and maintain the general rules for Authority membership of various levels with ongoing development of the qualifications of its members to keep abreast of the highest state of the art levels. The (Authority) is a legal entity, not for profit, with an independent budget. It operates under the supervision of the Ministry of Commerce and Investment.

Asset(s)

To facilitate reading of the standards and in order to avoid repetition, the term Asset(s) generally refers to the items which are the subject of the valuation exercise. Unless otherwise provided in the standards, these terms may be taken to mean and include each of the following words: (an asset, group of assets, obligation, group of obligations, or a group of assets and obligations).

Client

The word (Client) refers to the person(s) or entity for which the valuation is carried out, including the external clients (that is when the valuer is contracted with a third party), as well as the internal clients (that is the valuations prepared for the owner).

Legal Jurisdiction

The word (Jurisdiction) refers to the legal and regulatory environment wherein the valuation process is carried out. It includes the laws and regulations issued by

government authorities, such as the district, state and municipality, and the laws issued by certain regulatory entities commensurate with the purpose of the valuation, such as central banks and capital market authorities.

May

The word (May) describes the action which the valuer is required to take into consideration. Matters described as such require the valuer's attention and understanding. The ability to apply these matters in the valuation process depends on the valuer's judgement and professional experience under conditions which are in line with the objectives of the standards.

Shall

The word (Shall) refers to an unconditional responsibility, that is, the valuer must fulfil any responsibilities of this type in all cases and under all circumstances where the condition is applicable.

Participant

The word (Participant) refers to the participants concerned on the basis(es) of the value used in the valuation exercise (see Standard 104 – Basis of Value). The different bases of value require the valuer to take different points of view into consideration, such as the points of view of the market participants, including for example the Fair Value, the Fair Value of the International Financial Reporting Standards (IFRS), a certain owner or a prospective buyer, such as the investment value.

Purpose


The word (Purpose) refers to the cause(s) of carrying out the valuation. It includes the general purposes (for example, without limitation) the purposes of the financial reports, tax reports, litigation support, transactions support and support of secured lending decisions.

Subject Property Documents

[illegible]

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل
[٢٧٧]



تاريخ الصك: ١٤٤٤/٥/٢٨ هـ
رقم الصك: ٣٩٩٠٧٤٠٠٣٢٥٤

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإنّ القيلا المقامة على قطعة الأرض رقم 150 من المخطط رقم 3 / 488 ع الواقع في حي الزهراء بمدينة جدة . وحدودها وأطوالها : شمالاً: قطعة رقم 148 بطول 60 ستون متر جنوباً: قطعة رقم 152 بطول 60 ستون متر شرقاً: شارع عرض 12 م بطول 26 ستة و عشرون متر غرباً: شارع عرض 75.60 م بطول 26 ستة و عشرون متر ومساحتها 1560 ألف وخمسائة وستون متر مربعاً بموجب الصك الصادر من الموثّقين بالرياض 9 برقم 599684000717 / 21 / 12 / 1443 قد أصبحت في ملك شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 بطن وقدره: 79400000 فقط تسعة و سبعون مليوناً و أربعمائة ألف ريال سعودي لا غير. وعليه جرى التصديق تحريراً في 1444 / 05 / 28 لاعتماده ،بوصلى الله على نبينا محمد وآله وصحبهم وسلم.

محكمة العدل
٢٠٢٢-٢٠٢٣

صفحة رقم 1 من 1



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

Mohamed Ibrahim Masoud Street,
Al-Salama District
Zahid Offices Building, 5th Floor, suite 21
Jeddah, Kingdom of Saudi Arabia

Riyadh Branch:

Imam Saud bin Faisal Road,
Al-Sahafa District
Al-Difaa Office, 2nd Floor, suite 106
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Eng. Ammar Qutub

Executive Director

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Email: ammarq@sa-abaad.com



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للتقييم العقاري

Final Valuation Report

V230102

Comfort Inn Hotel in the Olaya district of Riyadh

Client / Alinma REIT Hospitality Fund

02 August 2023

الإنماء للاستثمار
alinma investment



Introduction



Dear / Alinma REIT Hospitality Fund

The Subject: Valuation of Comfort Inn Hotel in the Olaya district of Riyadh

Please find attached the report as per your request for a property valuation, hoping that the report meets your requirements as requested from us, and complies with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in **2022**, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM). Please do not hesitate to contact us should you have any queries or questions.

Best Regards,

Engineer Ammar Abdulaziz Sindi
Chief Executive Officer

Issue Version


Details	Information
Reference No.	V230102
Proposal No.	P230182
Report Status	Final
Report Version	1
Registration code	

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- General Terms Used in the Preparation of the Valuation Report
- Property Documents



Executive Summary

- Summary of the Report
- General Terms and Conditions

Executive Summary

Report Summary

Property Summary

- The subject property is a 3-star hotel (Comfort Hotel) located in the Olaya district of Riyadh.
- The land area is **1,512.36** Sqm (according to the title deed) and the building area is **6,757.54** Sqm (according to the building permit).
- The building consists of a basement, a mezzanine floor, a ground floor and **5** hotel floors.
- The basement consists of parking lots, the mezzanine floor of services, and the ground floor floor of reception and trade shows. The repeated hotel floors consist of **18** hotel rooms on each floor and a total of **90** various rooms.
- The restaurant has two main elevators and a service elevator, restaurant, gym, and rooftop outdoor seating.
- The property is located on 3 streets with a direct façade on Wadi Al Thumama Street.
- The property is **38** km from King Khalid International Airport.

Property Information

Site Details	Information
District	Al Olaya
Use	Commercial/Hospitality
Tenure	Freehold
Number of Title Deed	299074003353
Date of Title Deed	28/05/1444 H
Land Area (m2)	1,512.36 (According to title deed)
Owner	Hotel Development Real Estate Company

Valuation Summary

Details	Information
Report Type	Detailed report
Purpose of Valuation	Financial Statements
Other independent Users	Fund Manager and Investors – Report Reviewers
Date of Approval	05 June 2023
Date of Inspection	13 June 2023
Date of Valuation	30 June 2023
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Valuation Approach	Income Approach
Currency	Saudi Arabian Riyal (SAR)
Property Fair Value	63,650,000 SAR (707,222 SAR/Key)

Executive Summary

Terms and Conditions



- The Subject Property has been valued according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).
- This report was relied upon and valued according to the specific conditions and restrictions presented in this report.
- The report was issued without any conflict of interest or personal gain.
- The valuation report has been prepared based on the instructions received from the manager of Alinma REIT Hotel Fund, hereinafter referred to as (the client), in order to estimate the Fair Value of the property described for the purpose of financial statements.
- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, and that the information contained in this report is completely confidential and that the report is issued to the client only.
- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the Property and the legal consequences thereof.
- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the Property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.
- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.
- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the Property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Valuation Conditions



Ability to Valuate:

- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the Fair Value by the required date.

Subject of Valuation:

- The subject of the valuation is the assessment of the Fair Value of Comfort Inn Hotel in the Olaya district of Riyadh

Professional Standards:

- The valuation exercise was carried out in compliance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM), and based on recognized procedures and professional used in valuation of real estate properties, which rely on analysis, comparison, and direct inspect of each property, as well searching to the extent possible for positive and negative effects and characteristics of the subject property.

Valuation Approach:

- The approach used in valuation is the income approach.

Basis of Valuation:

- Our valuation will be submitted on the basis of the Fair Value, which is defined in accordance with the International Valuation Standards in 2022 as follows:

- International Accounting Standard No. (13) defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation Date

- We confirm that the valuation was carried out on 30 June 2023.

Inspection Date:

- We confirm that the inspection was carried out on 13 June 2023.

Sources of Information:

- In the preparation of the valuation report, we have relied on a set of resources, information and office and field data which we believe are commensurate with the purpose and timing of the valuation. We have also relied on the set of data provided by the Client related to the subject property, and which will clearly affect the output of this report. Therefore, any change or error in the data will render this report as incomplete, and the valuer shall be reverted to.

The Following Documents Were Reviewed:

#	Document
1	Title Deed
2	Building Permit
3	Lease Contract

We therefore assume that the information is correct and that there is nothing to contradict or conflict with them. The report is issued on this basis and we disclaim any liability for anything to the contrary.



Disclaimers

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions

Disclaimers



Intellectual Property and Re-Publishing

- This report is issued for personal use only, and for the professional advisors, for the specific purpose referred to therein.
- Abaad Real Estate Valuation Company may not be held liable to any third party for all or part of the contents of the report.

Confidentiality

- This report is prepared upon special request and for an advisory purpose. We therefore understand that it is of utmost importance to the originator of the request to safeguard the confidentiality of the contents and output of this report. We are committed to this and the Client's information will not be used in anything other than this report. The Client's information is considered to be proprietary to its owner and to the users specified in this report, and may not be reviewed by any third party.

Important Assumptions and Special Assumptions

- According to the definition of the International Valuation Standards "Important Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required, and may be accepted as fact in the context of the valuation exercises without verification or validation in a specific manner. Moreover, they are matters which are accepted when stated. Such
- No assumptions or special assumptions were made.

assumptions are necessary to understand the valuation or the consultation that is provided. Special assumptions are assumptions which differ from actual facts which exist as at the valuation date, or those which are not assumed by a usual market participant in a certain transaction on the valuation date."

- The property valuation is prepared assuming the completion of the project and infrastructure.
- Income is estimated after the end of the contract term assuming the application of Ministry of Finance resolution to reduce annual rents by 20%.



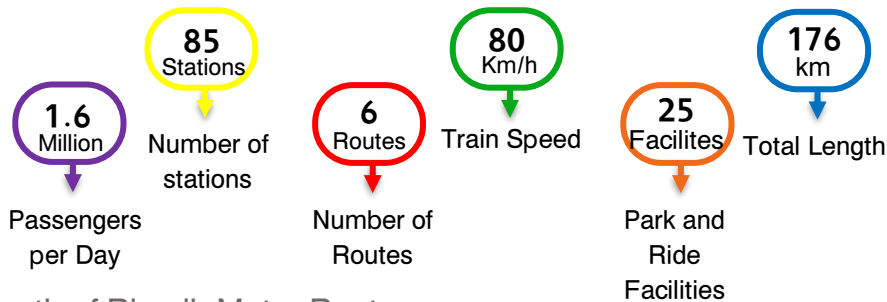
Site Location Analysis

- Macro Location - Introduction
- Macro Location - Infrastructure Projects
- Property Description at City Level
- Property Description at District Level
- Property Photographs

Site Location Analysis

Public Transport – Riyadh Metro

- Metro Riyadh is a high-speed transport system. It is currently under construction. It is one of the largest infrastructure projects in the City of Riyadh.
- The Metro is design as a world class transport system, including **756** metro cars, **85** stations, six metro lines and a network spanning **176** kilometers.
- The construction of the metro system has resulted in several road closures which affected traffic in various parts of the city.



Length of Riyadh Metro Routes

Route	Route Length (Km)
First Route (Blue)	38.0
Second Route (Red)	25.3
Third Route (Orange)	40.7
Fourth Route (Yellow)	29.6
Fifth Route (Green)	12.9
Sixth Route (Purple)	29.5

Riyadh Metro Route Map:



Site Location Analysis

Development Projects at City Level



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The Royal Commission for the City of Riyadh carries out many programs and development projects which are strategic in nature with multiple objectives and dimensions and different requirements for execution over time.

هيئة تطوير
بوابة الدرعية



Between the architectural, cultural, economic and social features and the environmental development requirements of Wadi Hanifa, it provides a model for the development of the oasis.

The program adopted the principle of integration with the City of Riyadh, making Diriya a world class cultural, tourism and promotional suburb.

Riyadh Art Project



Includes the performance of over 1000 artworks by local and international artists in front of audiences in the various parts of the City of Riyadh, as part of 10 programs covering residential neighborhoods, public parks, natural promenades, public squares, public transport stations, bridges, pedestrian crossings, city entrances and all tourism destinations of the city.

Riyadh Boulevard



Extends 135 kilometers, penetrating the City of Riyadh to connect Wadi Hanifa in the west of the City with Wadi Al Sulay in its east. It includes sports, cultural, recreational and environmental activities, including bicycle tracks, horse tracks, pedestrian sidewalks, a number of gates, stations and rest areas for bikers and hikers. Along the Boulevard inside the City and at Wadi Hanifa and Wadi Al Sulay, recreational services are provided to bikers and hikers, including coffee shops and diverse retail outlets.

Green Riyadh



The program aims at planting over 7.5 million trees in all parts of the city, including public parks, community parks, promenades, mosques, schools, academic, health and public installations and facilities, green belts along the spans of public utility lines, in addition to King Khalid International Airport, a roads and streets network, in addition to public transport routes, car parking spaces, vacant lands, valleys and river tributaries.

King Salman Park:



The largest city park in the World with an area exceeding 13 square kilometers. It is considered to be an environmental, cultural, sports and recreational project which contributes to the changing lifestyle in the city.

Site Location Analysis

The Property at City Level



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Riyadh City Boundaries

King Khalid
International
Airport

King Fahd Road
King Khalid Road

Northern Ring Road

Subject
Property

Eastern Ring Road

Danman Road

Khurais Road

Boundaries of the White Land
Area

طريق مكة المكرمة

Southern Ring Road

The subject property is located in Riyadh, the capital and largest city of the Kingdom of Saudi Arabia, and the center of the Riyadh region.

Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million people in 1440 H / 2018.

Riyadh is one of the largest cities in the Arab countries in terms of area, with an area of about 1,913 square kilometers.

The city of Riyadh is witnessing a remarkable development in its infrastructure projects and public transport projects, as work is underway on the Riyadh metro project and the public transport project.

The property is under review Located in downtown Riyadh, the property is approximately 40 kilometers from King Khalid International Airport.

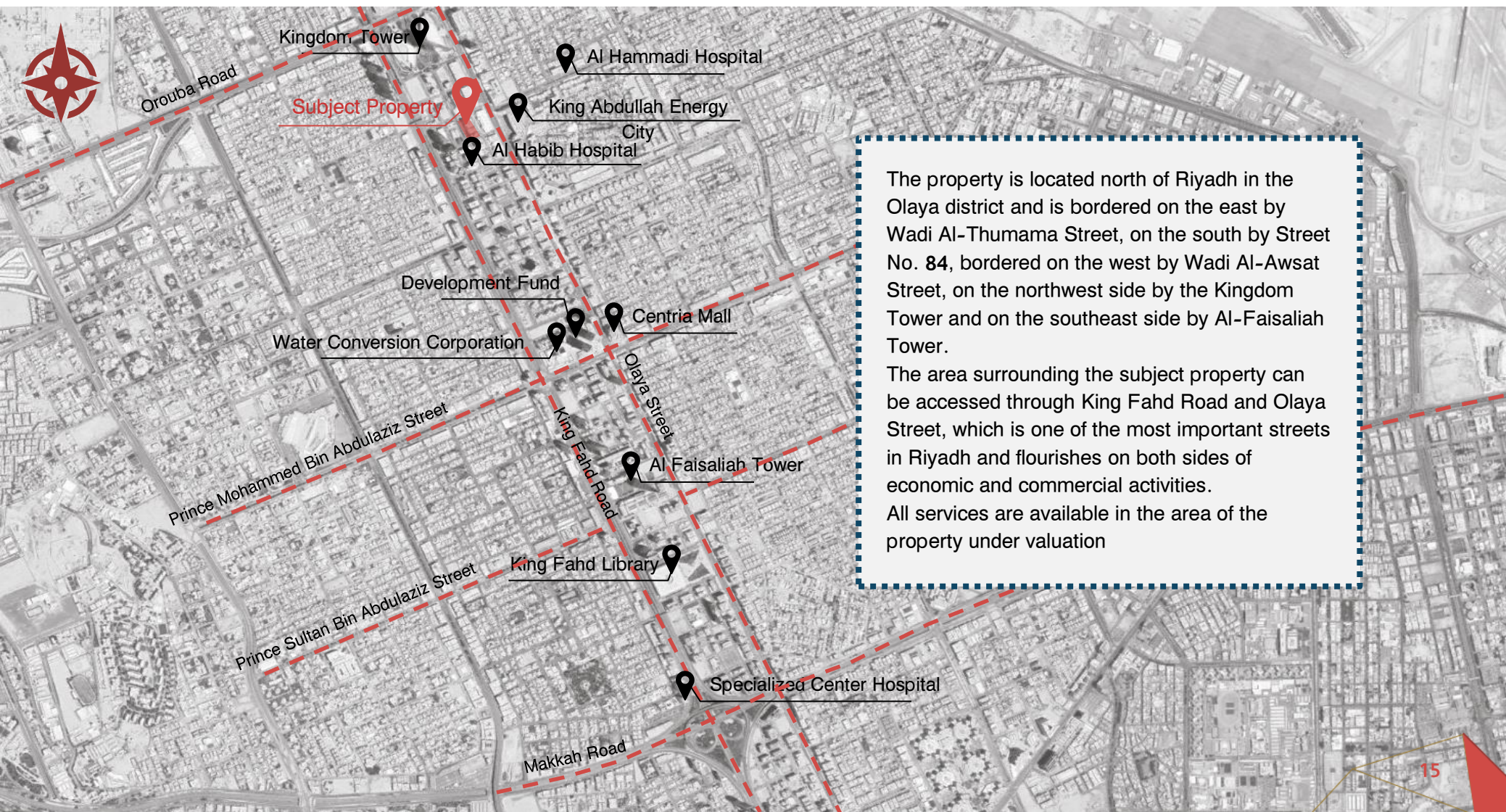
The area of the property under valuation is located within the white land range.

Site Location Analysis

The Property at District Level



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The property is located north of Riyadh in the Olaya district and is bordered on the east by Wadi Al-Thumama Street, on the south by Street No. 84, bordered on the west by Wadi Al-Awsat Street, on the northwest side by the Kingdom Tower and on the southeast side by Al-Faisaliah Tower.

The area surrounding the subject property can be accessed through King Fahd Road and Olaya Street, which is one of the most important streets in Riyadh and flourishes on both sides of economic and commercial activities.

All services are available in the area of the property under valuation

Site Location Analysis

Property Description



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للتقييم العقاري



The subject property is a 3-star hotel (Comfort Hotel) located in the Olaya district of Riyadh.

The land area is 1,512.36 Sqm (according to the title deed) and the building area is 6,757.54 Sqm (according to the building permit).

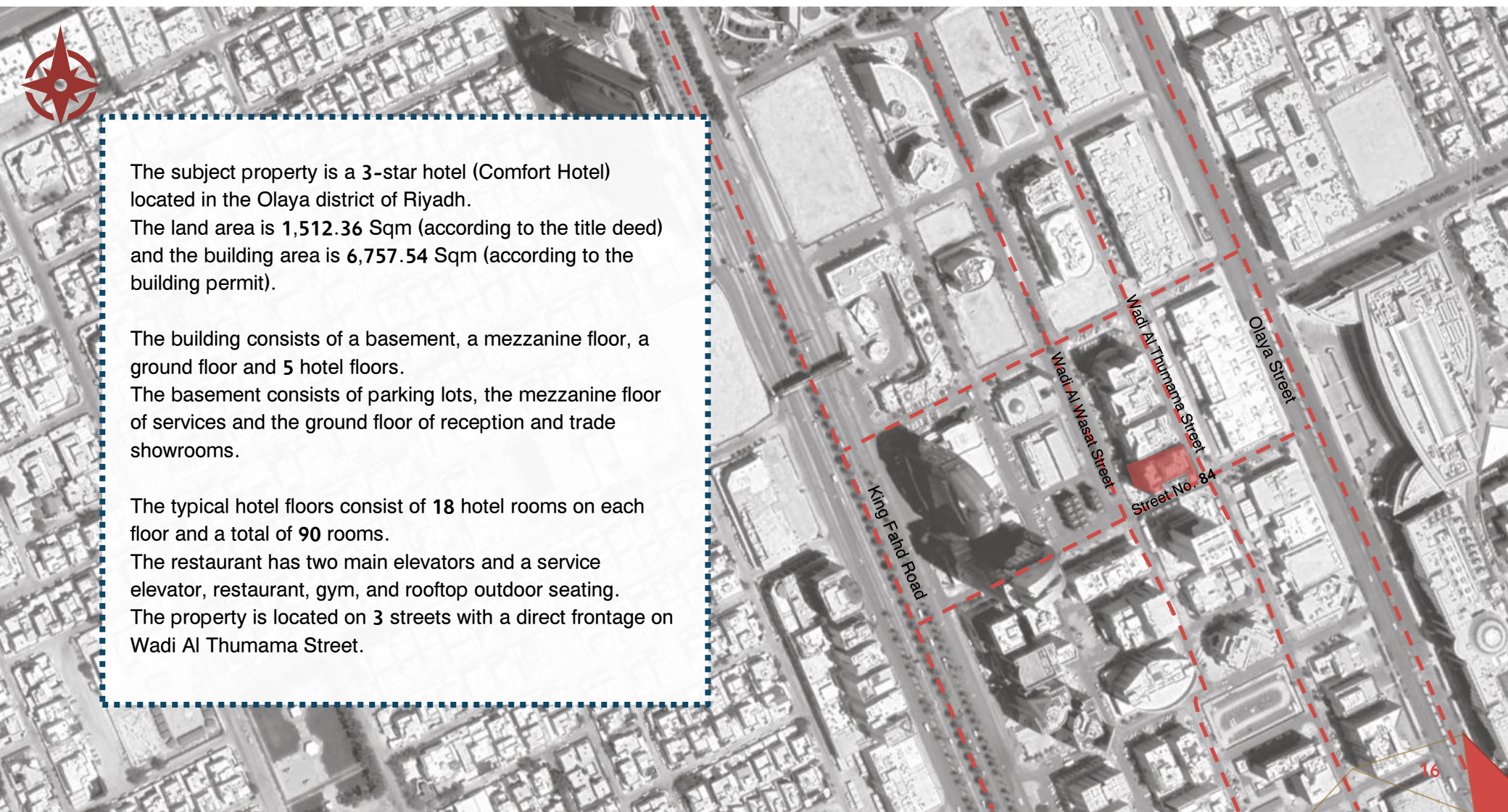
The building consists of a basement, a mezzanine floor, a ground floor and 5 hotel floors.

The basement consists of parking lots, the mezzanine floor of services and the ground floor of reception and trade showrooms.

The typical hotel floors consist of 18 hotel rooms on each floor and a total of 90 rooms.

The restaurant has two main elevators and a service elevator, restaurant, gym, and rooftop outdoor seating.

The property is located on 3 streets with a direct frontage on Wadi Al Thumama Street.

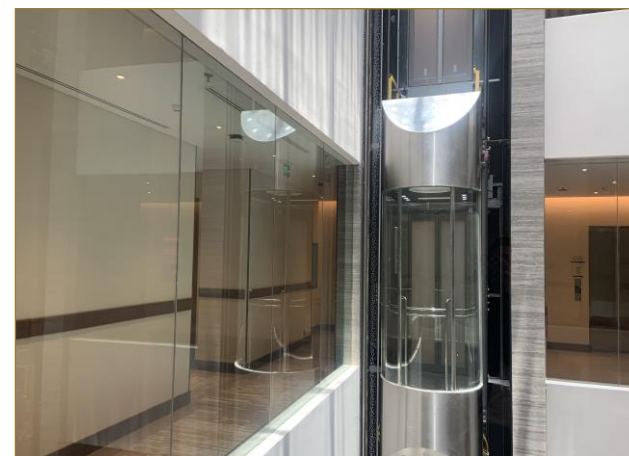
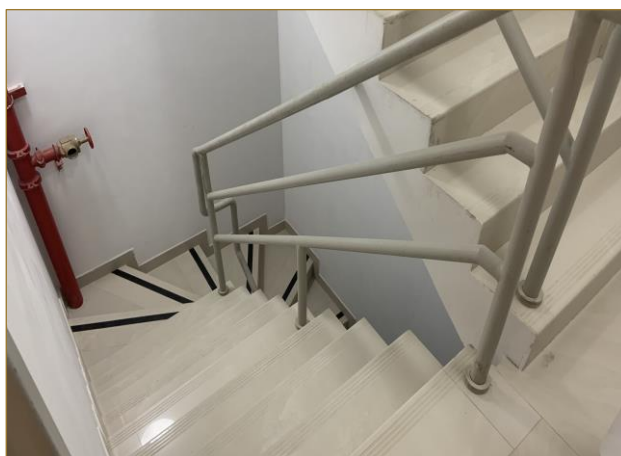


Site Location Analysis

Property Photographs



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للتقييم العقاري

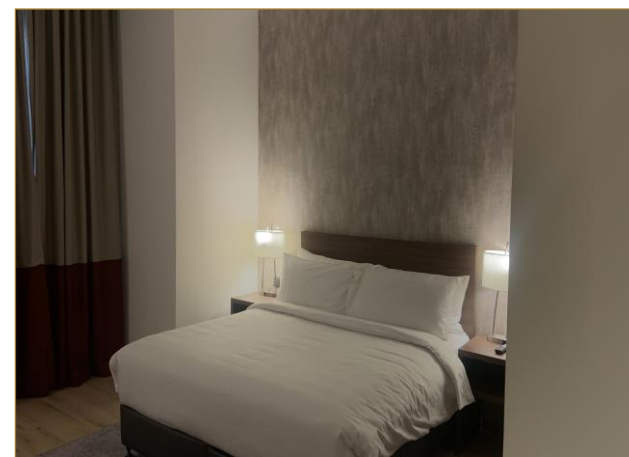
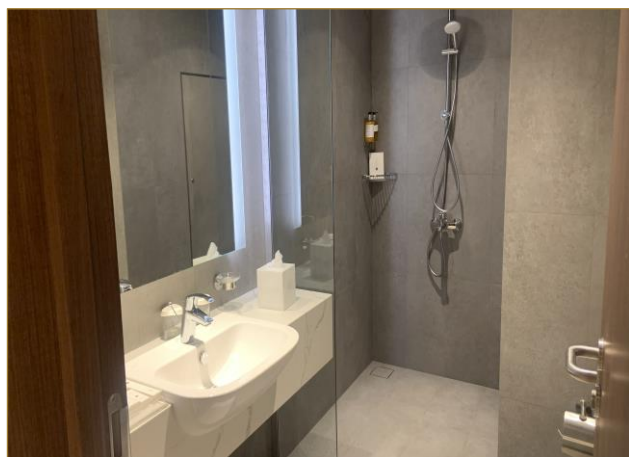
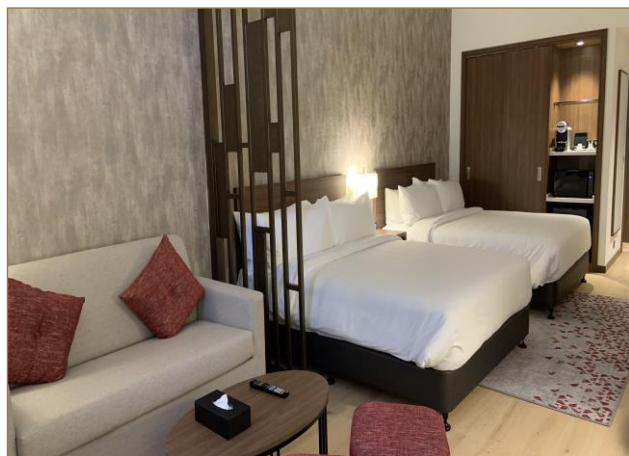


Site Location Analysis

Property Photographs



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للتقييم العقاري

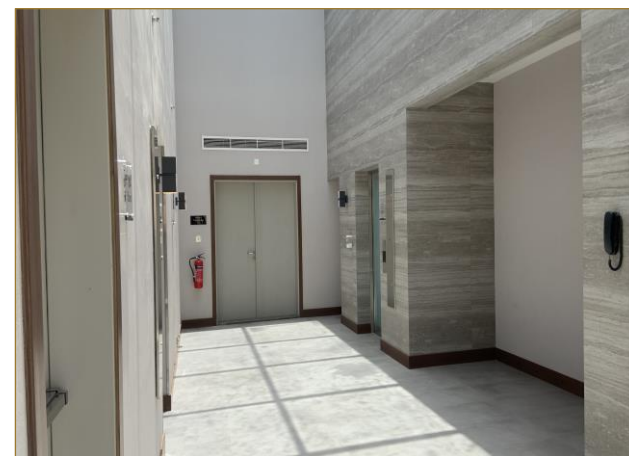
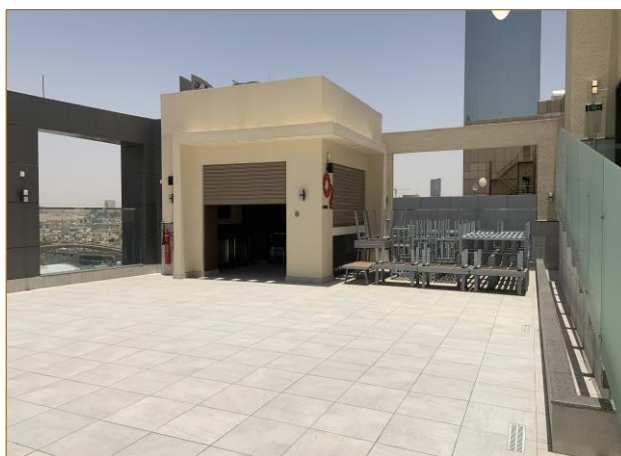
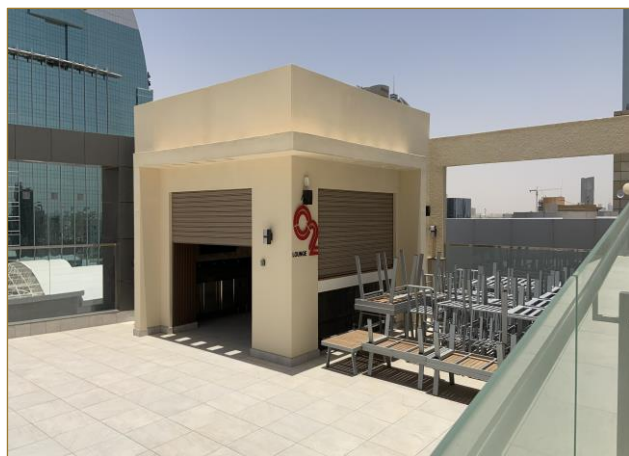


Site Location Analysis

Property Photographs



أبجد
للتقييم العقاري

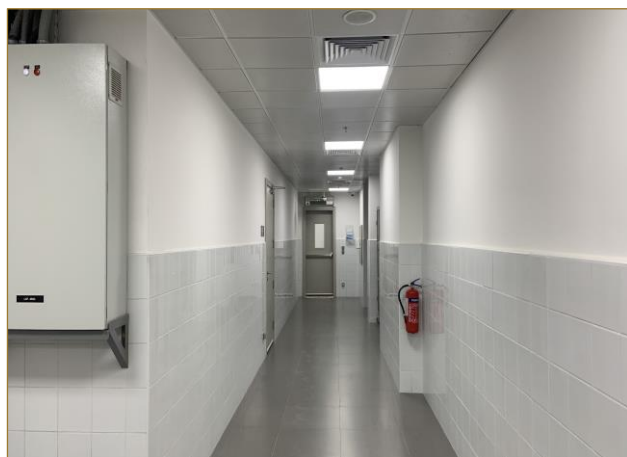


Site Location Analysis

Property Photographs



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للتقييم العقاري





Property Details

- Title Information
- Dimensions and street widths
- lease contract summary

Tenure

Property Information



Property Details (Freehold Details)

ID	Description		
Owner	Hotel Development Real Estate Company		
Property Name	Comfort Inn Hotel in the Olaya district of Riyadh		
Plot No.	6/4		
Masterplan No.	İ/1184		
District	Al Olaya		
Block No.	-		
Coordinates	24°42'24.74"N	46°40'38.20"E	
City	Riyadh		
Ownership Type	Freehold		
Title Deed Info	Deed No.	299074003353	
	Deed Date	28/05/1444 H	

Lease Contract Summary:

Year	Income
First party (owner)	Hotel Development Real Estate Company
Second Party (Tenant)	Seera Hospitality Company
Contract Period	5 years
First Year	4,769,958
Second Year	4,769,958
Third Year	4,769,958
Fourth Year	4,769,958
Fifth Year	4,769,958

Dimensions and street widths

Side	Frontage Length	Street Name	Width (m)	Frontage
North	45	neighbor	-	4
South	45.53	Street No. 84	20	2
East	35.2	Wadi Al Thumama Street	20	3
West	29.15	Wadi Al , Awsat Street	30	1

- Sources: Title Deed

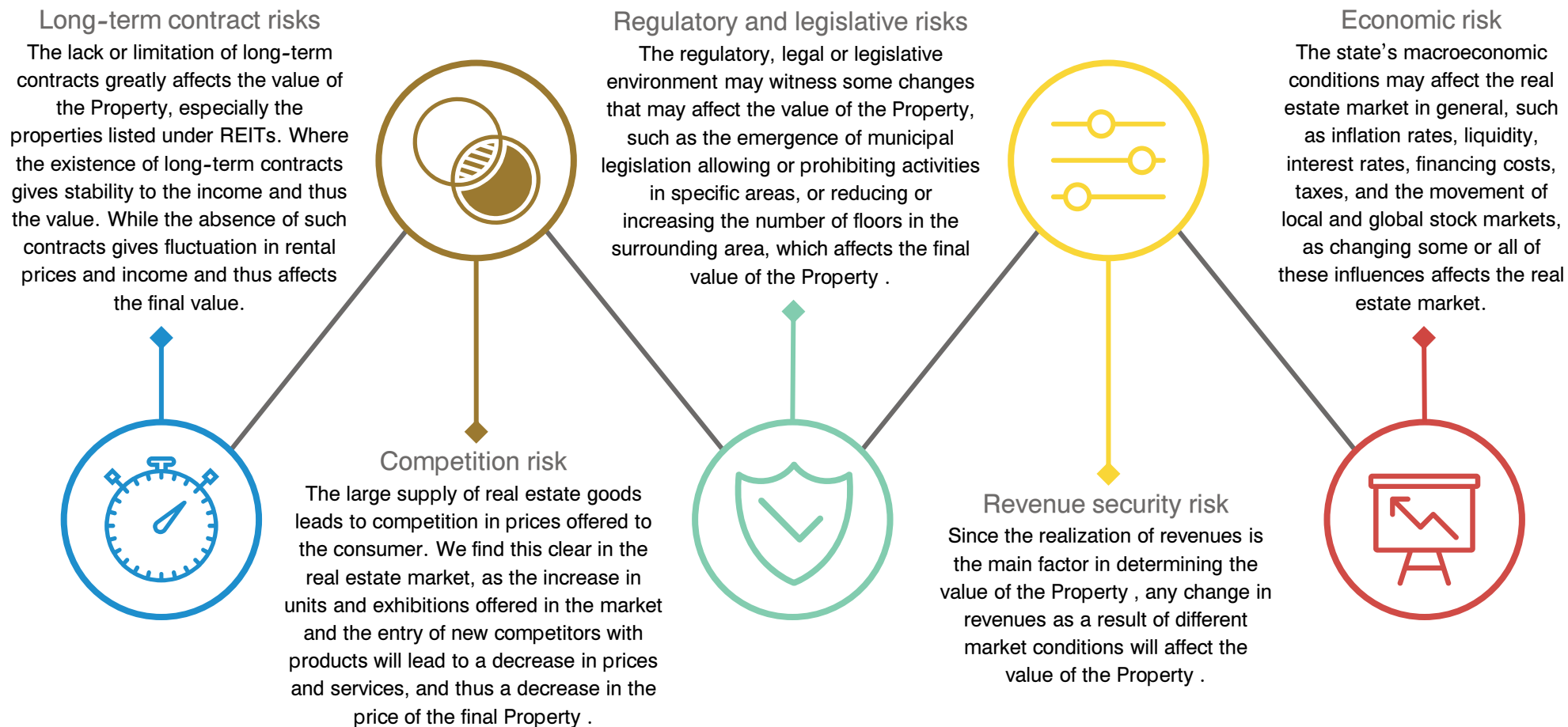
No legal document has been verified for the subject property under valuation, which includes planning, ownership, mortgage and some legal matters on which all or part of this report is based and considered reliable. It was assumed that the instrument was valid and binding. It was also assumed that the property is free from any legal obligations, mortgage rights or any Constraints.

- Sources: leasehold



Valuation

- Analysis of Property Risks
- Valuation Using the Income Method
- Valuation Approach
- Field Research and Market Analysis
- Revenue Estimation
- Future Performance Assumptions
- Explicit Forecasting Period
- Summary of Value



Valuation Methods Used

When choosing the most appropriate methodology for estimating the value of the property under Valuation, we took into account the information provided by the client, the current situation of the property as well as our own analysis of the local market conditions, when determining the Fair Value of the property under valuation, the following methods and methods were used:

Income Method (Profit 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

The income method should be applied and given priority or significant weight in the following cases:

- When the ability of an asset to generate income is the primary element that affects value from the point of view of the participants.
- Reasonable projections are available as to the amount and timing of future revenue for the asset being valued, but there are few, if any, fair comparisons relevant.

When it comes to valuation of commercial assets such as hotels, we usually follow the profit method.

Profit Method

When valuing hotels, the approach involves estimating earnings before interest, tax, depreciation and amortization (EBITDA) over a given period. Usually this type of real estate is exited within **10** years, and the time duration of cash flows has been assumed to be **10** years.

Regarding EBITDA Forecast

First, this is achieved by analyzing the current or future performance of the property under Valuation, taking into account factors such as location, hotel popularity, condition, specifications, and operating structure. Second: We study the local hospitality sector by evaluating the current performance of the market in addition to the rooms expected to enter the market, as well as analyzing the hotel sector and some economic indicators.

Assumptions are then made regarding vacancy ratio, average daily rent, available per room revenue, hotel department expenses, undistributed expenses, management fees, fixed fees, and furnishings and equipment renovation reserves. In terms of the growth rate during cash flow calculations, we examined the average long-term inflation rate in Saudi Arabia, as well as the typical growth rates among similar hotels, and reached a rate of **2.8%**.

Income Approach Valuation

Field Research and Market Analysis



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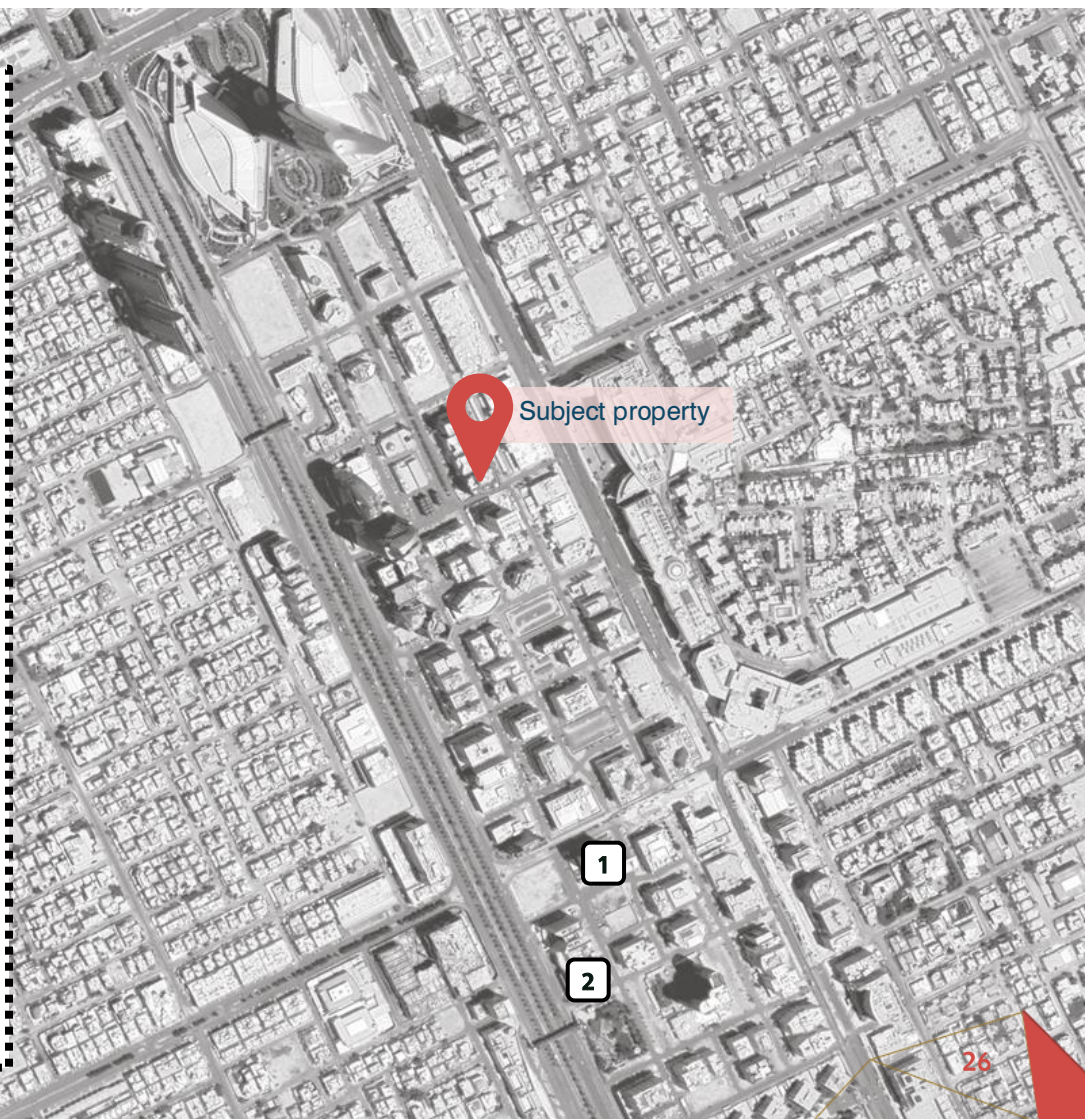
Field research was conducted for hotels that have similar characteristics to the subject property, and the details of the comparisons are as follows.

Hotel Name	Courtyard Marriott Hotel	Ofad Hotel Riyadh
classification	4 Stars	4 Stars
Average rental price in the middle of the week (SR/room/night)	500	300
Average rental price on weekends (SAR/room/night)	450	250

When looking at the nature of the prices of the rooms offered in the property area, there is a relative convergence between the prices, which is affected by the location of the hotel, the area of the room, the services provided and the facilities, and through field research it becomes clear as follows:

Comparisons show that prices range from 300 SAR/sqm to 500 SAR/sqm in the middle of the week and prices range from 250 SAR/sqm to 450 SAR/sqm on weekends.

The map shows the locations of the comparisons used in the valuation and was used to determine the expected income of the property, as shown in the following pages of this report.



Valuation

Revenue Estimation

Revenue Calculation

Based on the analysis of hotel comparisons, the tables below show a summary of room revenue for the first two years.

In the cash flow assumptions of hotel units, occupancy of the hotel starting from the first year was assumed at 54% and stabilizing in the second year at 59% and stabilizes in the third year at 64%.

Table of room revenue for the first year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	32,589	13,036	45,625
Occupancy (%)	55%	50%	54%
Number of occupied rooms	17,924	6,518	24,442
Average daily rent	380	380	380
Average yield for available rooms	209	190	204
Expected income	6,811,161	2,476,786	9,287,946

Table of room revenue for the third year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	32,589	13,036	45,625
Occupancy (%)	65%	60%	64%
Number of occupied rooms	21,183	7,821	29,004
Average daily rent	439	439	439
Average yield for available rooms	285	263	279
Expected income	9,302,265	3,434,683	12,736,948

Table of room revenue for the second year

Description	Midweek	Weekend	Total
Days	261	104	365
Number of rooms available	32,589	13,036	45,625
Occupancy (%)	60%	55%	59%
Number of occupied rooms	19,554	7,170	26,723
Average daily rent	409	409	409
Average yield for available rooms	245	225	239
Expected income	7,987,634	2,928,799	10,916,433

Valuation

Summary of future performance assumptions



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Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	90	90	90	90	90
Room Occupancy (%)	54%	59%	64%	64%	64%
Average Room Rate (SAR)	380	409	439	439	439
RevPAR (SAR)	204	239	279	279	279
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (%)	89.0%	88.0%	87.0%	87.0%	87.0%
Food & Beverage (%)	10.0%	11.0%	12.0%	12.0%	12.0%
Other Revenue (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Total Departmental Profit (%)	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses (%)	23.8%	23.1%	21.3%	21.3%	21.3%
Department Revenue (%)	76.2%	77.0%	78.7%	78.7%	78.7%
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (%)	9.0%	8.5%	8.0%	8.0%	8.0%
Sales & Marketing (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Property Operations and Maintenance (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Utilities (%)	5.0%	4.5%	4.0%	4.0%	4.0%
Total undistributed expenses (%)	24.0%	22.0%	20.0%	20.0%	20.0%
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (%)	5.7%	5.8%	6.1%	6.1%	6.1%
Total Fixed Charges (%)	1.3%	1.3%	1.3%	1.3%	1.3%
Reserve for Renewals (FF&E) (%)	1.0%	1.0%	1.0%	1.0%	1.0%
EBITDA					
(EBITDA) (SAR)	3,328	4,185	5,307	5,307	5,307
Net Profit Percentage (%)	44.3%	46.9%	50.4%	50.4%	50.4%

Valuation

Summary of future performance assumptions



أبعاد
للتقييم العقاري

Summary of cash flow assumptions (without inflation):

description	1	2	3	4	5
Number of rooms	90	90	90	90	90
Room Occupancy (%)	54%	59%	64%	64%	64%
Average Room Rate (SAR)	380	409	439	439	439
RevPAR (SAR)	204	239	279	279	279
REVENUE and DEPARTMENTAL EXPENSES ASSUMPTIONS					
Rooms (SAR)	6,687	7,860	9,171	9,171	9,171
Food & Beverage (SAR)	751	982	1,265	1,265	1,265
Other Revenue (SAR)	75	89	105	105	105
Total Departmental Profit (SAR)	7,514	8,932	10,541	10,541	10,541
Department Expenses (SAR)	1,788	2,059	2,244	2,244	2,244
Department Revenue (SAR)	5,726	6,873	8,297	8,297	8,297
UNDISTRIBUTED & FIXED EXPENSES					
Administrative & General (SAR)	676	759	843	843	843
Sales & Marketing (SAR)	376	402	422	422	422
Property Operations and Maintenance (SAR)	376	402	422	422	422
Utilities (SAR)	376	402	422	422	422
Total undistributed expenses (SAR)	1,803	1,965	2,108	2,108	2,108
MANAGEMENT FEES & FF&E RESERVE					
Total Management Fees (SAR)	425	522	644	644	644
Total Fixed Charges (SAR)	94	112	132	132	132
Reserve for Renewals (FF&E) (SAR)	75	89	105	105	105
EBITDA					
(EBITDA) (SAR)	3,328	4,185	5,307	5,307	5,307
Net Profit Percentage (%)	44.3%	46.9%	50.4%	50.4%	50.4%

Valuation

Explicit forecasting period

Discounted Cash flow table:

- The property was valued by income from the lease for the remainder of the contract and then the expected income was assumed after the completion of the lease based on market as shown in the cash flow table below, and the following key assumptions were made:
- Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of 2.8% per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past 12 years as per the Central Bank of Saudi Arabia.
- Rate of return on capital: The rate of return is calculated according to the location of the property and the type of construction, as well as the field and office research for similar rates of return to the property under valuation, and according to our understanding of the real estate market in the Kingdom, a rate of 8.00% has been reached.
- Discount rate: Based on our understanding of similar properties in the real estate area, and taking into account the characteristics of the location, area, use, supply and demand, we applied a discount rate of 11.00%.

Net Income Summary:

The table below shows income based on the contract for the remaining period and then income based on market.

description	1	2	3	4	5	6	7	8
EBITDA (000 SAR)	Income based on contract				Income based on market			
	3,577	4,770	4,770	4,770	6,010	6,178	6,351	6,529
Discounted Period (%)	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5

Discounted Cash flow table

السنة	1	2	3	4	5	6	7	8	Exit
EBITDA (000 SAR)	3,577	4,770	4,770	4,770	6,010	6,178	6,351	6,529	
Exit Value (SAR 000s)									81,609
Net Cashflow (SAR 000s)	3,391	4,062	3,650	3,279	3,712	3,603	3,358	3,130	35,469
Market Value (Rounded)	63,650,000								
Room Value (SAR per room)	707,222								

Valuation

Opinion of Value

Abaad is of the opinion that the value of the Subject Property as of the date of valuation, based upon assumptions and detail within this report, may be fairly stated as follows:

The Fair Value of the property using the income approach as of **30 June 2023** is:

- SAR **63,650,000** (Sixty-Three Million Six Hundred Fifty Thousand Saudi Riyal)
- Room Value **707,222 SAR/Room**

Signatures

Eng. Ammar Abdulaziz Sindi
Taqeem ID: **1210000219**
Fellow Member
Membership Date: **22/12/2015**
Real Estate Sector

Eng. Ammar Mohamed Qutub
Taqeem ID: **1210000392**
Fellow Member
Membership Date: **24/01/2016**
Real Estate Sector

Eng. Yousuf Abdullah Khan
Taqeem ID: **1220001989**
Provisional Member
Membership Date: **17/09/2020**
Real Estate Sector

Company Stamp
Company Name: Abaad &
Partner for Real Estate Valuation
Company No. **11000111**
CR No: **4030297686**
CL No: **323/18/781**



Appendix

- General Terms Used in the Preparation of the Valuation Report
- Property Documents

General Terms Used in the Preparation of the Valuation Report

Authority

Means the Saudi Authority for Accredited Valuers (TAQEEM), the authority concerned with developing requisite guidelines and standards for the valuation of properties, business establishments, equipment, movable property, etc. in accordance with the Accredited Valuers Regulations promulgated by Royal Decree No. (M/43) dated (9/7/1433). Its objective is to develop the valuation profession and improve the qualifications of valuers, as well as to develop and maintain the general rules for Authority membership of various levels with ongoing development of the qualifications of its members to keep abreast of the highest state of the art levels. The (Authority) is a legal entity, not for profit, with an independent budget. It operates under the supervision of the Ministry of Commerce and Investment.

Asset(s)

To facilitate reading of the standards and in order to avoid repetition, the term Asset(s) generally refers to the items which are the subject of the valuation exercise. Unless otherwise provided in the standards, these terms may be taken to mean and include each of the following words: (an asset, group of assets, obligation, group of obligations, or a group of assets and obligations).

Client

The word (Client) refers to the person(s) or entity for which the valuation is carried out, including the external clients (that is when the valuer is contracted with a third party), as well as the internal clients (that is the valuations prepared for the owner).

Legal Jurisdiction

The word (Jurisdiction) refers to the legal and regulatory environment wherein the valuation process is carried out. It includes the laws and regulations issued by

government authorities, such as the district, state and municipality, and the laws issued by certain regulatory entities commensurate with the purpose of the valuation, such as central banks and capital market authorities.

May

The word (May) describes the action which the valuer is required to take into consideration. Matters described as such require the valuer's attention and understanding. The ability to apply these matters in the valuation process depends on the valuer's judgement and professional experience under conditions which are in line with the objectives of the standards.

Shall

The word (Shall) refers to an unconditional responsibility, that is, the valuer must fulfil any responsibilities of this type in all cases and under all circumstances where the condition is applicable.

Participant

The word (Participant) refers to the participants concerned on the basis(es) of the value used in the valuation exercise (see Standard 104 – Basis of Value). The different bases of value require the valuer to take different points of view into consideration, such as the points of view of the market participants, including for example the Fair Value, the Fair Value of the International Financial Reporting Standards (IFRS), a certain owner or a prospective buyer, such as the investment value.

Purpose

The word (Purpose) refers to the cause(s) of carrying out the valuation. It includes the general purposes (for example, without limitation) the purposes of the financial reports, tax reports, litigation support, transactions support and support of secured lending decisions.

[illegible]

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل

[٢٧٧]

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 4 / 6 من البك
رقم 6 من المخطط رقم 1184 / 1 الواقع في حي العليا بمدينة الرياض، ويحدوها وأملؤها : شمالاً:
قطعة رقم 6/3 بطول 45 خمسة و أربعون متر جنوباً: شارع عرض 20 م بطول 45.53 خمسة و
أربعون متر و ثلاثة و خمسون سنتمتر شرقاً: شارع عرض 20 م بطول 35.2 خمسة و ثلاثون متر و
عشر و ن سنتمتر غرباً: شارع عرض 30 م بطول 29.15 تسعة و عشر و ن متر و خمسة عشر
سنتمتر ومساحتها 1512.36 ألف و خمسمائة و إثني عشر متر مربعاً و ستة و ثلاثون سنتمترأ
مربعاً بموجب الصك الصادر من الموثق بالرياض 9 رقم 499684000716 في 21 / 12 /
1443 قد أصبحت في ملك/ شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل
تجاري رقم 7025392254 بشن وقدره: 60700000 فقط ستون مليوناً و سبعمائة ألف ريال
سعودي لا غير. وعليه جرى التصديق تحريراً في 05 / 28 / 1444 لاعتماده بوصلى الله على نبينا
محمد وآله وصحبه وسلّم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
(هذا النموذج مخصص للاستخدام الخاص بالمشتركين)
تتواجد رقم (١٠٠-٢٠٠)

صفحة رقم 1 من 1



Abaad & Partner For Real Estate Valuation Co.

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