

Clarion Hotel

Prince Majid Road – Marawah District

Jeddah City - KSA

Prepared for Al Inma hospitality REIT fund

Date of Report

July 23th, 2023

final copy

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Olaat Valuation Company C.R:1010462536 Valuation License: 121000397

Covid-19 Pandemic

With the spread of corona virus (COVID-19) In Kingdom of Saudi Arabia enacted to take step to control corona diseases. Initially due to spread it has a great impact on social mobility that lead to impact on kingdom economic growth. In order to control this pandemic and uplift the economic activity government taken a serious step to provide relief package to support corporate and resident and private sector.

Material Valuation Uncertainty under COVID-19 Pandemic

The outbreak of the Novel Coronavirus (Covid-19), declared by the World Health Organization as a global pandemic on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Accordingly, many formal measures were taken locally and globally that would affect all business sector including Real Estate Sector.

During critical period, Market activity is clearly being impacted in many sectors especially real estate transaction. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purpose, to inform opinions of value. Indeed, the current response circumstance on which to base a judgement and current condition are under influence of epidemic COVID-19 and we are facing an exceptional situation in which it difficult to build an accurate judgement of market situation and value of real estate.

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Site inspection date	30-06-2023		
Measurement date	30-06-2023		
Reporting date	23-07-2023		
Type of Report	Detailed report		
Number of Pages	85		
Done by	Olaat Valuation Company		
License Number	1210000397		
Valid till	20/05/1447 Hijri		
Branch	Real estate		
B.O.X	11585 Riyadh 62244		
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Taqeem License Validity date	18/07/1447 Hijri		
Department	Corporate		

Executive summary

Property Description	The property is a hotel consisting of 200 rooms and suites located in Al-Marwah neighborhood on Prince Majed Road opposite the airport bridge. Its location is close to King Abdulaziz International Airport. It consists of a basement (3 floors) + ground + first + and eight recurring floors. As for the ground and first floors, there are reception and Restaurant, laundry, chapel, meeting room, and administrative offices. From the second floor to the seventh floor, there are (28) rooms on each floor, and the eighth floor has exercise rooms, 2 meeting rooms. As for the ninth floor, there are (13) rooms in addition to the swimming pool.				
Country / City / Neighborhood	Kingdom of Saudi Arabia – Jeddah - Marwa District				
The nearest road/street	Prince Majid Road				
land area according to the deed information	3311.25 sqm				
Title Deed no	499074003352				
Construction parameters of the land	6				
Title deed Date	28/5/1444 Hijri				
Building area for external villas, gates, and annexes	25,312.52 sqm according to building permit				
Building permit number	4000027116				
Building permit date	13/03/1440			Usage building	Mix use
Use by nature	Residential - Hotel	No.of Floor	10	To use by order	Hotel

General Site	<input checked="" type="checkbox"/> Range	<input checked="" type="checkbox"/> Close to major road	<input checked="" type="checkbox"/> 3 street	<input type="checkbox"/> out of range
Property Type	<input type="checkbox"/> Residential	<input type="checkbox"/> commercial	<input type="checkbox"/> educational	<input checked="" type="checkbox"/> Hotel
Architectural Design	<input type="checkbox"/> poor	<input checked="" type="checkbox"/> Good	<input type="checkbox"/> very good	
attributed	<input type="checkbox"/> high	<input checked="" type="checkbox"/> Flat with slight curves	<input type="checkbox"/> low	
Services near the property	<input checked="" type="checkbox"/> telephone	<input checked="" type="checkbox"/> water	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Sewerage
	<input checked="" type="checkbox"/> police station	<input checked="" type="checkbox"/> Civil defense	<input checked="" type="checkbox"/> mosque	<input checked="" type="checkbox"/> school
	<input checked="" type="checkbox"/> water drainage	<input checked="" type="checkbox"/> hospital	<input checked="" type="checkbox"/> residential	<input checked="" type="checkbox"/> commercial market
neighbor	<input checked="" type="checkbox"/> building	<input type="checkbox"/> non building		
Streets	<input checked="" type="checkbox"/> asphalt	<input type="checkbox"/> Non asphalt	<input checked="" type="checkbox"/> lit	not lit
documents received	<input checked="" type="checkbox"/> Titles deed	<input checked="" type="checkbox"/> building permit	<input checked="" type="checkbox"/> rental contract	<input checked="" type="checkbox"/> Legal Due Diligence information (LDD)
Noise level in the vicinity of the property	Medium / Quiet			

The boundaries of the land as per the instrument information	North	Street width 16, length 60.3 m
	South	garden part in triangle form, then a crossroads of streets, length 6.2 m
	East	Street width 15, length 101.62 m
	West	Prince Majid road, width 80 sqm, length 99.69 m
Evaluation method/method	Market approach Comparative method for land - Cost and replacement method for buildings - Income method : Capitalization of net income / discounted cash flows / capitalization of net operating income	

For the attention of:

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Property Address: Alinma REIT Hospitality fund – Jeddah City - Valuation Report analysis

Tenure: Hospitality property

Dear sir,

We are Pleased to submit our Valuation report for – **Clarion hotel – Jeddah city- for REIT Purposes** enclosing with fair valuation In Accordance with your instructions. The objective of this report is to estimate **the fair value at time of valuation, for property**, based upon the existing condition and in the presence of the property preview on site with taken into account the fair value of Land, trade area (catchment area capture, Pull area), catchment Area's classification, replacement cost and Income cap rate – Net income based to rental value for **hospitality facility** based to fair and due to properties & facilities management works PM&FM beside periodically maintenance works, etc. We confirm that OPM complies with requirements of independence and objectivity and that we have no conflict of interest in acting on your behalf of this matter. We confirm that we undertake the valuation acting as externals values, qualified for the purpose of valuation.

The **fair value** of the **Hotel property 167,453,636 S.R** has nominated based on **DCF (Discount cash flow method)** considering the location of the property, current market conditions, market rents and classifications as at the date of valuation based upon the assumptions expressed.

1- Settling the terms of engagement

Owner as per Tittle deed	Real estate hotels development company
Identification of the client and any other intended users	Alinma REIT Hotel Fund
Fund Manager	Alinma REIT Hotel Fund
Lessee	The Operator, according to the lease contract, Seera Hospitality Company
Brand	Clarion
Instruction and purpose of valuation	In accordance with RFP dated on June, 2023, we are instructed to provide a valuation report are required to estimate the fair IN-SITU value for clarion hotel property. Semi-annual periodic evaluation for Alinma REIT Hotel Fund for financial reporting purposes
The subject of the valuation	Valuation for a hospitality property – clarion hotel
The extent of the value's investigations	To avoid misunderstandings. it is good practice to agree with, which defines the extent of the <i>member's</i> duty to obtain or verify information that may be material.
Other users	A general report prepared for publication in favor of the fund's unit owners and all subscribers targeted by the fund manager, Alinma REIT hospitality fund.
Interest to be valued	We are instructed that the subject Land & Building (L&B) should be Valued as freehold, free from any encumbrances or third-Party interests. We have not made any investigation on the data received from client and assumed that any such investigation would not identify any discrepancies.
The Basis of Value	Fair Value as 104 "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- For REIT purposes
measurement Date	Measurement Date is the date on which the opinion of value applied the date of measurement were the value of hotel property reflected on June 30th,2023.
Report Date	The report usually dated differ as the measurement date July 23rd, 2023.

Inspection	The Property was inspected on 30 th of June 2023 by Roaa Nayef al Sharif, Saudi Authority for Accredited Values membership 1210002841 (Taqeem), all significant parts of the property were inspected.
Inspection Role	A consecutive visit to inspection of Land & Building, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property/Asset at the date of inspection. Our inspection procedure covers only the surface/boundaries/out layers of the property.
Market research & Survey	OPM team has made fully market Survey for the immediate similar assets to collect all the possible and related data to the valuation process. The collected data will be based on fair value for property. The collected data type will be according to the property data and the purpose of valuation. The assets prices, occupancy rates and market sales through field survey of the real estate area for similar properties in term of classification of hospitality facilities with measuring the ratio of supply and demand.
Independence Valuers	An External Valuer is defined in the IVS Standards as: A valuer who, together with any associates, has no material links with the client or the subject of the assignment. We confirm that we are an Independent Contractor for the subject services, and nothing contained in this assignment shall be construed as constituting any relationship with the client other than that of client and independent contractor, or as creating any employment relationship whatsoever between client and OPM's staff. We also confirm that we have no conflict of interest to the client's property, Land & Building (L&B).
Legal Due Diligence	We were provided by the client with a legal due diligence (LDD) examination of the property on September 22, 2021
Conflict of Interest	There is no benefit or conflict of interest, as (Olat Real Estate Valuation Company) acknowledge that there is no common interest or benefit in the property and that the evaluators task is to evaluate the property for the benefit of client.
Valuation Methodology	The Valuation has been undertaken using the Comparable Value, Depreciated Replacement Cost (DRC) approach, & Income (Cap rate) approach that are defined in the RICS Valuation – Global Standards (RB Global) Glossary as
Limitation of Liability	Our Liability is restricted in aggregate to our fee and to the addressee of our report only.
Legal notices	We are not aware of nor have we been informed of any legal notices served on the Project, outstanding or pending in the court law.
The nature and source of the information to be relied on	For the purpose of this report, it is assumed that the written and verbal information provided to us by the client is up to date, complete and correct. OPM have furthermore undertaken further research with respect to Effective useful life, depreciation method, in addition, we have relied on the following sources in the valuation process.

Confidentiality	This document and/or any other document received from the client are confidential between OPM and the client. Except as may be required by any court or authority, the subject Services shall not disclose or use or cause to be disclosed or used, At any time during the term. Any of the client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process Remain confidential
The nature and source of the information to be relied on	Market Survey - OPM data center
Environmental Matters	In undertaking our work, we have been instructed to assume that no contamination or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present uses, either of the Property or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject Property from the use or site and have therefor assumed that none exists. However, should it be established subsequently that contamination exists at the Property or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.
Currency	Saudi Riyal
Valuation report's Date	July 23, 2023
General assumption	General assumptions related to real estate are necessary according to the definition of international valuation standards "Assumptions are logical matters that can be accepted as fact in the context of valuation work without verification or scrutiny in a specific way. Wastage of spaces and lack of optimal utilization of the property, as it was assumed that there are no restrictions that would hinder the operation of the property in the future." - The property is operated as hotel
SALIENT POINT (GENERAL COMMENTS)	We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect. We confirm that on-site measurement exercise was not conducted by OPM, and we have relied on the site areas provided by the clients. in the event that the area of the property and site boundary prove erroneous, our opinion of fair value may be materially affected, and we reserve the right to amend our valuation and report
Discloser	The property was evaluated in favor of the Alinma REIT Hotel Fund for the purposes of preparing financial reports on 7/23/2023. Olat Valuation Company acknowledges that there is no current conflict of interest, and independence has been achieved in presenting an opinion on the fair value.

2- Basing assumptions and limiting conditions

All analysis and conclusions in this valuation report are based on the following assumptions and limiting conditions, definitions and concepts, and identification of the subject property. Recognizing the premises of value is vital to this valuation assignment and to the analysis and conclusions that grow out of these premises.

3- The valuation is made subject to the following conditions and assumptions:

Any legal description or plats reported here are assumed accurate. Any sketches, plats or drawings included in this report are included to assist the reader in visualizing the property. We have made a full survey of the property boundaries and region and looking for some comparable land parcels and we did not find any comparable lands offering either for sale or rent due to scarcity of lands.

Valuations based on *fair value* shall adopt the definition and the conceptual framework settled by the **Saudi Authority for Accredited Values memberships (Taqeem)**, International **Valuation Standards Council (IVSC)**:): The estimated price for the transfer of an assets or liability between identified knowledgeable and willing parties that reflects the respective interest of those parties.

4- Standard and Premise of value

This valuation report relies upon the use of fair value as the standard of value. For the purposes of this valuation for the current use of property. The estimated price for the transfer of an assets or liability between identified knowledgeable and willing parties that reflects the respective interest of those parties.

This is essentially identical to the fair value basis as it is defined under the **Saudi Authority for Accredited Values memberships (Taqeem)**. The evaluation was performed under the premise of value in continued use as a going concern valuation analysis. In our opinion, this premise of value represents the fair value.

5- Source of information

All information was received from the client and assumed its validity in addition to market information, which was collected through a comprehensive, accurate, logical, and adequate field survey process to study the prices and rates prevailing in the real estate area, somewhat similar in terms of activity and classification.

6- Instructions

Olaat real estate valuation was baptized before the client, and the team at OPM made a field visit to the real estate site and to see the facts on the ground. In the report are the results of the field survey.

7- Summary of the evaluation report

A detailed report on the specifications of the property on the evaluation based on comparison and income to reach the fair value and comparison based on data, evidence and inputs related to evaluation methods in the real estate area to estimate the fair value of the property.

8- Documents Received

The Client has provided us by clear copy of the following documents

Title Deed Copy	y
Construction Permit	y
Gross Floor area / floor	x
Leasable contract	y
MEP's Details	y
Mapping Plan	y
Civil Defense Letter	x
Photographs	y

9- Valuation's Methodologist Definitions

There are three principal approaches to valuation that are generally recognized internationally: According to the International Valuation Standard Council (IVSC), and according to the TAQEEM valuation principles, there are 3 main types of valuation Approaches as per the following:

The Various Valuation methods to use in financial markets are based on Variations of the market approach, the income approach, and cost approach as described in the IVS 105 Valuation approaches and methods.

9.1- Depreciated Replacement cost (DRC)

A Depreciated Replacement cost the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization”.

The DRC method is based on the economic theory of substitution. Like the other forms of valuation, it involves comparing the asset being valued with another. However, DRC is normally used in situations where there is no directly comparable alternative. The comparison therefore has to be made with a hypothetical substitute, also described as the modern equivalent asset (MEA). The underlying theory is that the potential buyer in the exchange would not pay any more to acquire the asset being valued than the cost of acquiring an equivalent new one. The technique involves assessing all the costs of providing a modern equivalent asset using pricing at the valuation date.

In order to assess the price that the potential buyer would bid for the actual asset, valuation depreciation adjustments have to be made to the gross replacement cost of the MEA to reflect the differences between it and the modern equivalent. These differences can reflect obsolescence factors such as the physical condition, the remaining economic life, the comparative running costs and the comparative efficiency and functionality of the actual asset. Land required for the MEA will be separately assessed.

When depreciated replacement cost is used?

DRC is used where there is no active market for the asset being valued – that is, where there is no useful or relevant evidence of recent sales transactions due to the specialized nature of the asset – and it is impractical to produce a reliable valuation using other methods.

The DRC method may be used for the valuation of specialized property, which is defined as:

"Property that is rarely, if ever, sold in the market, except by way of a sale of the business or entity of which it is part, due to the uniqueness arising from its specialized nature and design, its configuration, size, location or otherwise."

This definition is broad and can apply to Property or assets that may be of conventional construction, but become specialized by virtue of being of a size or in a location where there is no relevant or reliable evidence of sales involving similar property.

The market for assets can change over time. Assets that might previously have been identified as having no market may have an active market that has recently emerged. For example, within the healthcare and leisure sectors, evidence of market transactions is growing. Therefore, before adopting the DRC method the valuer will need to be satisfied that there are no transactions involving similar buildings in similar use or location that could provide sufficient evidence to use an alternative valuation method.

The value of a specialized property (or a specialized Land & Building Property) is intrinsically linked to its use.

- The type of Asset and how it is used an understanding of the asset, its function, and its environment.
- Classification of the asset for accounting purposes by the entity.
- the entity's componentization policy and the entity's position on modern equivalent asset (MEA) issues such as Asset's site location and site size.
- knowledge of the specification that would be required for an equivalent asset in the current market, and the cost of acquiring or procuring that asset.

- Sufficient knowledge of the asset and its marketplace to determine the remaining physical and economic life of the asset and sufficient knowledge of the sector in question to assess functional, technical, or economic obsolescence.

If the asset is specialized it may be necessary to define what is to be included in the valuation. The identification of assets that are classified as part of the property interest and those that are classified as plant and equipment is often unclear in a specialized property.

Any specialized assets comprise separately identifiable components, and the valuer will need to discuss with the entity whether it is appropriate to value these as separate items, or to what degree it would be appropriate to regard them as aggregated into a single asset, and valued accordingly. The entity's accounting policies may influence this decision.

The principle can be illustrated by considering the value of Property that is a few years old. If technological advancements mean that the same output can now be achieved with a smaller and more efficient machine, the actual machine would most likely not be replaced as is. The modern equivalent is defined by its comparative performance and output.

In assessing the cost of the replacement asset, due account should be taken of all the costs that would be incurred by a potential buyer on the valuation date unless there is applicable direction to the contrary:

- Delivery and transportation
- Installation and commissioning
- Any unrecoverable duties or taxes
- Setting up costs, where appropriate, such as planning fees and site preparation works
- Professional fees related to the project
- A contingency allowance, if appropriate and finance costs, considering the likely pattern of payment.

When considering **specialized property**, the current gross replacement cost of the asset is assessed. This comprises the cost of replacing the land plus the cost of replacing the improvements to the land. For the latter, the approach is to assess the cost of their replacement with a modern equivalent and then make valuation depreciation adjustments to reflect the differences between it and the actual asset when compared with a modern equivalent. Once the gross replacement cost has been derived, the valuation depreciation factors are applied as a further and separate calculation.

Although the ultimate objective of the DRC method is to produce a valuation of the actual property in its actual location, the initial stage of estimating the gross replacement cost should reflect the cost of a site suitable for a modern equivalent facility. While this may be a site of a similar size and in a similar location to the actual site, if the actual site is clearly one that a prudent buyer would no longer consider appropriate because it would be commercially wasteful or would be an inappropriate use of resources, the modern equivalent site is assumed to have the appropriate characteristics to deliver the required service potential.

The fundamental principle is that the hypothetical buyer for a modern equivalent asset would purchase the least expensive site that would realistically be suitable and appropriate for its proposed operations and the envisaged modern equivalent facility. How the actual site was obtained is irrelevant to the valuation. The valuer will need to discuss and agree with the entity the possible locations for the current defined service requirement.

The property being valued may be located in a situation that would now be considered unnecessarily expensive. This may be due to changes in the way in which the service provided is delivered, or to changes in the market for the product it produces.

Calculating the cost of Land & Building improvements of a specialized property-

When valuing a specialized property, it is often difficult to distinguish between what may be classified as a building or structure and what may be classified as plant. In the specialized industrial sector, many structures effectively only provide support and weather protection for process plant – if the plant was removed, the ‘building’ would not exist. In such cases there should be discussion with the entity as to whether a distinction needs to be made between buildings and plant and, if so, what items fall under each heading. Because of the diverse nature of the buildings, structures and plant that may form part of a specialized property, the term ‘site improvement’ refers to all additions to the land. These are buildings, structures, or some modifications to land of a permanent nature involving expenditures of labor and capital, and they are intended to enhance the value or utility of the property. Improvements have differing patterns of use and economic lives.

Site improvements will include all site works associated with the development, including services, fencing, paving and any other items of a permanent nature that support the specialized use. The following paragraphs provide guidance on calculating the cost of buildings and site improvements. Although they refer specifically to buildings, the same principles apply to all improvements.

Sources of cost information

The nature, size and specification of the modern equivalent building and all other necessary improvements, the cost of providing these:

- Assessed by reference to published building cost data (benchmark). However, published construction price data may be of limited assistance where the replacement building or structure is highly specialized. Instead, the valuer may have to rely on actual costs involved in the creation of the current asset, or discuss with their instructing client the need to conduct external cost research and/or commission specialist cost advice.
- Contractors and Consultants Other factors that may result in the cost of creating the actual asset to differ from that of a notional replacement include:
 - **Site preparation:** work may have been undertaken to prepare the actual site for development that would not be necessary for the assumed equivalent site. For example, costs actually incurred in levelling a site or providing services to the site boundary may already be reflected in the cost of acquiring an equivalent site in the market if the available evidence was for level, serviced land.
 - **Phasing of work:** A large site may have been developed in phases, whereas the cost of the modern equivalent reflects the cost that would be incurred in replacing the whole asset at the valuation date let as a single contract. This could create economies of scale and reduce contract overheads, for example, on preliminaries work.
 - **Optimal working conditions:** If the cost of the equivalent site is based on a site that is assumed to be free of any difficulties or constraints on development, any additional costs incurred because of abnormal conditions on the actual site are ignored.
 - **Contract variations:** any additional costs incurred in constructing the actual building caused by design or specification changes during the progress of the contract are ignored.
 - **Planning changes:** When the actual asset was constructed it may have had deemed planning consent. As the planning legislation has changed, the cost of obtaining consent for a modern equivalent may need to be considered.

- **Incidental costs:** Such as fees and carrying costs, are to be restricted to those costs associated with the assumed procurement of the building. Allowance for VAT is made only where this is an irrecoverable cost. Although it would not normally be appropriate to make an addition to the cost to reflect developer's profit (because the purchaser is deemed to be procuring the building for owner occupation), it may be appropriate to add for management time if this were a significant cost that would be incurred in constructing a modern equivalent.

Assessing valuation depreciation

Established the replacement cost of a modern equivalent asset, it is then necessary to adjust or depreciate all costs incurred to provide the modern equivalent asset to reflect differences between this modern equivalent and the actual asset being valued. The underlying principle is that the hypothetical buyer has the option of procuring either the modern equivalent or the actual asset. If the modern equivalent provides the ideal facility for the buyer, the price paid for the actual asset is expected to reflect all the disadvantages that it suffers in comparison.

Applying valuation depreciation is primarily a process of replicating how the market would view the asset. Depreciation rates and estimates of the future economic life of an asset are influenced by market trends and/or the entity's intentions. It is recommended that the valuer identify these trends and intentions, and be capable of using them to support the depreciation rates applied. The application of DRC should replicate the deductive process of a potential buyer with a limited market for reference.

Three principal types of depreciation allowance, or obsolescence, may be identified as:

- **Physical deterioration:** If the cost of repairing, reconditioning, or refurbishing the actual asset to render it useable has exceeded the cost of a modern equivalent, the asset would have no value.
- **Functional obsolescence:** The introduction of new technology may render obsolete a relatively new asset with an otherwise long anticipated life, with the result that there would be no demand for it other than any value for salvage or an alternative use.
- **Economical obsolescence:** Economic obsolescence: if demand for the product or service provided by the asset has collapsed and is not expected to recover, there would be no demand for the asset other than for any salvage value or alternative use.

Remaining economic life

Key step in the estimation of valuation depreciation to reflect obsolescence is the assessment of the lifespan and anticipated remaining life that is attributable to the asset being valued, having regard to the impact of its different constituent parts, this then being applied to the modern equivalent asset that has been selected.

Lifespan: *When assessing the target lifespan of an asset, it is important to consider that the asset comprises many different parts, each with their own lifespan, some of which will be much shorter than the period over which the asset may be used for service delivery. The impact of capital expenditure on replacing parts whose economic service delivery potential has been exhausted cannot be reflected until that expenditure occurs. The projected lifespan of an asset when new is therefore not the lifespan of the asset's longest life part nor the period over which the entity intends to remain in occupation delivering services from it but rather should reflect the varying lifespans of the in-situ constituent parts. Approximation or other techniques, such as weighting the impact of the lifespans of different parts by value, will be necessary to arrive at a lifespan for the overall asset that faithfully reflects the varied individual lives of the asset's parts.*

Types of Depreciation

- **Straight-line:** The straight-line basis tends to be the most commonly adopted method for calculating depreciation of buildings because of its simplicity and relative ease of application. Straight-line depreciation assumes the same amount is allocated for depreciation for each year of the estimated life.
- **Reducing balance:** The reducing balance method of depreciation assumes a constant percentage rate of depreciation from the reducing base. The reduction of the balance at the end of each period by a fixed proportion of itself creates a sagging depreciating value curve over the life of the asset. This method effectively 'compounds' the total depreciation. This may match reasonable expectations of declining value over time better than the straight-line method.
- **S-curve:** The S-curve is recommended where sufficient data is available for the valuer to be confident that the curve represents the likely reality. In some cases, it presents the most realistic representation of an asset's depreciation by assuming that depreciation is at a low rate in the early years, then accelerates in the middle years and reduces again in the final years. However, some assets, such as plant, may have a different depreciation pattern (high at first rather than low).

- The three methods outlined are all in common use. Of these, the straight-line approach has the advantage of simplicity. However, it does not represent the way in which asset values are normally reflected in the marketplace. The reducing balance method may also be open to similar criticism that it does not reflect market perceptions. The S-curve attempts a surrogate for market behavior and is appropriate where there is empirical evidence available.

Other forms of depreciation curves are available, and where they are used by a particular market the valuer is expected to reflect them. In adjusting for depreciation and obsolescence the valuer is advised to rely on professional knowledge, judgement, and market experience, and to take due account of the nature of the asset and the type of use to which it is put.

Other considerations

It is not normally appropriate to make any deduction for depreciation from the cost of acquiring a modern equivalent site in the market, because freehold land rarely depreciates. When valuing specialized property, the normal practice is to assess the cost of the improvements separately, assess the appropriate valuation depreciation and then add this to the cost of replacing the land in order to arrive at the final valuation.

Where a multi-block site comprises more than one specialized building, each building will have its own remaining life (reflecting the lesser of their respective physical or remaining economic lives) except in the rare circumstances of there being a strong interdependency such as potentially in the case of an oil refinery.

9.2- Comparable Method

This is method most are familiar with as it is the accepted method for valuing assets. Typically, this method involves selecting assets with similar characteristics in the same market area that have recently sold. Once those Property are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase the value of advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in immediate neighborhood and adjoining areas. Neighboring Property, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

9.3- Capitalization Method (Cap Rate)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments. Office building, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included, since it is not an operating expense. Hence, it does not include mortgage and interest, since this is a debt payment on a capital item.

Estimate the Capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

10-Scope of the Report

The valuation report is performed on a limited scope basis; the report is not a self-contained comprehensive valuation report to estimate the fair value of the Property in time of valuation.

11-Source of information and data

All data and information were deducted due to our market survey to collect some of the market samples either for lands, In addition, we consulted many of real estate experts in **Jeddah city** to reach the actual transaction of some land prices and for the building replacement cost value we depend on Saudi construction cost in time of valuation and cap rate.

12-Purpose for preparation valuation and Content text

OPM was appointed **Alinma hospitality REIT** to evaluate fair value for an educational property due to fair value located within marwa District- based on that, OPM valuation's team surveyed a property's surrounding area for site inspection + preview the location that was analyzed by OPM valuation's team to reach the estimated fair price for the for evaluated property on time of evaluation.

13-Valuation Report Brief

It is a comprehensive valuation report for the property specification according to the market comparison approach, depreciated replacement cost (DCR) and Capitalization rate method to get the more realistic value of the Asset (property) based to (Capital Market Authority) CMA in Saudi Arabia requirements, this analysis report done by OPM valuation team to reach the estimated value of land property in time of evaluation.

14-Legal Description for Property Owner

Document's validity: the property targeted has viewed through available data and documents received from **Alinma reit hospitality fund**, and have been a presumption of validity.

15-Second partner's rights and ownership in property

We assumed that targeted property out and free of any personal legal rights and there is no mortgage, loan, royals, monopoly, utilization rights for land and instrument. If indicate otherwise, OPM company & evaluation team are free of any responsibility and our actual task only evaluates **hospitality property**, with checking and preview the real instruments if it's legal and owned by the landlord.

16-Foundation of evaluation report and Contents

Assumptions

1. Purpose of evaluation is to estimate the real current fair value in a competitive market (non-monopoly based on speculation).
2. Estimated current fair value depending on Comparison approach, depreciated replacement cost DRC, Capitalization rate.
3. OPM has no conflict of interest in the time of evaluation.

17 -Site Inspection and collecting Information

The quality of information initially gathered, and later collated, is pivotal to the accurate assessment of the cost. An inspection of the property will be required in order to gather the information needed to complete the cost assessment through:

- General inspection of the Property and its environs before beginning the detailed inspection and confirm that the extent of the property being inspected conforms to the description given by the client.
- Assess the age of the building.
- Consider whether there are any restrictions to demolition and rebuilding that will result from the surrounding environment. Are there Property, the occupation of which may affect working hours? Are any special protection works likely to be necessary? Is the building detached, semi-detached, or terraced, therefore do party walls, temporary protection, insurers, etc.
- Consider whether there are likely to be any deleterious materials that will increase the cost of demolition and debris removal due to higher disposal costs, i.e. review the asbestos register.
- Taking sufficient notes, photographs and measurements and produce sketches to record.
- A schedule of the accommodational use.
- A summary of the building's structure, and the different types of construction, eaves, ceiling heights and finishes.
- A summary of the building's MEP (for example, Firefighting system, Fire Hose, Extinguisher, sprinkler provision, lifts, escalators, and HVAC system).
- Summary of the external areas, boundaries, outbuildings, etc.
- A summary of specialist features (these may be internal or external features considered as extra over the standard building finishes or that influence the basis of assessment, for example, marble cladding, ornate stonework, or timber paneling) and a summary of general topography.

- Estimate All Property 's Value through Depreciated Replacement Cost DRC Approach with few exceptions, the final assessment figure will comprise the total cost of completely rebuilding the asset, to be insured (DRC), together with allowances in respect of other matters, including:
- Demolition and debris removal and professional and statutory fees
- The net rebuilding cost is normally calculated by multiplying the gross internal area of the building by a suitable rate for its reconstruction, Depreciated Replacement Cost, and Current market cost based.
- All external works and services such as drainage, manholes, water supply, electricity supply, boundary structures and outbuildings.
- Average prices for costs are usually generated from a wide range of building costs that reflect differing methods of construction, scopes of work and standards of finishes.
- Approximate quantities may also be used to assist in the appropriate allocation of costs in the elemental breakdown.
- Replacement using vernacular materials and uncommon traditional techniques in replicating items such as ornamentation.
- It is advisable for the cost assessment to include certain additions to take account of further costs that will be incurred in the reconstruction of the building and replacement for machineries, equipment, and system.
- Debris removal, demolition and shoring up party walls
- Professional fees
- Public authorities' stipulations



This section provides an analysis of the site and its overall location, with the aim of understanding the specific constraints and opportunities related to potential development.

The assessment studies the site's location, conditions and characteristics and sheds light on the following points:

- Site Context & Characteristics
- Site Uses - Zoning Regulations
- Surrounding Uses
- Proximity to Key Demand Generators - Accessibility & Visibility

These conclusions, in conjunction with the findings from the real estate market assessment feed into the development program and recommendations elaborated for the overall site as highlighted in subsequent sections of this report.

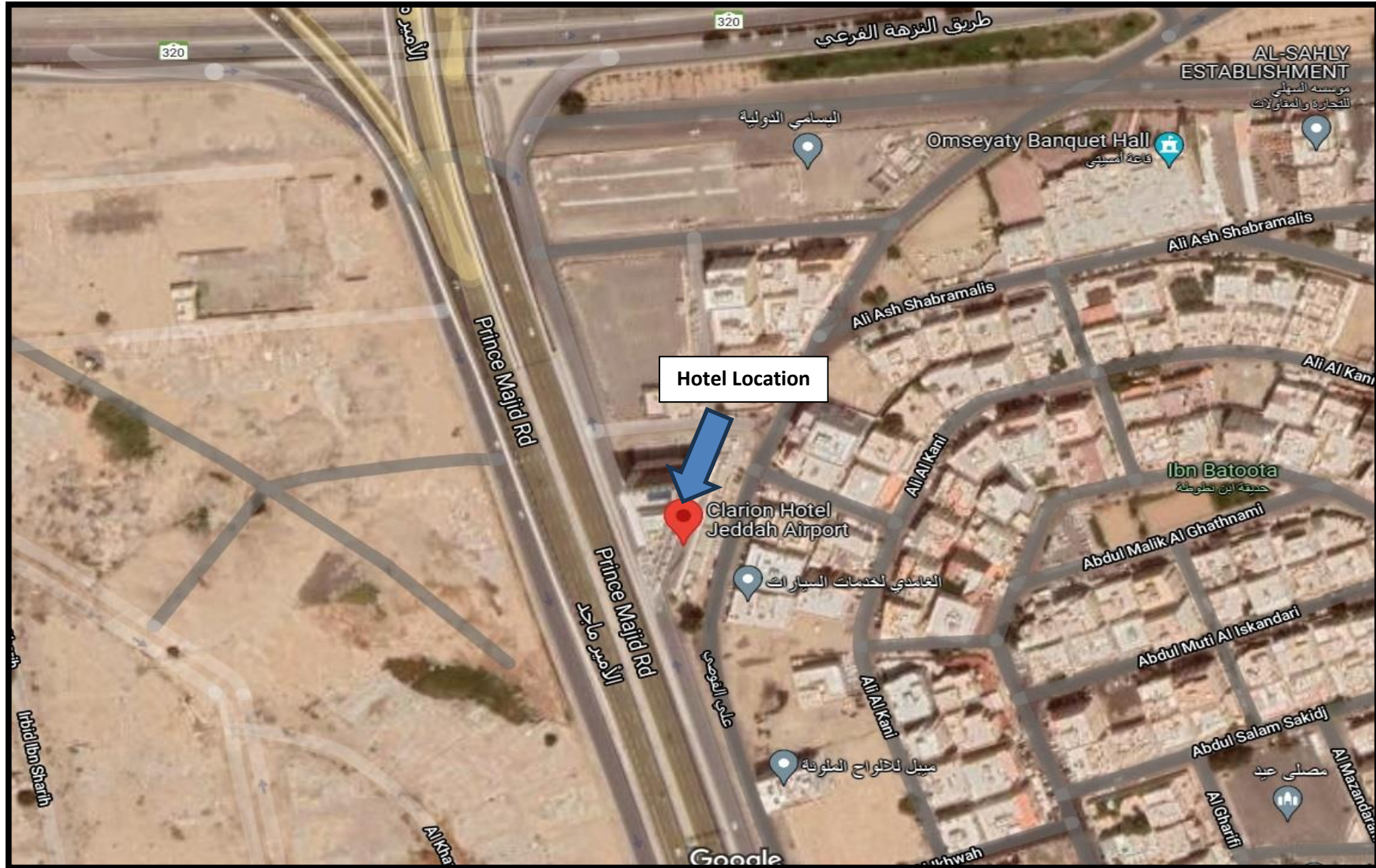
The adjacent map presents the subject site's location within the wider city of Jeddah while the table below, provides the site's coordinates for the purpose of identifying the exact location via Google Earth.

Property Map Coordinates	21.628684 39.183343
Property Map Location	https://goo.gl/maps/HZ7C4kvV9zMGQVYq9

Aerial View



Mid level property view



17.1- Site Characteristics

Building specifications in terms of concrete type, building area, according to the license and technical specifications, according to the information received from the client

Constructure Type

Concrete & facade glass

Central - air handling and distribution equipment

fCU fan Cooling units Carrier – air handling Units AHU

elevators

The number of elevators is 3 for guest, 2 for service elevator & 2 for parking. (KONE)

Exterior lighting

There is outside lighting of the hotel.

Building management system

There is a BMS system

Civil defense requirements

Realized according to the customer's information, there are smoke detectors, alarms, and a water sprinkler, or the rest of the buildings, whose construction and finished & completed

As per customer information provided

Electrical Details				
No.	System	Brand	Quantity	Specifications
1	Main low tension electrical panels board	Schneider	3	Prisma-P Type tested Enclosure- Free Standing – IP55(Form 2b)
2	ATS	LOVATO	1	Ats800A 4P CHANGEOVER SWITCH
3	Standby Generator	Caterpillar C13	1	437 KVA
4	UPS	EATON 93E	2	60 KVA & 15 KVA
5	BMS	SIEMENS	1	Desigo CC V6.0 - 150,000 Objects
6	Guest Elevators	KONE	3	Machine Room Less, From GF to 9th Floor
7	Service Elevator	KONE	2	Machine Room Less, From Basement 3 to 9th Floor
8	Parking Elevator	KONE	2	Machine Room Less, From Basement 3 to 1st Floor
9	TV-49	LG	206	Procentric Hotel TV - Guest Rooms
10	TV-55	LG	3	Procentric Hotel TV - Public Area
11	TV-75	LG	2	Procentric Hotel TV - O2 Lounge
12	TV-85	LG	3	Smart TV for Meeting rooms
13	BMU	Orientals	1	Building Maintenance Unit
HVAC Detail				
No.	System	Brand	Quantity	Specifications
1	Chillers	Carrier	4	Air Cooled Screw Chillers - 30XA 240M
2	HRU	Carrier	2	Heat Recovery Unit 39HQM
3	AHU	Carrier	4	40RM/RMS 008-034 Packed Air Handling Unit
4	FCU	Carrier	330	42DCD
5	CHWP	Grundfos	5	80-200/222/BW/BAQE
6	Split Units	Carrier	2	Server Room & UPS room
7	Split Units	LG	1	Dry Store
8	Minibar	Dometic	200	DOMETIC ABSORPTION MINIBAR A40SR1 Absorption minibar Capacity :40 Liter Gross

Mechanical Detail

No.	System	Brand	Quantity	Specifications
1	Lifting Pumps	Grundfos	3	CR20-06 A-F-A-E-HQBE
2	Water Treatment Dosing System	ProMinent	2	CNPB0704PVT200EA10
3	Multimedia Sand Filters	Pentair	2	AM-36A
4	Softener	Pentair	1	Automatic Water Softener Tank FRP, 13" x 54" H. Pentair Brain Tank with capacity 150 Liters, Quantity: 1
5	Booster Pumps	Grundfos	3	CR32-2A-F-A-E-HOBE
6	Pressure Vissle	Aquasystem	1	VAV1000
7	Swimming Pool Pump	WATERCO	2	HYDROSTORM+
8	Swimming Pool Fountain Pump	HAYWARD	1	Super Pump
9	Swimming Pool Filter	WATERCO	1	Exotuf E600
10	Domestic Water Tank 1	N/A	1	1100 m3
11	Domestic Water Tank 2	N/A	1	900 m3
12	Domestic Vertical Tank	N/A	6	Vertical Fiber Tanks (Each 10 m3)
13	Fire Water Tank	N/A	1	1033 m3
14	Septic Water Tank 1	N/A	1	337 m3
15	Septic Water Tank 2	N/A	1	334 m3 (Dummy)
16	Electric Water Heaters	American Water Heaters	16	American Water Heaters STCE31-119
17	Desiel Tank	N/A	2	1000 Liters each
18	Linen Shute	N/A	1	-
19	Garbage Shute	N/A	1	-

Fire Fighting Detail

No.	System	Brand	Quantity	Specifications
1	Electric Fire Pump	PENTAIR Pump TORNATECH Controller	2	750 GPM each, In Basement 3 Fire Pump Room
2	Jouckey fire Pump	LOWARA	1	15SV06F1106T/D

3	Aerosole	VES Fire Detection Systems	1	FirePro
4	Fm-200	VES Fire Detection Systems	15	Covering: Fire Pump Room _ B3 MDB Room _ GF Server Room _ 1st Guest floors Electric rooms and IT
5	ANSUL	ANSUL	2	In kitchen hoods
Light Current Detail				
No.	System	Brand	Quantity	Specifications
1	CCTV-NVR	Wisenet	2	Wisenet 64 ch - 48 TB HDD PRN-4011
2	CCTV-NVR	Wisenet	2	Wisenet 16 ch - 16 TB HDD XRN-1620B2
3	Bullet External Cameras	Wisenet	36	QNO-6070R & XNO-9082R & QNO-7010R
4	Dome Internal Cameras	Wisenet	113	QNV-6070R & QNV-7080R & QND-7020R & QND-6082R
5	Fire Alarm	Honeywell	1	Notifier NFS2-3030
6	Safebox	Assabloy	200	Sentinel II 41 Dig, RH, Grey, w/o Power Outlet
	Laundry			
No.	System	Brand	Quantity	Specifications
1	Washing Machine	LG	2	Capacity 14 Kg
2	Dryer Machine	LG	1	Heat Pump, Capacity 9 Kg
3	Washer Extractor	Image	2	HE-60, Capacity 27.2 Kg
4	Tumble Dryer	Alliance	1	Capacity 23 Kg
5	Foot Press Machine		1	UEP-42
6	Cold spotting table	PONY	1	F-793
7	Hand iron board	PONY	1	FVC-902
8	foam Finisher Machine	PONY	1	M-780
9	Packing Machine	ARTMECC	1	AVO-CL
GYM Detail				
No.	System	Brand	Quantity	Specifications
1	Treadmill	Precor	2	Product COD: TRM681

2	Dumbbell set 2-20 Kg with 10 pair dumbbell Rack and Multi-Adjustable Bench.	Precor	1	Product COD: DBR812.
3	Multi Press Product	Precor	1	Product COD: C024ES
4	Pulldown/Seated Row	Precor	1	Product COD: C026ES
5	Leg Extension/Leg Curl	Precor	1	Product COD: C027ES
6	RECUMBENT BIKE	Precor	1	Product COD: RBK685
7	Elliptical Machine / Cross Trainer	Precor	1	Product COD: EFX685
8	Functional Training System:	Precor	1	Product COD: FTS
Equipments Detail				
No.	System	Brand	Quantity	Specifications
1	1-door upright freezer	DGD	2	700 Ltr - temperature -21/-18 °c - with light and lock - Vac 230/1/60 hz
2	1-door upright refrigerator	DGD	3	700 Ltr - temperature -2/+8 °c - with light and lock - Vac 230/1/60 hz
3	200kg Capacity, Local Trolley Scale	Dolphin XK3101	1	with Mettler Toledo IND231 Indicator
4	2-door upright refrigerator	DGD	1	1400 Ltr - temperature -2/+8 °c - with light and lock - Vac 230/1/60 hz
5	3-door refrigerated table	DESMON	6	Vac 230/1/60 hz
6	4 electric plates range	HRCO	1	with electric oven - Vac 400/3n/60 hz, 22 kw -
7	4 SLOT LITE TOASTER	HRCO	1	-
8	AIR BLOWN REFRIGERATED	HRCO	1	-
9	Air Degerminators	MGK Plasma	2	-
10	Automatic citrus squeezer	Santos	2	-
11	Automatic espresso coffee machine 2 groups	EXPOBAR	2	boiler 11.5 Ltr - Vac 230/1/60 hz, 3350 watt -
12	Automatic espresso coffee machine 3 groups	EXPOBAR	1	boiler 11.5 Ltr - Vac 230/1/60 hz, 3350 watt -
13	Built in cold plate	HOLLER	3	-
14	Built in hot plate	HOLLER	5	-
15	Built-in Mini Double induction burner	ECO KITCHEN	1	-
16	Cake Display	HRCO	1	
17	Coffee grinder -hopper capacity 0.5 kg	EXPOBAR	3	dispenser 300 grams - adjustable time of dose - Vac 230/1/60 hz, 2

18	Combi oven 10 gn1/1 -	SILKO	2	2 speed fan - Vac 400/3n/60 hz, 16 kw-
19	Crepe Machine - single	ÖZTİRYAKİLER	1	
20	Digital Table Top Scale	DENSI	3	
21	Dishwasher condensate hood	DIHR	1	
22	Double skin wall type exhaust hood	HRCO	1	for bakery Combi oven
23	Double skin wall type exhaust hood	HRCO	1	for Egg Station Counter
24	el. rack conveyor dishwashe	DIHR	1	r r>l 100/150 r/hr. - prewash + wash + rinse zones - Vac 400/3n/60 hz, 29.58 kw
25	Electric deep fat fryer 22+22 liters -	HRCO	1	Vac 400/3n/60 hz, 36 kw -
26	Electric Food Warmer (49x41x39cm);	HRCO	6	Electric 220-240V; Type G Plug On Cord.
27	Electric pasta Cooker, single well ,	HRCO	1	42 liters with stainless steel baskets
28	Electric Salamander	HRCO	1	
29	Electric top fry top	HRCO	1	smooth plate - on open base - Vac 400/3n/60 hz, 15 kw -
30	FULLY AUTOMATIC COFFEE	EXPOBAR	2	MACHINECOFFEE - FRESH MILK - 1 GRINDER
31	Garbage cold room	HRCO	1	
32	Gravity slicer 250 mm	JET	2	- Vac 230/1/60 hz -
33	Gyro Grille - 4 burners (electric)	HRCO	1	
34	high power blender	X TREME	4	
35	Hood Type Dishwasher	DIHR	1	
36	Ice cream display	HRCO	1	
37	Ice Cube Maker 24h / 47kg	BREMA	1	
38	ice cube with st/st finish - 150 kg/day	BREMA	1	vertical evaporator - cube size 7 grams - Vac 230/1/60 hz, 3000 watt
39	ice storage bin 200 kg - st/st finish -	BREMA	1	
40	Insect killer - 2x20 watt	MOEL	15	
41	Inset hand washing sink with sensor	HRCO	1	
42	Juice Extractor	X TREME	1	
43	Knife Sterilizer-Wall Mounted	OFFICINE SAVIOLI	5	
44	Microwave	MENUMASTER	1	
45	Microwave Convection Impingement Oven	MENUMASTER	3	

46	Panini Grill	HRCO	1	
47	Planetary Mixer 10 LTR table top	HRCO	1	
48	Refrigerated Cold Pan	HRCO	1	4well GN 1/1 With Tray Slide and sneeze guard
49	Refrigerated drink dispenser, 2x14 liters	HRCO	1	
50	Refrigerated drink dispenser, 4x11 liters	HRCO	1	
51	Rice Cooker	HRCO	1	
52	Silko, stainless steel floor stand	SILKO	1	for combi oven - without side runners for trays - dim. 930x725x710 mm
53	Two Door Refrigerator Counter	DGD	1	
54	Under counter Glass Dishwasher	DIHR	1	
55	Under counter Heated Cabinet	HRCO	1	
56	Undercounter glass dishwasher	DIHR	1	
57	Undercounter Ice Maker	BREMA	1	
58	UNDERCOUNTER REFRIGERATED DRAWER	DGD	1	3- SECTION
59	Waffle Maker	WARING	1	
60	Walk in chiller room 1	HRCO	1	
61	Walk in freezer room 1	HRCO	1	
62	Walk in freezer room 2	HRCO	1	

Valuation process adoption:

Valuation of income-generating properties based on the income/discounted cash flow method by market

Valuation approach	Valuation method	Valuation process
Market	comparable	Valuation of the land according to the market method / the comparative sales method as a method supporting the income method (for guidance only)
Cost method	cost and substitution	Evaluation of the building from the construction, finishing and installation of air-conditioning equipment, elevators, water pumps, electrical control, and lighting such as switches, electrical boxes and internal transformers, and this method is considered supportive of the income method during the evaluation process (for guidance only)
income method	method of capitalizing net operating income	Capitalizing the net operating income of the property according to market returns for similar properties
	The discounted cash flow method	The property is income-generating - and the property was evaluated on the basis of the income method - the method of discounting future free cash flows to ascertain the property's income according to the market

18- Land Valuation Methodology

18.1 - Land Valuation Comparable Approach

Comparable Market Approach evaluation – Land Evaluation fair value (FV)

In this method, we will try to estimate the fair values for Land Area - land located within Marwah district according to the market comparable approach. Through the market survey done by OPM team, similar land plots sizes founded in the catchment area and semi similar to targeted land.

However, within the same area, there is a shortage for similar land parcels offering either for sale or sale at date of valuation, and we just took many parcels similar in area and location and due to our survey and some of actual valuation for some projects in the region.

First, we will start defining the area of market survey done in this matter as per the following:



Relative Ratio Analysis:

A. Location (RAA):

Land plot size categories sq. m	Location RRA	
	far from airport	Near airport
Ratio	-5%	+5%

B. Area Space (RAA):

Land plot size categories Sqm	1000-2,000	2001-3,000	3,001-4,000	More than 4,001
RAA	+10%	+5%	0%	-15%

C. Other RRA:

Number of streets	(-,+) 15%
Public services (Metro - electricity - water - sewage - telephone)	(-,+) 5%
Property Land location	(-,+) 5%
Exit and entry	(-,+) 5%
Within a major Commercial / Residential area PAA	(-,+) 5%
Market movement adjustments (active - medium - stagnation)	(-,+) 5%
Settlements for real estate transactions (1 year)	(-,+) 5%

Comparable market Valuation Samples

Sample	Area Size sq m	Sample location	fair value S.R / sq m	Street name	Transaction Status	Land Usage
Sample 1	1675	South	9,500	2 Street 80 m	Real offer	(Commercial)
Sample 2	3330	south	9,000	2 Street 80 m	Real offer	(Commercial)

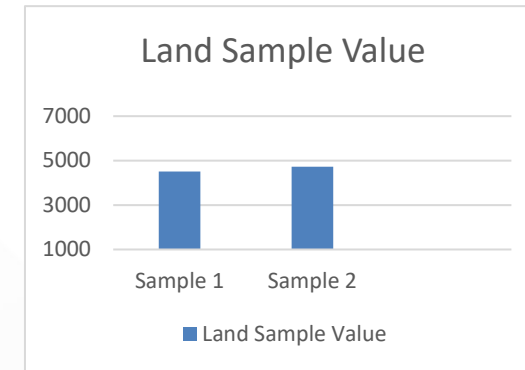


Samples modifications to Land property

Sample 1	S.R/ Sqm	Sample 2	S.R/ Sqm
Location RRA:		Location RRA:	
Sample Price	9,500	Sample Price	10,500
Add: (0%)	0	Add: (0%)	0
	+9,500		+10,500
Area Space RRA:		Area Space RRA:	
1,675 sq. m		3,330 sq. m	
Less: 0% Change	0	Less: 0% Change	0
	+9,500		+10,500
Other RRA:		Other RRA:	
Number of streets (0%)	0	Number of streets (0%)	0
Public services (Metro - electricity - water - sewage – tele.) (+5%)	+451	Public services (Metro - electricity - water - sewage – tele.) (+5%)	+525
Property Land location (0%)	0	Property Land location (0%)	0
Exit and entry (0%)	0	Exit and entry (-5%)	-525
Within a major Commercial/Residential area PAA (0%)	0	Within a major Commercial/Residential area PAA (-5%)	-525
Market movement adjustments (active - medium - stagnation) (+5%)	+451	Market movement adjustments (active -medium - stagnation) (-5%)	-525
Settlements for real estate transactions (1 year) (-5%)	-451	Settlements for real estate transactions (1 year) (0%)	0
Modified Fair Value		Modified Fair Value	
	9,025 SAR/Sqm		9,450 SAR/Sqm

The / Current fair Value per sq. m for the land will be calculated as a weighted average of the fair sample modified values as follows:

Sample 1	9,025	50% of the sample due to sample location area	4,513
Sample 2	9,450	50% of sample value given that the sample is in the same location	4,725
Weighted rate per square meter		9,238 S.R / sq. m	



The fair value of the land according to the valuation on a comparative basis

The total area of land Sqm	3,311.25
Fair value per square meter - S.R	9,238
The fair value of the land -S.R	30,589,328
Thirty million, five hundred eighty-nine thousand three hundred twenty-eight Saudi riyal only	

18.2 - Cost Approach Depreciated Replacement cost method (DRC) for Building

Depreciated replacement cost (DRC) approach. The 'cost approach' and DRC are regarded as synonymous terms; both are in common use around the world to describe a method of valuation of all types of assets.

Also, the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

It is important to understand that the word depreciation is used in a different context for valuation than for financial reporting. In a DRC valuation, depreciation refers to the reduction, or writing down, of the cost of a modern equivalent asset to reflect the obsolescence and relative disabilities affecting the actual asset. In financial reporting, depreciation accounting refers to a charge made against an entity income to reflect the consumption of an asset over a particular accounting period. These are distinct usages of the word, and there is no direct correlation between the methods used to assess depreciation in each case.

Although the DRC method may be used for the valuation of different types of specialized asset, particular complications arise when applying the DRC method to specialized property.

Some buildings (or specialized plant and equipment assets) have a conventional basic design that is superficially similar to other buildings that are regularly bought and sold in the market, but on closer inspection have specialized features or extensive adaptations designed to meet the requirements of the actual occupier. Typical examples, which may be purpose built or adapted, include a residential complex, office, retail, medical, hotels, universities and or an industrial building (labor camps) with structural alterations to accommodate a particular production process with enhanced security features such as thickened walls, toughened glazing, extra amenities, and extra facilities areas.

Depreciated Replacement cost (DRC)

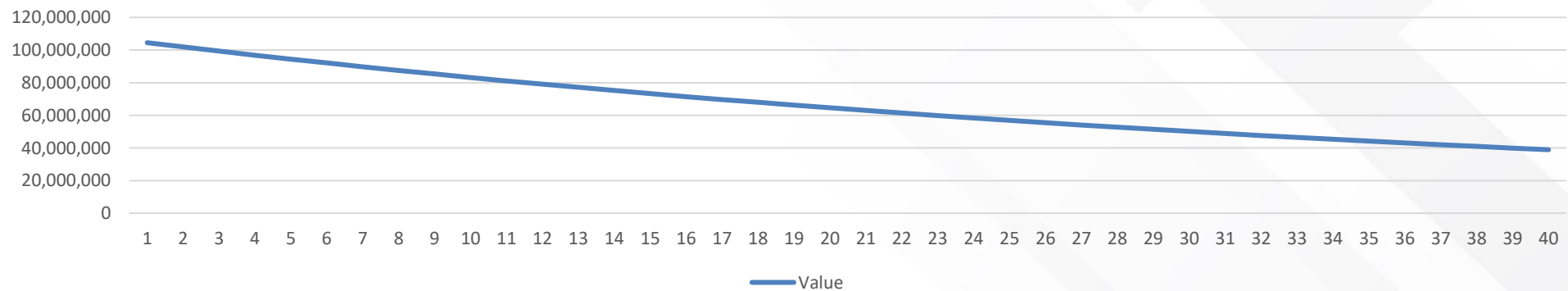
Standard: Average useful life for school building in Jeddah city after taken into consideration climate.	N (number of years) =	50 years
Deprecation ratio Per annum 2.0%	Appreciation 0 (Maintenance, renovation) ratio Per annum based to schedule of maintenance work per annum	Apportionment after Calculating Depreciation and Appreciation 2.0%
Building (equipment) useful life	N (number of years) =	1 years
Apportionment – Acc Depreciation	2.0%*1 Years	2%

Note: Deprecation is Charged on Dec Every Year

(Construction, Finishing & MEP equipment) for building – All MEP installed

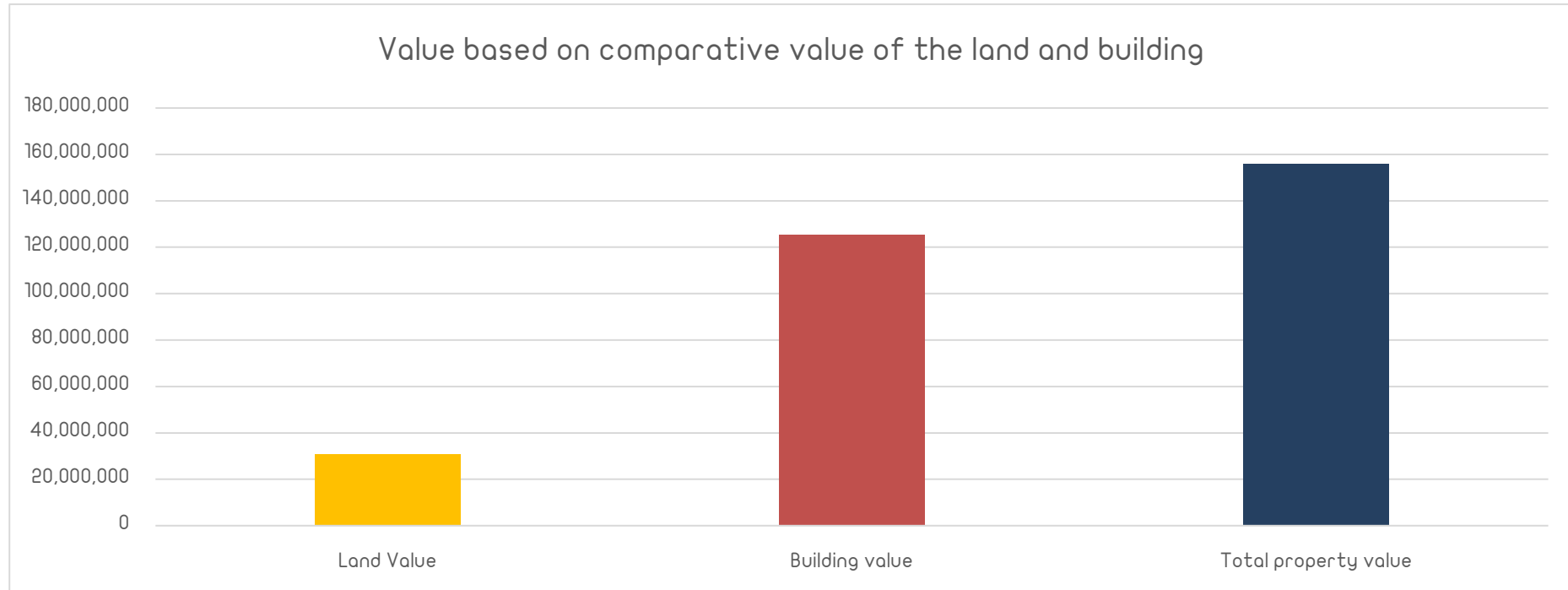
Type of Construction	GfA / sq. m	Replacement cost / SAR – sq. June-2023	Completion %	Fair value/ SR	Usage
Basement -3	9965.67	3,000	100%	29,897,010	Parking
Ground floor	1495.47	5,000	100%	7,477,350	Reception and restaurant
First floor	1680.79	5,000	100%	8,403,950	Services and offices
Typical floor	12,170.59	5,000	100%	60,852,950	Hotel rooms
Replacement cost - SR				106,631,260	
- Apportionment Acc Deprecation –	(106,631,260 *2/100)			(2,132,625)	
Note: Deprecation will be Charged on Dec Every Year					
Depreciated Replacement cost DRC for building				104,498,634	

Value of building during operational Life Cycle



19- Fair value (property) Land + Building In the case of finishing up to date from Finishing, fixtures & equipment work- Currency SR

Fair Value (Land)	30,589,328 SR
Plus	
Building Value before adding Profit Margin - SAR	104,498,634 SR
+ Developer Profit Margin (20%) – only for Building Value - SAR	20,899,726 SR
Building Value - SAR	125,398,360 SR
Sum of Value – Property	155,987,688 SR
Fair value -Total Land & Building Property	155,987,688 S.R (one hundred fifty-five million, nine hundred eighty-seven thousand, six Hundred eighty-eight Saudi riyals



20-Valuation Based to Income approach- Capitalization rate ratio of Net Operating Income (NOI) to property asset value - **Jeddah city - June 2023- FFO** to define the cash flow from their operations **Official leasing Percentage Yield Escalation As per received from Client:**

Lease summary	
owner	Real estate hotels development company
Tenant	Seera Hospitality Company
Duration contract	5 years
annual net operating income	11,598,777 Saudi riyals
date the contract is expected	27/03/2022
Total contract amount is for 5 years	57,993,885 Saudi riyals

Rent Payments Schedule				جدول سداد الدفعات				
تاريخ الاستحقاق (هـ)	تاريخ الإصدار (هـ)	تاريخ الاستحقاق (م)	تاريخ الإصدار (م)	إجمالي القيمة Total value	قيمة المبالغ الثابتة Services	ضريبة القيمة المضافة VAT	قيمة الإيجار Rent value	الرقم المستعمل .No
1444-06-08	1444-05-28	2023-01-01	2022-12-22	3334648.00	0.00	434954.10	2899694.00	1
1444-09-10	1444-08-30	2023-04-01	2023-03-22	3334648.00	0.00	434954.10	2899694.00	2
1444-12-14	1444-12-04	2023-07-02	2023-06-22	3334648.00	0.00	434954.10	2899694.00	3
1445-03-17	1445-03-07	2023-10-02	2023-09-22	3334648.00	0.00	434954.10	2899694.00	4
1445-06-19	1445-06-09	2024-01-01	2023-12-22	3334648.00	0.00	434954.10	2899694.00	5
1445-09-22	1445-09-12	2024-04-01	2024-03-22	3334648.00	0.00	434954.10	2899694.00	6
1445-12-26	1445-12-16	2024-07-02	2024-06-22	3334648.00	0.00	434954.10	2899694.00	7
1446-03-29	1446-03-19	2024-10-02	2024-09-22	3334648.00	0.00	434954.10	2899694.00	8
1446-07-01	1446-06-21	2025-01-01	2024-12-22	3334648.00	0.00	434954.10	2899694.00	9
1446-10-03	1446-09-22	2025-04-01	2025-03-22	3334648.00	0.00	434954.10	2899694.00	10
1447-01-07	1446-12-26	2025-07-02	2025-06-22	3334648.00	0.00	434954.10	2899694.00	11
1447-04-10	1447-03-30	2025-10-02	2025-09-22	3334648.00	0.00	434954.10	2899694.00	12
1447-07-12	1447-07-02	2026-01-01	2025-12-22	3334648.00	0.00	434954.10	2899694.00	13

تاريخ الاستحقاق (هـ)	تاريخ الإصدار (هـ)	تاريخ الاستحقاق (م)	تاريخ الإصدار (م)	إجمالي القيمة	قيمة المبالغ الثابتة	ضريبة القيمة المضافة	قيمة الإيجار	الرقم المستسل
Due Date(AH)	Issued Date(AH)	Due Date(AD)	Issued Date(AD)	Total value	Services	VAT	Rent value	.No
1447-10-13	1447-10-03	2026-04-01	2026-03-22	3334648.00	0.00	434954.10	2899694.00	14
1448-01-17	1448-01-07	2026-07-02	2026-06-22	3334648.00	0.00	434954.10	2899694.00	15
1448-04-21	1448-04-11	2026-10-02	2026-09-22	3334648.00	0.00	434954.10	2899694.00	16
1448-07-23	1448-07-13	2027-01-01	2026-12-22	3334648.00	0.00	434954.10	2899694.00	17
1448-10-24	1448-10-14	2027-04-01	2027-03-22	3334648.00	0.00	434954.10	2899694.00	18
1449-01-27	1449-01-17	2027-07-02	2027-06-22	3334648.00	0.00	434954.10	2899694.00	19
1449-05-02	1449-04-21	2027-10-02	2027-09-22	3334656.00	0.00	434954.85	2899699.00	20

- Reviewing the contract, it was found that it was a 5-year lease, with the total rent for 5 years amounting to 57,993,885.
- An annual amount of 11,598,777 to be paid in 4 installments annually.
- The rent is guaranteed by 20 promissory notes for each payment

Average Net Operating Income – triple Net for a Years Contractual period based to client's statement.	11,598,777 SR
– Vacancy and collection loss	0
Additional income	0
Effective Average gross income	11,598,777 SR
Operating Expenses (all expenses on Operator's responsibility) – Triple net wise	
Fixed	0
Variable	0
Reserves	0
Total Operating expenses	0
Average Net operating income NOI	11,598,777 SR
Cap rate 7% (The target returns for the acquisition of REIT funds are 8%, with tax included and the pursuit within the acquisition process - the net returns distributed to the fund's unit owners are between 4%-7%, according to the last statement of the fund's unit managers)	
Fair Value @ 7% Capitalization rate	165,700,000 SAR

Capitalization Rate: Free Risk Rate + Systematic Risk Premium = 6% + 1% = 7%

Note: The capitalization rate is 7% due to the location of the property, the economic age of the building at its inception, the performance of the hospitality sector in the city of Jeddah, and a gradual rise in occupancy rates and accommodation prices.

- The latest deals of REIT funds (some comparisons of the capitalization rate through real estate investment funds on a number of properties in Jeddah & Riyadh for the year 2022)

- 1- SEDCO Capital Fund / commercial entertainment project on King Abdulaziz Road (purchase with a total return of 7.9% before deducting operating and maintenance expenses) - Jeddah
- 2- PARTICIPATION REIT / office project at the intersection of King Fahd Road with Tahlia Street (purchase with a return of 7.4%) - Riyadh
- 3- Al-Inma REIT / offices and hotels (purchase with a 7% return) - Riyadh
- 4- Bank Muscat / office project on Al-Thumamah Road (I-Offices) (purchase with a return of 6.5%) - Riyadh
- 5- Al-Raji REIT / real estate in Al-Kharj (purchase with a return of 7.5%) – Riyadh.

Lessee Performance Evaluation (Seera Hospitality Company)

We have not been informed of any payment failures or the existence of any obstacles that impede the work of the tenant, and given the existence of a binding contract for the tenant, the evaluation of performance is determined by making payments and periodic maintenance of the property, and as it became clear to us during the inspection of the property and by looking at the comments of the guests on the sales platforms, the work of the tenant is proceeding according to the standards and controls.

Evaluation of the operator's performance (Clarion) and the way he operates the property

The operator's performance evaluation (Clarion) was viewed. The market evaluation of the operator is at (9) for more than 3,000 people (on one of the platforms) who stayed overnight and visited the hotel. Most of the comments are positive with regard to cleanliness, quality, and hotel service for guests, as there are no negative comments. This has been shown to us from the field inspection, as the operator operates the property in accordance with the standards and controls of operating hotels that most operators follow.

20.1- Evaluate the property on the basis of the income method (the discounted cash flow method) to verify the income of the property according to the market rent

Estimating income / using the income method - the method of discounting future cash flows based on the rates and average annual overnight prices for hotels within the real estate area

- Samples of hotel rooms within the perimeter of the property (the average square of the room / suite is 35 square meters):

Sr.no	Hotel name	classification	Avg room size	ADR S.R	Occupancy %	Adj Rating & room size	Parking adjustments and services	prices after adjustments
1	Areen Hotel	4 -star	45 sqm	315	51%	+15%	+15%	410 S.R
2	Viva La Vida	4 -star	35 sqm	315	54%	+15%	+15%	410 S.R
3	Lambert Hotel Apartments	4-star	25 sqm	325	45%	+30%	-5%	406 S.R
4	luxury Hotel	4 -star	50 sqm	450	51%	+20%	-5%	517 S.R
				Average price after adjustments				435 S.R

Valuation date			30-June-23							
Market Value (MV) - SAR			167,453,636							
Yield			8.10%							
	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues										
Rev - 1 - Rooms										
Number of Rooms	181	181	181	181	181	181	181	181	181	181
ADR (SAR) - Growth 10% every 2 Years	435	435	479	479	526	526	579	579	637	637
Days/Year	364	364	364	364	364	364	364	364	364	364
Occupancy Rate %	55.0%	58%	58%	60%	60%	62%	62%	64%	65%	65%
Revenue 1 - Rooms (SAR)	15,762,747	16,622,533	18,284,787	18,915,296	20,806,826	21,500,387	23,650,426	24,413,343	27,274,281	27,274,281
Rev - 2 - MOI (F&B + Minor Operating Income)										
Food and Beverage 20% from rooms sales	3,152,549	3,324,507	3,656,957	3,783,059	4,161,365	4,300,077	4,730,085	4,882,669	5,454,856	5,454,856
Other Operated Departments	788,137	831,127	914,239	945,765	1,040,341	1,075,019	1,182,521	1,220,667	1,363,714	1,363,714
Miscellaneous Income	78,814	83,113	91,424	94,576	104,034	107,502	118,252	122,067	136,371	136,371
Revenue 2 - MOI (SAR)	4,019,500	4,238,746	4,662,621	4,823,401	5,305,741	5,482,599	6,030,859	6,225,402	6,954,942	6,954,942
Total Operating Revenue	19,782,247	20,861,279	22,947,407	23,738,697	26,112,567	26,982,986	29,681,284	30,638,745	34,229,223	34,229,223
Departmental Expenses										

Rooms 40%	(7,912,899)	(8,344,512)	(9,178,963)	(9,495,479)	(10,445,027)	(10,793,194)	(11,872,514)	(12,255,498)	(13,691,689)	(13,691,689)
Food and Beverage 50% from F&B R	(1,576,275)	(1,662,253)	(1,828,479)	(1,891,530)	(2,080,683)	(2,150,039)	(2,365,043)	(2,441,334)	(2,727,428)	(2,727,428)
Other Operated Departments	(15,763)	(16,623)	(18,285)	(18,915)	(20,807)	(21,500)	(23,650)	(24,413)	(27,274)	(27,274)
Total Operating Expenses	-9,504,936	-10,023,388	-11,025,726	- 11,405,924	-12,546,516	- 12,964,733	-14,261,207	-14,721,246	- 16,446,392	-16,446,392

Net Operating income NOI	10,277,311	10,837,892	11,921,681	12,332,773	13,566,051	14,018,252	15,420,077	15,917,499	17,782,831	17,782,831
Capital Expenditure	0	0	0	0	0	0	0	0	0	0

Net Operating income Before DCF	10,277,311	10,837,892	11,921,681	12,332,773	13,566,051	14,018,252	15,420,077	15,917,499	17,782,831	17,782,831
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Exit cap rate	8.00%									
Discount rate	10.0%									
NOI	10,277,311	10,837,892	11,921,681	12,332,773	13,566,051	14,018,252	15,420,077	15,917,499	17,782,831	17,782,831
Terminal Value										222285391
Free Net cash flow	10,277,311	10,837,892	11,921,681	12,332,773	13,566,051	14,018,252	15,420,077	15,917,499	17,782,831	240,068,223

Market Value-DCF	167,453,636
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Capitalization Rate: Risk free rate + systematic risk premium = 6% + 2% = 8%

Discount Factor: Build up Model R= risk free rate +systematic risk premium + unsystematic risk premium = 6% +3% +1% = 10%

21- Note: Opinion of Value in based to Capitalization rate method income.

We are of an opinion that income method / cash flow discount method has been nominated as the fair value of the property, as the purpose of the evaluation is Alinma REIT Hotel Fund An income-generating year:

Property Value Calculation	Amount (SAR)	Weighted %	Property Fair Value
Income Approach Capitalization rate – Fair Value	167,453,636	100%	167,453,636
Aggregate Fair value property			167,453,636 SR
Fair value FV	167,453,636 (one hundred sixty-seven million, four hundred fifty-three thousand, six Hundred thirty-six Saudi riyal)		

General Notes:

- The fair value of the property - is **167,453,636** Saudi Riyals.
- The fair value was obtained based on the nomination of the income method / the discounted cash flow method of the property as a fair value method.
- The property was fully inspected on the ground, and the movement of entry and exit and the general view were studied.
- No information has been hidden by Olat Real Estate Valuation Company that could affect the value of the property.
- Olat Real Estate Valuation Company undertakes not to disclose any information to others and to maintain the confidentiality of the evaluation.
- The property was evaluated with high professionalism, credibility, and objectivity without expressing an opinion. Rather, the general condition of the property was included according to nature.
- Building Costs - Replacement Cost were calculated on the basis based on Benchmark comparison market costs.
- Building area according to the building permit.
- The property is fitted out.
- The Property is new.
- We were provided with the lease and operation contract, and accordingly, it was assumed that the data and inputs are correct.
- Net income has been provided to us to assess the capitalization of income as per the contract.
- We were provided by the client with a legal due diligence (LDD) examination of the property on September 22, 2021, and it was viewed by the legal department at Olat Valuation Real Estate Company, and no substantial observations were noted in it.

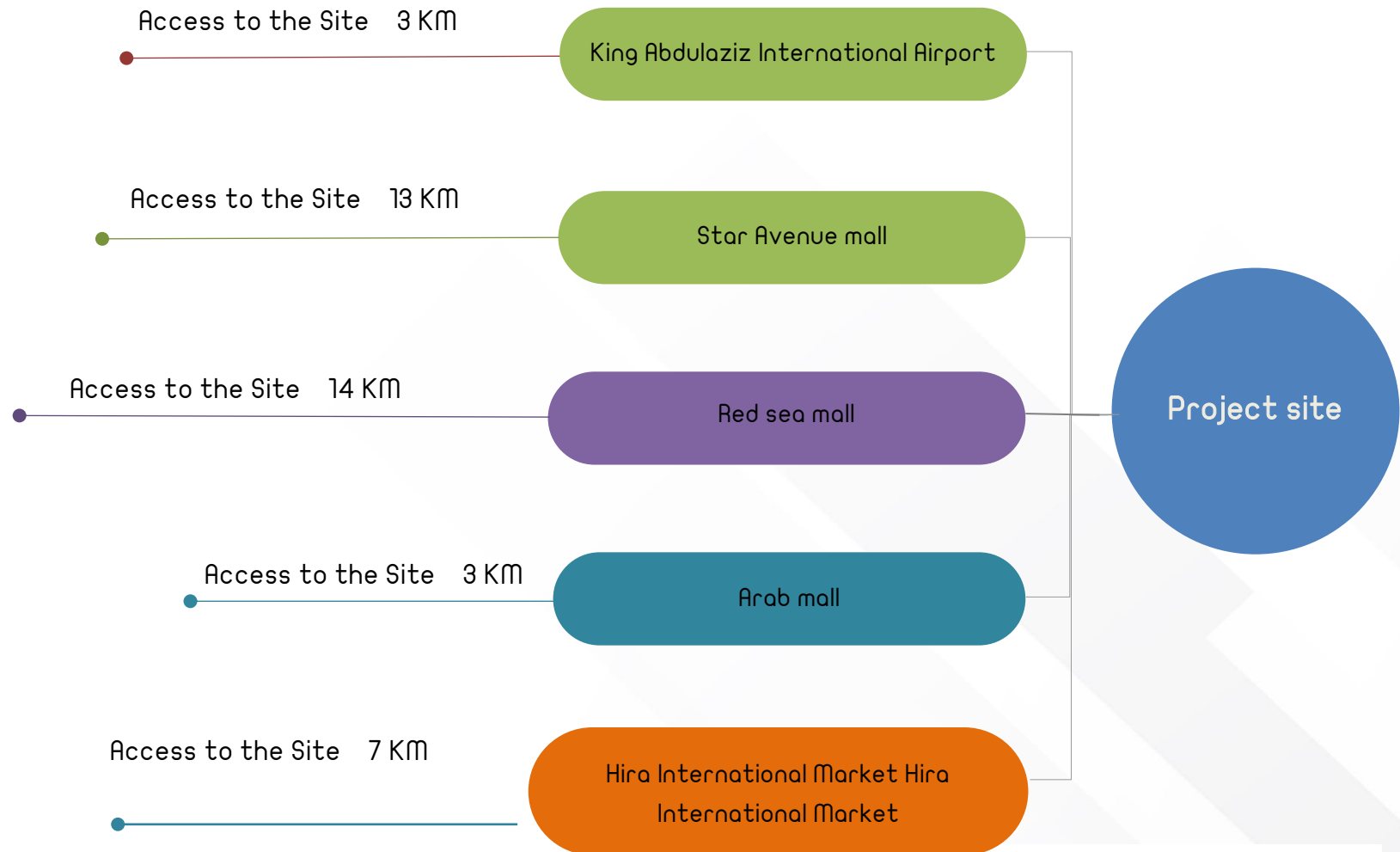
- According to the contract, Seera is the operator of the property.
- We have been provided with a lease contract for the entire hotel to evaluate the property on the basis of net operating income (NOI).
- We have been provided with the operating contract with the current operator.
- The return on profits of REIT funds distributed to shareholders ranges from 5% to 7% on average.
- The targeted returns for the acquisition of REIT funds are at 8%, and it is difficult to achieve due to the presence of taxes on emptying and the pursuit tax, and this leads to a successive reduction in returns, "to reach levels of 6.5%."
- Compliance with the Real Estate Investment Funds Regulations issued by the Board of the Capital Market Authority on 6/19/1427 AH corresponding to 7/15/2006 AD based on the Capital Market Law issued by Royal Decree No. (M / 30) dated 6/2/1424 AH.
- Commitment to a circular to accredited residents in the real estate appraisal branch on 10/26/1444 AH corresponding to 5/16/2023 AD and subsequent clarifications of the most important legal and professional requirements for preparing valuation reports prepared for evaluating real estate related to real estate investment funds traded in the financial market.

22-Traffic in the vicinity of the property and exit and entry to and from the property.

Traffic in the real estate area depends primarily on the period and road during official working days from Sunday to Thursday

Road access	degree of crowding			General Notes
	strong congestion	light congestion	Free Movement	
Prince Majid Road			During day	
Hira Street		During day		
Exit & Entry Movement				
Road Name	Exit	Entry		General Notes
Prince Majid Road	Easy	Easy		
Hira Street	Non- Easy	Easy		

23-Prominent distance and proximity to the property :



24-SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"> - The property is located is next to the airport area. - Proximity to the most important residential projects in Jeddah (Safwa homes project) - Most hotel services are available in the hotel - Operator brand. - Moderate overnight prices within the hotel area. - The location of the property is in Al-Marwa neighborhood on prince Majid Road. - The ability to attract customers due to its proximity to the airport. 	<ul style="list-style-type: none"> - Entry and exit to the property site at the intersection of axes.
Opportunity	Threat
<ul style="list-style-type: none"> - The hotel's proximity to the airport creates many opportunities, especially housing for airline crews and passengers. 	<ul style="list-style-type: none"> - raise interest globally," which will lead to higher costs.

24.1 - Possible risks to the property

The real estate appraisal process, especially real estate similar to the real estate subject to evaluation, involves some risks that may affect its fair value, and the most important of these risks are:

Macroeconomic Risk:

It is known that real estate investment is not isolated from the general economic climate in the country. Macroeconomic conditions may affect the value of any real estate, such as inflation rates, interest rates, as well as financing costs and taxes, as the change of these indicators combined or individually may affect positively or negatively on the value of the real estate.

Legal and Regulatory Risks:

The property has been evaluated currently based on the current legal and regulatory conditions, and some changes may occur that may greatly affect the value of the property, such as the existence of new legislation that restricts some activities in specific places, or changing the number of permitted floors or other sovereign decisions. which cannot be controlled.

Risks of expropriation:

It is well known that government agencies in the Kingdom have the right to compulsory acquisition of some real estate to achieve public benefit such as building roads and public utilities, and although the price of the compensation amount is often at least equal to the fair value of the property, there is still a risk that the compensation value It may be insufficient compared to selling the property in the market within an open market, or establishing a project on it that achieves higher returns

Risks of classification of tenants: Seera Hospitality Company is the actual operator of the property as the tenant and there are no risks during the next 4 years because there is a binding contract for a period of five years according to the documents that were provided to us by the client

Credit risks and non-payment of rent: There are no potential risks of having a valid and binding contract as the tenant has a good reputation in the field of operating hotels.

The risks of occupancy rates and accommodation prices: There are no significant risks, but rather minor ones, on the occupancy rates and prices shown in the current period, as the sector is living in a golden period and the number of visitors to Jeddah is on the rise, and the location of the property on King Abdul Aziz Road constitutes an attractive force for business visitors.

Risks of not using the highest and best of the property: The current use is to achieve the highest use of the property through the exploitation of the permitted building areas, which raised the use of the property as a hotel located on a main vital road within a major commercial area (PTA).

Risks of market change: The market is going through a positive recovery period after the process of revitalizing downtown Jeddah and allocating a budget of 75 billion riyals to develop the downtown Jeddah project to support all tourism sectors and the sector's contribution to the GDP of the city of Jeddah and the whole of the Kingdom. Jeddah Economic City will create a global tourism site.

Risks of obsolescence and lack of maintenance: It is known that the economic and functional depreciation of hotels is higher than other properties, as the high number of customers raises the depreciation rate on the contents of the building, which requires periodic and proactive maintenance to ensure the quality of the building.

24.2- Analysis of the hotel sector in Jeddah Hospitality Market Assessment

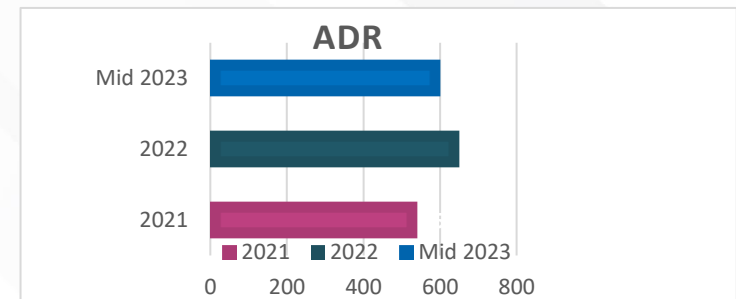
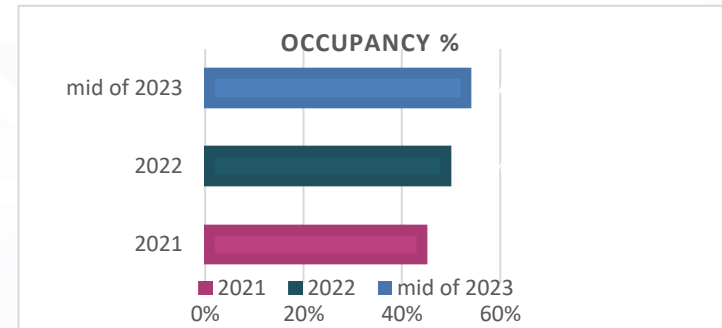
The sector is living a golden period supported by the state's initiatives, tourism and entertainment, support for festivals, and focus on providing the highest level of services to visitors to Jeddah and the western region in the summer and seasonal seasons, as well as the Hajj and Umrah seasons, business visits, and family and friends.

- The most important factors affecting the hotel sector in Jeddah

- Diversity of projects that promote the growth of tourism, entertainment, festivals, and events.
- Central Jeddah project, with investments amounting to 75 billion riyals, on an area of 5.7% million square meters.
- Tourist visa, transit, and many governments initiatives.
- Adding an air carrier, Riyadh Airlines, due to the huge demand for tourism services.
- The national transformation project, focusing on the hotel sector and enhancing its contribution to the national product by rates exceeding 4.5%.
- Near Jeddah to NEOM and the Red Sea projects.
- The presence of 2 international ports within Jeddah (King Abdul Aziz Islamic Port - King Abdullah Port in Rabakh).
- Jeddah is the gateway to the western region for the passage and delegations of pilgrims and Umrah performers from all over the world. It is also the sea bridge that feeds the central region with American and Western products, which made it an important hub in various fields.

Occupancy %	Years
45%	2021
50%	2022
53%	First quarterly 2023

Years	Occupancy %	Average accommodation prices / Saudi riyals
2021	-	500
2022	16%	580
Mid 2023	3%	600



General inventory of the hotel sector:

Current inventory is a rated hotel room	16,500 keys
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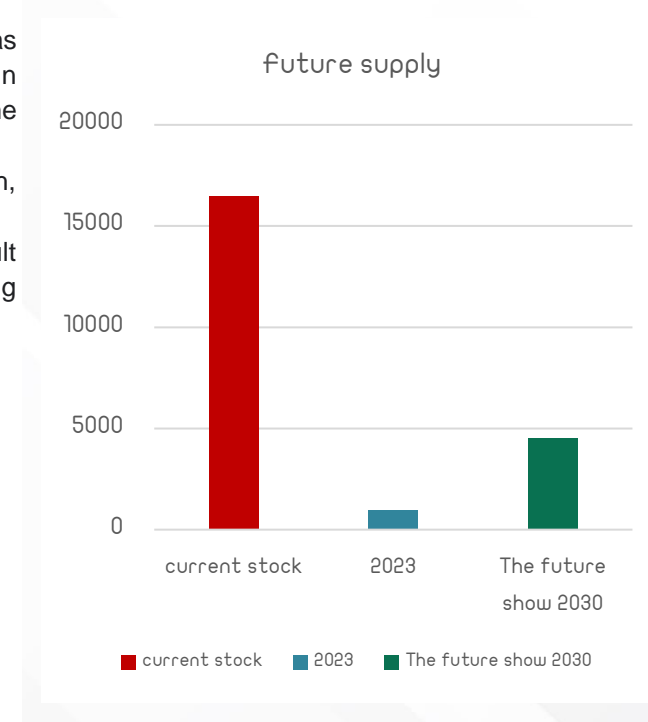
The demand

Demand growth forecasts during 2023-2026	A significant increase in the demand for hotel rooms and chalets within hotel resorts
Jeddah projects	Alma Residential Tourist Project - Jeddah Economic City - Hotels

It is expected that the downtown Jeddah project will capture a large share of the demand in the future, "as a result of the great strength that the project possesses as one of the most important investments in developing historical and heritage sites around the world, which will enhance the role of the city in the future."

It was recently announced that Arab investors would enter to invest in the hospitality sector in Jeddah, with investments amounting to 1.9 billion riyals, which will support the sector with a variety of projects.

It is expected that a future decrease in accommodation prices for exaggerated tourist resorts will result from the emergence of projects in large numbers that will work on balancing the market and creating attractive tourism for the largest possible number of tourists.



24.3- Summary of the hotel sector - for the city of Jeddah

Offer of hotel rooms and units	<ul style="list-style-type: none"> - The total supply of classified hotel rooms in Riyadh is constantly growing and is expected to rise from 16,500 units to 22,000 units gradually until 2030. - It is also expected to increase the supply of furnished hotel units spread within luxury hotel or residential buildings, such as apartments within residential towers. - The sector witnessed the entry of many hotel apartment operators with new concepts and ideas, focusing on entertainment and recreation for domestic visitors. - The number of tourists and visitors (local-international) to the Kingdom during the first nine months reached 73.1 million visitors, and it is expected that the number will reach 100 million annually by 2030.
Demand	<ul style="list-style-type: none"> - The total demand for classified hotel rooms in Riyadh is 3.5 million rooms during 2022 - Demand is expected to rise during 2023 to reach 4 million rooms annually - Demand concentrated in areas close to Jeddah Corniche, the airport, King Abdul Aziz Road, and Madinah Road - Demand from business visitors is concentrated within the northwest of Jeddah, where the regional headquarters and support companies are located
Future outlook and direction	<ul style="list-style-type: none"> - The future offer is concentrated in the north and west of Jeddah and within the historic downtown Jeddah project, most of which are five- and four-star hotels and office projects. - The entry of many international hotel operators into the market contributed to raising the quality - Expect the emergence of many large hotels that include commercial areas and restaurants classified globally (Michelin rating) - Supporting hotel projects by the Ministry of Tourism and Leisure through financing, issuing permits and events

- Significant improvement in occupancy rates and accommodation rates
- The National Transformation Project and Vision 2030 will support the hotel sector
- Developing the center of Jeddah and the traditional markets to support tourism in order to attract the largest possible number of visitors and tourists.
- Creating opportunities that attract foreign tourists through reviving and developing the historical and heritage sites included in the World Heritage List, such as Historic Jeddah.
- Focusing on the cultural factor and strengthening the national identity through a set of fundamental transformations, such as reviving and improving heritage projects, especially in the center of Jeddah, after removing 12 random residential neighborhoods, which will have a major role in supplying tourism with additional numbers of tourists.
- The emergence of many tourist resorts in the center of Jeddah, which will have a major role in supporting tourism

25-most prominent future projects in Jeddah

More than 12 hotels are under construction and finishing, and are expected to enter the market successively in 2023-2025.

In terms of large projects, the Central Jeddah project acquires a large share in the future, in addition to the Jeddah Economic City project, which includes a large-scale hotel resort and investment lands designated for hotels that have not yet been built, which may increase the number of hotel projects.

Also, linking the southern and northern Obhur through the (King Salman Causeway) bridge will increase the volume of tourism investments within the northern Obhur and Salman Bay area.

#	Hotel	Location	Opening Date	Rating	Keys
1	Hilton Double tree	Close to Andalus Mall	2025	****	164
2	Swiss Otel Jeddah	King Abdulaziz road	2023	*****	150
3	Edition Hotel	Yacht Club Marina	2024	*****	77
4	So – Tahlia	Tahlia road close to Cornish rd.	2025	****	107



26- External and internal Pictures

Internal & External view





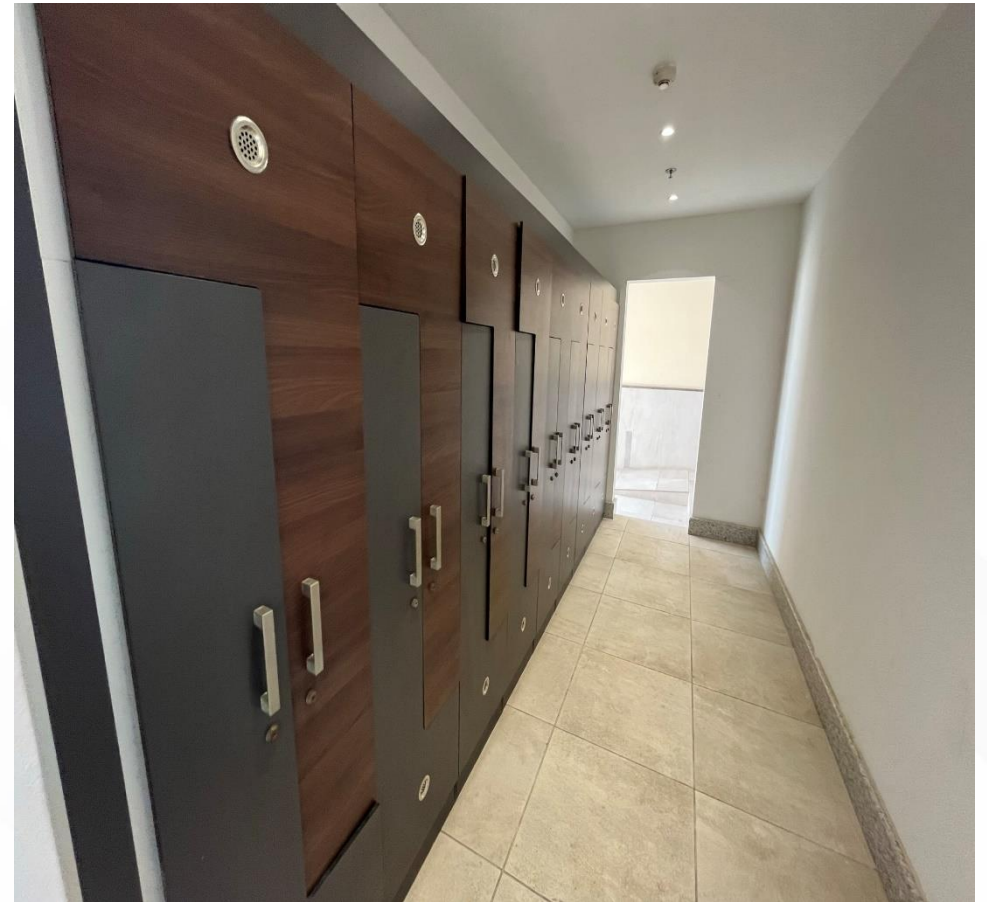




















27-Olaat valuation Company's team

Title	Job Description	Saudi Authority for Accredited Valuers member ship	Validity of Member ship	Section
Abdulmalik Al-Darwish	Valuation Manger	1210000397	1445/07/18	Real estate
Roaa Nayef Al-Sharif	Site visit, inspection Catchment area	1210002841	1445/06/17	Real estate



27.1- OPM Valuation's team Taqeem's certificates



QR Code



(هذا التقرير مسجل في بوابة قيمة)

رقم التقرير	836964
منشأة التقييم	شركة اولات للتقييم العقاري
العميل	صندوق الانماء ريت الفندقية
الغرض من التقييم	أخرى
عدد الأصول	1
نوع التقرير	تقرير مفصل
تاريخ إصدار التقرير	Mon 24 Jul, 2023

للتحقق من صحة شهادة التسجيل:



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٢٢ سبتمبر ٢٠٢١ م



خالد نصار وشركاه للمحاماة والاستشارات القانونية، محامون ومستشارون قانونيون
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Comfort Inn Hotel

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Jeddah City - KSA

Prepared for Al inma hospitality REIT fund

Date of Report

July 23th, 2023

final Copy



نستنبط القيمة الأدق في سوق متغير

We derive the Accurate Value in a changing market

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Covid-19 Pandemic

With the spread of corona virus (COVID-19) In Kingdom of Saudi Arabia enacted to take step to control corona diseases. Initially due to spread it has a great impact on social mobility that lead to impact on kingdom economic growth. In order to control this pandemic and uplift the economic activity government taken a serious step to provide relief package to support corporate and resident and private sector.

Material Valuation Uncertainty under COVID-19 Pandemic

The outbreak of the Novel Coronavirus (Covid-19), declared by the World Health Organization as a global pandemic on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Accordingly, many formal measures were taken locally and globally that would affect all business sector including Real Estate Sector.

During critical period, Market activity is clearly being impacted in many sectors especially real estate transaction. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purpose, to inform opinions of value. Indeed, the current response circumstance on which to base a judgement and current condition are under influence of epidemic COVID-19 and we are facing an exceptional situation in which it difficult to build an accurate judgement of market situation and value of real estate.

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Site inspection date	30-06-2023		
Measurement date	30-06-2023		
Reporting date	23-07-2023		
Type of Report	Detailed report		
Number of Pages	85		
Done by	Olat Valuation Company		
License Number	1210000397		
Valid till	20/05/1447 Hijri		
Branch	Real estate		
B.O.X	11585 Riyadh 62244		
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Taqeem License Validity date	18/07/1447 Hijri		
Department	Corporate		

Executive summary

Property Description	The property is a 3-star hotel consisting of 125 rooms located in Al-Zahra district on King Abdul Aziz Road in Jeddah - Saudi Arabia. It consists of a basement that includes car parking + ground floor (reception, restaurant, and dining) + mezzanine (car parking) + 5 recurring floors, in each floor there are (25) rooms, including 15 rooms consisting of a room, a bathroom and a service, and 10 rooms of two rooms, a bathroom and a service Description of the property.				
Country / City / Neighborhood	Kingdom of Saudi Arabia - Jeddah – Zehra District				
The nearest road/street	King Abdul Aziz road - Abi Dawood Street				
land area according to the deed information	1,560 sqm				
Title Deed no	399074003354				
Construction parameters of the land	5.4				
Title deed Date	28/5/1444 Hijri				
Building area for external villas, gates, and annexes	9,655.5 sqm according to building permit				
Building permit number	4000027343				
Building permit date	05/04/1440			Usage building	Mix use
Use by nature	Residential - Hotel	No.of Floor	8	To use by order	Hotel
General Site	<input checked="" type="checkbox"/> Range	<input checked="" type="checkbox"/> Close to major road	<input checked="" type="checkbox"/> 2 street	<input type="checkbox"/> out of range	

Property Type	<input checked="" type="checkbox"/> Residential	<input type="checkbox"/> commercial	<input type="checkbox"/> educational	<input checked="" type="checkbox"/> Hotel
Architectural Design	<input type="checkbox"/> poor	<input checked="" type="checkbox"/> Good	<input type="checkbox"/> very good	
attributed	<input type="checkbox"/> high	<input checked="" type="checkbox"/> Flat with slight curves	<input type="checkbox"/> low	
Services near the property	<input checked="" type="checkbox"/> telephone	<input checked="" type="checkbox"/> water	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Sewerage
	<input checked="" type="checkbox"/> police station	<input checked="" type="checkbox"/> Civil defense	<input checked="" type="checkbox"/> mosque	<input checked="" type="checkbox"/> school
	<input checked="" type="checkbox"/> water drainage	<input checked="" type="checkbox"/> hospital	<input checked="" type="checkbox"/> residential	<input checked="" type="checkbox"/> commercial market
neighbor	<input checked="" type="checkbox"/> building	<input type="checkbox"/> non building		
Streets	<input checked="" type="checkbox"/> asphalt	<input type="checkbox"/> Non asphalt	<input checked="" type="checkbox"/> lit	not lit
documents received	<input checked="" type="checkbox"/> Titles deed	<input checked="" type="checkbox"/> building permit	<input checked="" type="checkbox"/> rental contract	<input checked="" type="checkbox"/> Legal Due Diligence information (LDD)
Noise level in the vicinity of the property	Medium / Quiet			
The boundaries of the land as per the instrument information	North	Plot no 148, length 60 m		

	South	Plot no 152, length 60 m
	East	Street width 12, length 26 m
	West	King Abdul Aziz Road, width 75.60 sqm, length 26 m
Evaluation method/method	Market approach Comparative method for land - Cost and replacement method for buildings - Income method: Capitalization of net income / discounted cash flows / capitalization of net operating income	

For the attention of:

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Property Address: Alinma REIT Hospitality fund – Jeddah city - Valuation Report analysis

Tenure: Hospitality property

Dear sir,

We are Pleased to submit our Valuation report for – **Comfort In hotel – Jeddah city- for REIT Purposes** enclosing with fair valuation In Accordance with your instructions. The objective of this report is to estimate **the fair value at time of valuation, for property**, based upon the existing condition and in the presence of the property preview on site with taken into account the fair value of Land, trade area (catchment area capture, Pull area), catchment Area's classification, replacement cost and Income cap rate – Net income based to rental value for **hospitality facility** based to fair and due to properties & facilities management works PM&FM beside periodically maintenance works, etc. We confirm that OPM complies with requirements of independence and objectivity and that we have no conflict of interest in acting on your behalf of this matter. We confirm that we undertake the valuation acting as externals values, qualified for the purpose of valuation.

The **fair value** of the **Hotel property 90,449,380 SAR** has nominated based on **DCF (Discount cash flow method)** considering the location of the property, current market conditions, market rents and classifications as at the date of valuation based upon the assumptions expressed.

1- Settling the terms of engagement

Owner as per Tittle deed	Real estate hotels development company
Identification of the client and any other intended users	Alinma REIT Hotel Fund
Fund Manager	Alinma REIT Hotel Fund
Lessee	The Operator, according to the lease contract, Seera Hospitality Company
Brand	Comfort Inn
Instruction and purpose of valuation	In accordance with RFP dated on June, 2023, we are instructed to provide a valuation report are required to estimate the fair IN-SITU value for comfort inn hotel property. Semi-annual periodic evaluation for Alinma REIT Hotel Fund for financial reporting purposes
The subject of the valuation	Valuation for a hospitality property – comfort Inn hotel
The extent of the value's investigations	To avoid misunderstandings. it is good practice to agree with, which defines the extent of the <i>member's</i> duty to obtain or verify information that may be material.
Other users	A general report prepared for publication in favor of the fund's unit owners and all subscribers targeted by the fund manager, Alinma REIT hospitality fund.
Interest to be valued	We are instructed that the subject Land & Building (L&B) should be Valued as freehold, free from any encumbrances or third-Party interests. We have not made any investigation on the data received from client and assumed that any such investigation would not identify any discrepancies.
The Basis of Value	Fair Value as 104 "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- For Reit purposes
measurement Date	measurement Date is the date on which the opinion of value applied the date of measurement were the value of hotel property reflected on June 30th,2023.

Report Date	The report usually dated differ as the measurement date July 23rd, 2023.
Inspection	The Property was inspected on 30 th of June 2023 by Roaa Nayef al Sharif, Saudi Authority for Accredited Values membership 1210002841 (Taqeem), all significant parts of the property were inspected.
Inspection Role	A consecutive visit to inspection of Land & Building, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property/Asset at the date of inspection. Our inspection procedure covers only the surface/boundaries/out layers of the property.
Market research & Survey	OPM team has made fully market Survey for the immediate similar assets to collect all the possible and Related data to the valuation process. The collected data will be based on fair value for property. The collected data type will be according to the property data and the purpose of valuation. The assets prices, occupancy rates and market sales through field survey of the real estate area for similar properties in term of classification of hospitality facilities with measuring the ratio of supply and demand.
Independence Valuers	An External Valuer is defined in the IVS Standards as: A valuer who, together with any associates, has no material links with the client or the subject of the assignment. We confirm that we are an Independent Contractor for the subject services, and nothing contained in this assignment shall be construed as constituting any relationship with the client other than that of client and independent contractor, or as creating any employment relationship whatsoever between client and OPM's staff. We also confirm that we have no conflict of interest to the client's property, Land & Building (L&B).
Legal Due Diligence	We were provided by the client with a legal due diligence (LDD) examination of the property on September 22, 2021
Conflict of Interest	There is no benefit or conflict of interest, as (Olaat Real Estate Valuation Company) acknowledge that there is no common interest or benefit in the property and that the evaluators task is to evaluate the property for the benefit of client.
Valuation Methodology	The Valuation has been undertaken using the Comparable Value, Depreciated Replacement Cost (DRC) approach, & Income (Cap rate) approach that are defined in the RICS Valuation – Global Standards (RB Global) Glossary as
Limitation of Liability	Our Liability is restricted in aggregate to our fee and to the addressee of our report only.
Legal notices	We are not aware of nor have we been informed of any legal notices served on the Project, outstanding or pending in the court law.
The nature and source of the information to be relied on	For the purpose of this report, it is assumed that the written and verbal information provided to us by the client is up to date, complete and correct. OPM have furthermore undertaken further research with respect to Effective useful life, depreciation method, in addition, we have relied on the following sources in the valuation process.

Confidentiality	This document and/or any other document received from the client are confidential between OPM and the client. Except as may be required by any court or authority, the subject Services shall not disclose or use or cause to be disclosed or used, At any time during the term. Any of the client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process Remain confidential
The nature and source of the information to be relied on	Market Survey - OPM data center
Environmental Matters	In undertaking our work, we have been instructed to assume that no contamination or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present uses, either of the Property or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject Property from the use or site and have therefor assumed that none exists. However, should it be established subsequently that contamination exists at the Property or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.
Currency	Saudi Riyal
Valuation report's Date	July 23, 2023
General assumption	General assumptions related to real estate are necessary according to the definition of international valuation standards "Assumptions are logical matters that can be accepted as fact in the context of valuation work without verification or scrutiny in a specific way. Wastage of spaces and lack of optimal utilization of the property, as it was assumed that there are no restrictions that would hinder the operation of the property in the future." - The property is operated as hotel
SALIENT POINT (GENERAL COMMENTS)	We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect. We confirm that on-site measurement exercise was not conducted by OPM, and we have relied on the site areas provided by the clients. in the event that the area of the property and site boundary prove erroneous, our opinion of fair value may be materially affected, and we reserve the right to amend our valuation and report
Discloser	The property was evaluated in favor of the Alinma REIT Hotel Fund for the purposes of preparing financial reports on 7/23/2023. Olat Valuation Company acknowledges that there is no current conflict of interest, and independence has been achieved in presenting an opinion on the fair value.

2- Basing assumptions and limiting conditions

All analysis and conclusions in this valuation report are based on the following assumptions and limiting conditions, definitions and concepts, and identification of the subject property. Recognizing the premises of value is vital to this valuation assignment and to the analysis and conclusions that grow out of these premises.

3- The valuation is made subject to the following conditions and assumptions:

Any legal description or plats reported here are assumed accurate. Any sketches, plats or drawings included in this report are included to assist the reader in visualizing the property. We have made a full survey of the property boundaries and region and looking for some comparable land parcels and we did not find any comparable lands offering either for sale or rent due to scarcity of lands.

Valuations based on *fair value* shall adopt the definition and the conceptual framework settled by the **Saudi Authority for Accredited Values memberships (Taqeem)**, International **Valuation Standards Council (IVSC)**:): The estimated price for the transfer of an assets or liability between identified knowledgeable and willing parties that reflects the respective interest of those parties

4- Standard and Premise of value

This valuation report relies upon the use of fair value as the standard of value. For the purposes of this valuation for the current use of property. The estimated price for the transfer of an assets or liability between identified knowledgeable and willing parties that reflects the respective interest of those parties.

This is essentially identical to the fair value basis as it is defined under the **Saudi Authority for Accredited Values memberships (Taqeem)**. The evaluation was performed under the premise of value in continued use as a going concern valuation analysis. In our opinion, this premise of value represents the fair value.

5- Source of information

All information was received from the client and assumed its validity in addition to market information, which was collected through a comprehensive, accurate, logical, and adequate field survey process to study the prices and rates prevailing in the real estate area, somewhat similar in terms of activity and classification.

6- Instructions

Olaat real estate valuation was baptized before the client, and the team at OPM made a field visit to the real estate site and to see the facts on the ground. In the report are the results of the field survey.

7- Summary of the evaluation report

A detailed report on the specifications of the property on the evaluation based on comparison and income to reach the fair value and comparison based on data, evidence and inputs related to evaluation methods in the real estate area to estimate the fair value of the property.

8- Documents Received

The Client has provided us by clear copy of the following documents

Title Deed Copy	y
Construction Permit	y
Gross Floor area / floor	x
Leasable contract	y
MEP's Details	y
Mapping Plan	y
Civil Defense Letter	x
Photographs	y

9- Valuation's Methodologist Definitions

There are three principal approaches to valuation that are generally recognized internationally: According to the International Valuation Standard Council (IVSC), and according to the TAQEEM valuation principles, there are 3 main types of valuation Approaches as per the following:

The Various Valuation methods to use in financial markets are based on Variations of the market approach, the income approach, and cost approach as described in the IVS 105 Valuation approaches and methods.

9.1- Depreciated Replacement cost (DRC)

A Depreciated Replacement cost the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization”.

The DRC method is based on the economic theory of substitution. Like the other forms of valuation, it involves comparing the asset being valued with another. However, DRC is normally used in situations where there is no directly comparable alternative. The comparison therefore has to be made with a hypothetical substitute, also described as the modern equivalent asset (MEA). The underlying theory is that the potential buyer in the exchange would not pay any more to acquire the asset being valued than the cost of acquiring an equivalent new one. The technique involves assessing all the costs of providing a modern equivalent asset using pricing at the valuation date.

In order to assess the price that the potential buyer would bid for the actual asset, valuation depreciation adjustments have to be made to the gross replacement cost of the MEA to reflect the differences between it and the modern equivalent. These differences can reflect obsolescence factors such as the physical condition, the remaining economic life, the comparative running costs and the comparative efficiency and functionality of the actual asset. Land required for the MEA will be separately assessed.

When depreciated replacement cost is used?

DRC is used where there is no active market for the asset being valued – that is, where there is no useful or relevant evidence of recent sales transactions due to the specialized nature of the asset – and it is impractical to produce a reliable valuation using other methods.

The DRC method may be used for the valuation of specialized property, which is defined as:

"Property that is rarely, if ever, sold in the market, except by way of a sale of the business or entity of which it is part, due to the uniqueness arising from its specialized nature and design, its configuration, size, location or otherwise."

This definition is broad and can apply to Property or assets that may be of conventional construction, but become specialized by virtue of being of a size or in a location where there is no relevant or reliable evidence of sales involving similar property.

The market for assets can change over time. Assets that might previously have been identified as having no market may have an active market that has recently emerged. For example, within the healthcare and leisure sectors, evidence of market transactions is growing. Therefore, before adopting the DRC method the valuer will need to be satisfied that there are no transactions involving similar buildings in similar use or location that could provide sufficient evidence to use an alternative valuation method.

The value of a specialized property (or a specialized Land & Building Property) is intrinsically linked to its use.

- The type of Asset and how it is used an understanding of the asset, its function, and its environment.
- Classification of the asset for accounting purposes by the entity.
- the entity's componentization policy and the entity's position on modern equivalent asset (MEA) issues such as Asset's site location and site size.
- knowledge of the specification that would be required for an equivalent asset in the current market, and the cost of acquiring or procuring that asset.

- Sufficient knowledge of the asset and its marketplace to determine the remaining physical and economic life of the asset and sufficient knowledge of the sector in question to assess functional, technical, or economic obsolescence.

If the asset is specialized it may be necessary to define what is to be included in the valuation. The identification of assets that are classified as part of the property interest and those that are classified as plant and equipment is often unclear in a specialized property.

Any specialized assets comprise separately identifiable components, and the valuer will need to discuss with the entity whether it is appropriate to value these as separate items, or to what degree it would be appropriate to regard them as aggregated into a single asset, and valued accordingly. The entity's accounting policies may influence this decision.

The principle can be illustrated by considering the value of Property that is a few years old. If technological advancements mean that the same output can now be achieved with a smaller and more efficient machine, the actual machine would most likely not be replaced as is. The modern equivalent is defined by its comparative performance and output.

In assessing the cost of the replacement asset, due account should be taken of all the costs that would be incurred by a potential buyer on the valuation date unless there is applicable direction to the contrary:

- Delivery and transportation
- Installation and commissioning
- Any unrecoverable duties or taxes
- Setting up costs, where appropriate, such as planning fees and site preparation works
- Professional fees related to the project
- A contingency allowance, if appropriate and finance costs, considering the likely pattern of payment.

When considering **specialized property**, the current gross replacement cost of the asset is assessed. This comprises the cost of replacing the land plus the cost of replacing the improvements to the land. For the latter, the approach is to assess the cost of their replacement with a modern equivalent and then make valuation depreciation adjustments to reflect the differences between it and the actual asset when compared with a modern equivalent. Once the gross replacement cost has been derived, the valuation depreciation factors are applied as a further and separate calculation.

Although the ultimate objective of the DRC method is to produce a valuation of the actual property in its actual location, the initial stage of estimating the gross replacement cost should reflect the cost of a site suitable for a modern equivalent facility. While this may be a site of a similar size and in a similar location to the actual site, if the actual site is clearly one that a prudent buyer would no longer consider appropriate because it would be commercially wasteful or would be an inappropriate use of resources, the modern equivalent site is assumed to have the appropriate characteristics to deliver the required service potential.

The fundamental principle is that the hypothetical buyer for a modern equivalent asset would purchase the least expensive site that would realistically be suitable and appropriate for its proposed operations and the envisaged modern equivalent facility. How the actual site was obtained is irrelevant to the valuation. The valuer will need to discuss and agree with the entity the possible locations for the current defined service requirement.

The property being valued may be located in a situation that would now be considered unnecessarily expensive. This may be due to changes in the way in which the service provided is delivered, or to changes in the market for the product it produces.

Calculating the cost of Land & Building improvements of a specialized property-

When valuing a specialized property, it is often difficult to distinguish between what may be classified as a building or structure and what may be classified as plant. In the specialized industrial sector, many structures effectively only provide support and weather protection for process plant – if the plant was removed, the ‘building’ would not exist. In such cases there should be discussion with the entity as to whether a distinction needs to be made between buildings and plant and, if so, what items fall under each heading. Because of the diverse nature of the buildings, structures and plant that may form part of a specialized property, the term ‘site improvement’ refers to all additions to the land. These are buildings, structures, or some modifications to land of a permanent nature involving expenditures of labor and capital, and they are intended to enhance the value or utility of the property. Improvements have differing patterns of use and economic lives.

Site improvements will include all site works associated with the development, including services, fencing, paving and any other items of a permanent nature that support the specialized use. The following paragraphs provide guidance on calculating the cost of buildings and site improvements. Although they refer specifically to buildings, the same principles apply to all improvements.

Sources of cost information

The nature, size and specification of the modern equivalent building and all other necessary improvements, the cost of providing these:

- Assessed by reference to published building cost data (benchmark). However, published construction price data may be of limited assistance where the replacement building or structure is highly specialized. Instead, the valuer may have to rely on actual costs involved in the creation of the current asset, or discuss with their instructing client the need to conduct external cost research and/or commission specialist cost advice.
- Contractors and Consultants Other factors that may result in the cost of creating the actual asset to differ from that of a notional replacement include:
 - **Site preparation:** work may have been undertaken to prepare the actual site for development that would not be necessary for the assumed equivalent site. For example, costs actually incurred in levelling a site or providing services to the site boundary may already be reflected in the cost of acquiring an equivalent site in the market if the available evidence was for level, serviced land.
 - **Phasing of work:** A large site may have been developed in phases, whereas the cost of the modern equivalent reflects the cost that would be incurred in replacing the whole asset at the valuation date let as a single contract. This could create economies of scale and reduce contract overheads, for example, on preliminaries work.
 - **Optimal working conditions:** If the cost of the equivalent site is based on a site that is assumed to be free of any difficulties or constraints on development, any additional costs incurred because of abnormal conditions on the actual site are ignored.
 - **Contract variations:** any additional costs incurred in constructing the actual building caused by design or specification changes during the progress of the contract are ignored.
 - **Planning changes:** When the actual asset was constructed it may have had deemed planning consent. As the planning legislation has changed, the cost of obtaining consent for a modern equivalent may need to be considered.

- **Incidental costs:** Such as fees and carrying costs, are to be restricted to those costs associated with the assumed procurement of the building. Allowance for VAT is made only where this is an irrecoverable cost. Although it would not normally be appropriate to make an addition to the cost to reflect developer's profit (because the purchaser is deemed to be procuring the building for owner occupation), it may be appropriate to add for management time if this were a significant cost that would be incurred in constructing a modern equivalent.

Assessing valuation depreciation

Established the replacement cost of a modern equivalent asset, it is then necessary to adjust or depreciate all costs incurred to provide the modern equivalent asset to reflect differences between this modern equivalent and the actual asset being valued. The underlying principle is that the hypothetical buyer has the option of procuring either the modern equivalent or the actual asset. If the modern equivalent provides the ideal facility for the buyer, the price paid for the actual asset is expected to reflect all the disadvantages that it suffers in comparison.

Applying valuation depreciation is primarily a process of replicating how the market would view the asset. Depreciation rates and estimates of the future economic life of an asset are influenced by market trends and/or the entity's intentions. It is recommended that the valuer identify these trends and intentions, and be capable of using them to support the depreciation rates applied. The application of DRC should replicate the deductive process of a potential buyer with a limited market for reference.

Three principal types of depreciation allowance, or obsolescence, may be identified as:

- **Physical deterioration:** If the cost of repairing, reconditioning, or refurbishing the actual asset to render it useable has exceeded the cost of a modern equivalent, the asset would have no value.
- **Functional obsolescence:** The introduction of new technology may render obsolete a relatively new asset with an otherwise long anticipated life, with the result that there would be no demand for it other than any value for salvage or an alternative use.
- **Economical obsolescence:** Economic obsolescence: if demand for the product or service provided by the asset has collapsed and is not expected to recover, there would be no demand for the asset other than for any salvage value or alternative use.

Remaining economic life

Key step in the estimation of valuation depreciation to reflect obsolescence is the assessment of the lifespan and anticipated remaining life that is attributable to the asset being valued, having regard to the impact of its different constituent parts, this then being applied to the modern equivalent asset that has been selected.

Lifespan: *When assessing the target lifespan of an asset, it is important to consider that the asset comprises many different parts, each with their own lifespan, some of which will be much shorter than the period over which the asset may be used for service delivery. The impact of capital expenditure on replacing parts whose economic service delivery potential has been exhausted cannot be reflected until that expenditure occurs. The projected lifespan of an asset when new is therefore not the lifespan of the asset's longest life part nor the period over which the entity intends to remain in occupation delivering services from it but rather should reflect the varying lifespans of the in-situ constituent parts. Approximation or other techniques, such as weighting the impact of the lifespans of different parts by value, will be necessary to arrive at a lifespan for the overall asset that faithfully reflects the varied individual lives of the asset's parts.*

Types of Depreciation

- **Straight-line:** The straight-line basis tends to be the most commonly adopted method for calculating depreciation of buildings because of its simplicity and relative ease of application. Straight-line depreciation assumes the same amount is allocated for depreciation for each year of the estimated life.
- **Reducing balance:** The reducing balance method of depreciation assumes a constant percentage rate of depreciation from the reducing base. The reduction of the balance at the end of each period by a fixed proportion of itself creates a sagging depreciating value curve over the life of the asset. This method effectively 'compounds' the total depreciation. This may match reasonable expectations of declining value over time better than the straight-line method.
- **S-curve:** The S-curve is recommended where sufficient data is available for the valuer to be confident that the curve represents the likely reality. In some cases, it presents the most realistic representation of an asset's depreciation by assuming that depreciation is at a low rate in the early years, then accelerates in the middle years and reduces again in the final years. However, some assets, such as plant, may have a different depreciation pattern (high at first rather than low).

- The three methods outlined are all in common use. Of these, the straight-line approach has the advantage of simplicity. However, it does not represent the way in which asset values are normally reflected in the marketplace. The reducing balance method may also be open to similar criticism that it does not reflect market perceptions. The S-curve attempts a surrogate for market behavior and is appropriate where there is empirical evidence available.

Other forms of depreciation curves are available, and where they are used by a particular market the valuer is expected to reflect them. In adjusting for depreciation and obsolescence the valuer is advised to rely on professional knowledge, judgement, and market experience, and to take due account of the nature of the asset and the type of use to which it is put.

Other considerations

It is not normally appropriate to make any deduction for depreciation from the cost of acquiring a modern equivalent site in the market, because freehold land rarely depreciates. When valuing specialized property, the normal practice is to assess the cost of the improvements separately, assess the appropriate valuation depreciation and then add this to the cost of replacing the land in order to arrive at the final valuation.

Where a multi-block site comprises more than one specialized building, each building will have its own remaining life (reflecting the lesser of their respective physical or remaining economic lives) except in the rare circumstances of there being a strong interdependency such as potentially in the case of an oil refinery.

9.2- Comparable Method

This is method most are familiar with as it is the accepted method for valuing assets. Typically, this method involves selecting assets with similar characteristics in the same market area that have recently sold. Once those Property are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase the value of advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in immediate neighborhood and adjoining areas. Neighboring Property, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

9.3- Capitalization Method (Cap Rate)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments. Office building, malls, and other property that generates a regular income.

The appraiser calculator the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expense include real estate taxes, insurance utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included, since it is not an operating expense. Hence, it does not include mortgage and interest, since this is a debt payment on a capital item.

Estimate the Capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

10-Scope of the Report

The valuation report is performed on a limited scope basis; the report is not a self-contained comprehensive valuation report to estimate the fair value of the Property in time of valuation.

11-Source of information and data

All data and information were deducted due to our market survey to collect some of the market samples either for lands, In addition, we consulted many of real estate experts in **jeddah city** to reach the actual transaction of some land prices and for the building replacement cost value we depend on saudi construction cost in time of valuation and cap rate.

12-Purpose for preparation valuation and Content text

OPM was appointed **Alinma hospitality reit** to evaluate fair value for an educational property due to fair value located within Zehra District- based on that, OPM valuation's team surveyed a property's surrounding area for site inspection + preview the location that was analyzed by OPM valuation's team to reach the estimated fair price for the for evaluated property on time of evaluation.

13-Valuation Report Brief

It is a comprehensive valuation report for the property specification according to the market comparison approach, depreciated replacement cost (DCR) and Capitalization rate method to get the more realistic value of the Asset (property) based to (Capital Market Authority) CMA in Saudi Arabia requirements, this analysis report done by OPM valuation team to reach the estimated value of land property in time of evaluation.

14-Legal Description for Property Owner

Document's validity: the property targeted has viewed through available data and documents received from **Alinma reit hospitality fund**, and have been a presumption of validity.

15-Second partner's rights and ownership in property

We assumed that targeted property out and free of any personal legal rights and there is no mortgage, loan, royals, monopoly, utilization rights for land and instrument. If indicate otherwise, OPM company & evaluation team are free of any responsibility and our actual task only evaluates **hospitality property**, with checking and preview the real instruments if it's legal and owned by the landlord.

16-Foundation of evaluation report and Contents

Assumptions

1. Purpose of evaluation is to estimate the real current fair value in a competitive market (non-monopoly based on speculation).
2. Estimated current fair value depending on Comparison approach, depreciated replacement cost DRC, Capitalization rate.
3. OPM has no conflict of interest in the time of evaluation.

17 -Site Inspection and collecting Information

The quality of information initially gathered, and later collated, is pivotal to the accurate assessment of the cost. An inspection of the property will be required in order to gather the information needed to complete the cost assessment through:

- General inspection of the Property and its environs before beginning the detailed inspection and confirm that the extent of the property being inspected conforms to the description given by the client.
- Assess the age of the building.
- Consider whether there are any restrictions to demolition and rebuilding that will result from the surrounding environment. Are there Property, the occupation of which may affect working hours? Are any special protection works likely to be necessary? Is the building detached, semi-detached, or terraced, therefore do party walls, temporary protection, insurers, etc.
- Consider whether there are likely to be any deleterious materials that will increase the cost of demolition and debris removal due to higher disposal costs, i.e. review the asbestos register.
- Taking sufficient notes, photographs and measurements and produce sketches to record.
- A schedule of the accommodational use.
- A summary of the building's structure, and the different types of construction, eaves, ceiling heights and finishes.
- A summary of the building's MEP (for example, Firefighting system, Fire Hose, Extinguisher, sprinkler provision, lifts, escalators, and HVAC system).
- Summary of the external areas, boundaries, outbuildings, etc.
- A summary of specialist features (these may be internal or external features considered as extra over the standard building finishes or that influence the basis of assessment, for example, marble cladding, ornate stonework, or timber paneling) and a summary of general topography.

- Estimate All Property 's Value through Depreciated Replacement Cost DRC Approach with few exceptions, the final assessment figure will comprise the total cost of completely rebuilding the asset, to be insured (DRC), together with allowances in respect of other matters, including:
- Demolition and debris removal and professional and statutory fees
- The net rebuilding cost is normally calculated by multiplying the gross internal area of the building by a suitable rate for its reconstruction, Depreciated Replacement Cost, and Current market cost based.
- All external works and services such as drainage, manholes, water supply, electricity supply, boundary structures and outbuildings.
- Average prices for costs are usually generated from a wide range of building costs that reflect differing methods of construction, scopes of work and standards of finishes.
- Approximate quantities may also be used to assist in the appropriate allocation of costs in the elemental breakdown.
- Replacement using vernacular materials and uncommon traditional techniques in replicating items such as ornamentation.
- It is advisable for the cost assessment to include certain additions to take account of further costs that will be incurred in the reconstruction of the building and replacement for machineries, equipment, and system.
- Debris removal, demolition and shoring up party walls
- Professional fees
- Public authorities' stipulations



This section provides an analysis of the site and its overall location, with the aim of understanding the specific constraints and opportunities related to potential development.

The assessment studies the site's location, conditions and characteristics and sheds light on the following points:

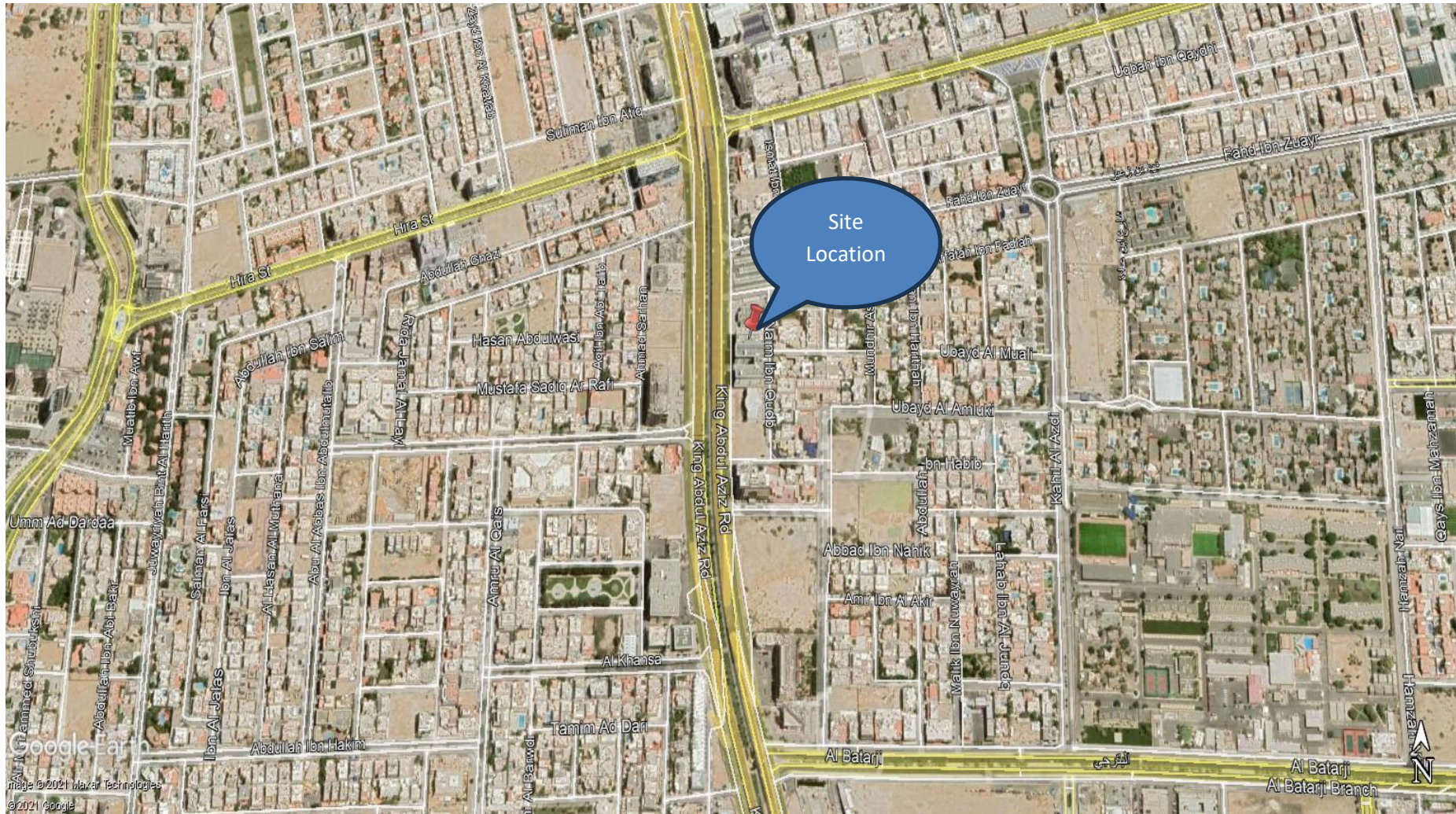
- Site Context & Characteristics
- Site Uses - Zoning Regulations
- Surrounding Uses
- Proximity to Key Demand Generators - Accessibility & Visibility

These conclusions, in conjunction with the findings from the real estate market assessment feed into the development program and recommendations elaborated for the overall site as highlighted in subsequent sections of this report.

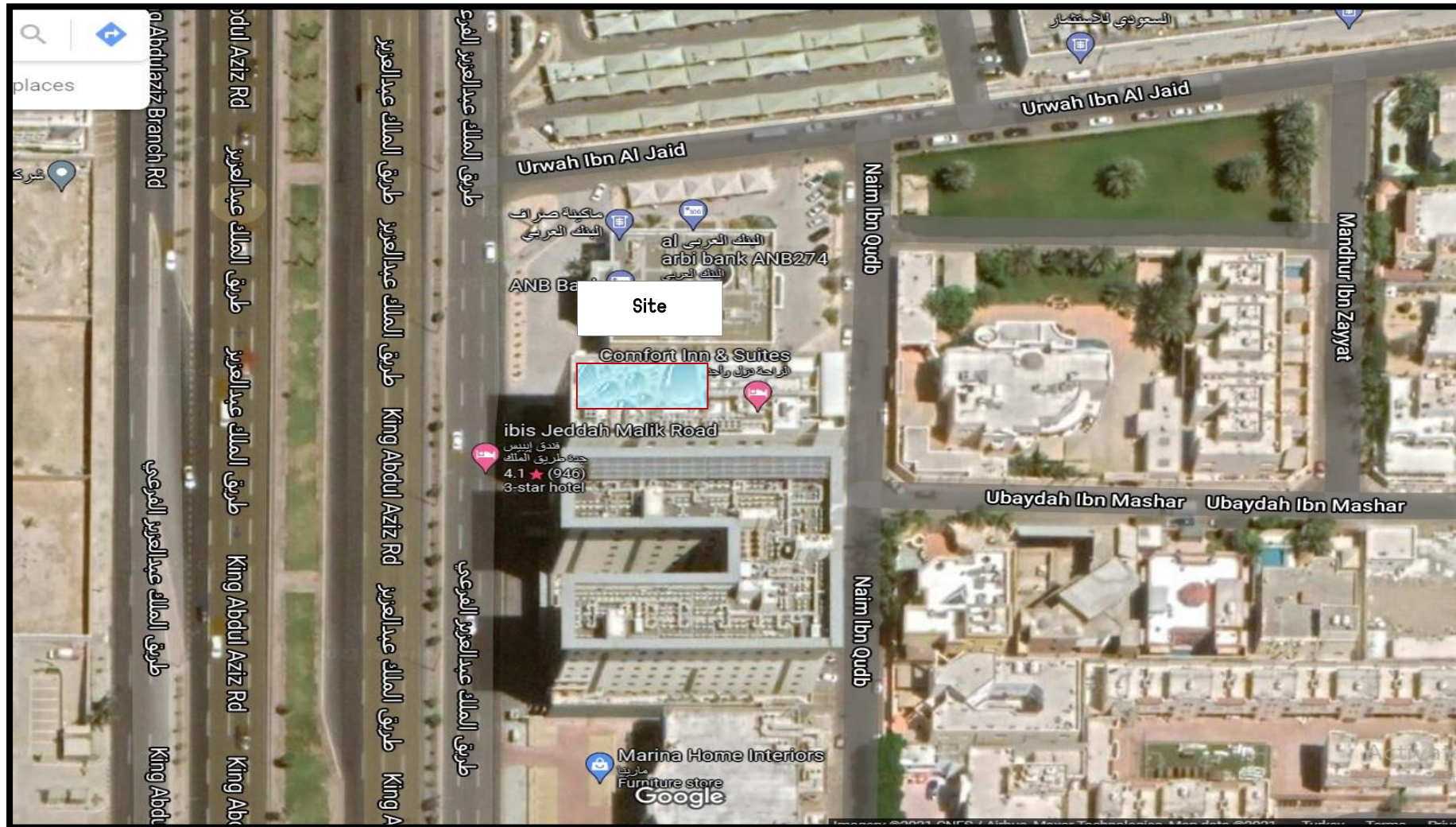
The adjacent map presents the subject site's location within the wider city of Jeddah while the table below, provides the site's coordinates for the purpose of identifying the exact location via Google Earth.

Property Map Coordinates	21°36'12.6"N 39°07'17.6"E
Property Map Location	https://goo.gl/maps/ta3h1GnYdzENYdUn6

Aerial View



Mid level property view



17.1- Site Characteristics

Building specifications in terms of concrete type, building area, according to the license and technical specifications, according to the information received from the client

Constructure Type

Concrete & facade glass

Central - air handling and distribution equipment

FCU Fan Cooling units Carrier – Air handling Units AHU

elevators

The number of elevators is 2 for kone, including 1 service elevator

Exterior lighting

There is outside lighting of the hotel.

Building management system

There is a BMS system

Civil defense requirements

Realized according to the customer's information, there are smoke detectors, alarms, and a water sprinkler, or the rest of the buildings, whose construction and finished & completed

As per customer information provided

Electrical Detail				
No.	System	Brand	Quantity	Specifications
1	Main low tension electrical panels board	Schneider	3	Prisma-P Type tested Enclosure- Free Standing – IP55(Form 2b)
2	ATS	LOVATO	1	Ats630A 4P CHANGEOVER SWITCH
3	Standby Generator	TEKSAN	1	380 KVA
4	UPS	Inform	2	FORTE Series (FORTE 33015) – 15kVA UPS. FORTE Series (FORTE 33030) – 30kVA UPS.
5	BMS	SIEMENS	1	Desigo CC V2.1 - 150,000 Objects
6	Guest Elevators	KONE	2	Machine Room Less, From Basement to 6th Floor
7	Service Elevator	KONE	1	Machine Room Less, From GF to 6th Floor
8	TV-49	LG	133	Procentric Hotel TV - Guest Rooms
9	TV-55	LG	4	Procentric Hotel TV - Public Area
10	TV-85	LG	3	Smart TV for Meeting rooms
11	BMU	Orientals	1	Building Maintenance Unit
HVAC Detail				
No.	System	Brand	Quantity	Specifications
1	Chillers	Carrier	3	Air Cooled Screw Chillers - 30XA 200
2	HRU	Carrier	1	Heat Recovery Unit 39HQM
3	FCU	Carrier	173	42TW/TD – 42MW/MD
4	CHWP	Grundfos	4	LF 3095-7
5	Split Units	YORK	1	Server Room
6	Split Units	YORK	1	CHWP Room
7	Split Units	Hisense	1	Booster Pump Room
8	Minibar	Dometic	125	DOMETIC ABSORPTION MINIBAR A40SR1 Absorption minibar Capacity :40 Liter Gross
Mechanical Details				

No.	System	Brand	Quantity	Specifications
1	Lifting Pumps	Grundfos	3	CR32-3 A - F - A - E - HQBE
2	Water Treatment Dosing System	ProMinent	2	CNPB0704PVT200EA10
3	Multimedia Sand Filters	Pentair	2	AM-36A
4	Booster Pumps	LOWARA	3	Type: 15SV04F0556T/D
5	Pressure Vissle	Aquasystem	1	VAV1000
6	Domestic Water Tank	N/A	1	231 m3
7	Domestic Vertical Tank	N/A	4	Vertical Fiber Tanks (Each 20 m3)
8	Fire Water Tank	N/A	1	209 m3
9	Septic Water Tank 1	N/A	1	110 m3
10	Septic Water Tank 2	N/A	1	38 m3
11	Septic Water Tank 3	N/A	1	25 m3
12	Electric Water Heaters	American Water Heaters	10	American Water Heaters STCE31-119
13	Desiel Tank	N/A	1	2000 Liters
14	Desiel Tank for fire pump	NAFFCO	1	950 Liters
15	Linen Shute	N/A	1	-
Firefighting Detail				
No.	System	Brand	Quantity	Specifications
1	Electric Fire Pump	NATIONAL Pump NAFFCO Controller	1	750 GPM, In Basement Fire Pump Room
1	Deisel Fire Pump	FIREDRIVER Pump NAFFCO Controller	1	750 GPM, In Basement Fire Pump Room
2	Jouckey fire Pump	NAFFCO	1	NFVLS-8-100

4	Fm-200	VES Fire Detection Systems	8	Covering: MDB Room _ PF Server Room _ PF Guest floors Electric rooms and IT
Light Current				
No.	System	Brand	Quantity	Specifications
1	CCTV-NVR	Wisenet	1	Wisenet 64 ch - 40 TB HDD PRN-4011
2	CCTV-NVR	Wisenet	2	Wisenet 16 ch - 16 TB HDD XRN-1620B2
3	Bullet External Cameras	Wisenet	26	QNO-6070R & QNO-7010R
4	Dome Internal Cameras	Wisenet	52	QNV-6070R & QNV-7080R & QND-7020R & QND-6082R
5	Fire Alarm	Honeywell	1	Notifier NFS2-3030
6	Safebox	Assabloy	125	Elsafe Zenith 43 Digital RH,
Self-Laundry				
No.	System	Brand	Quantity	Specifications
1	Washing Machine	LG	2	Capacity 10.5 Kg
2	Dryer Machine	LG	1	Heat Pump, Capacity 9 Kg
Gym				
No.	System	Brand	Quantity	Specifications
1	Treadmill	Precor	2	Product COD: TRM681
2	Dumbbell set 2-20 Kg with 10 pair dumbbell Rack and Multi-Adjustable Bench.	Precor	1	Product COD: DBR812.
3	Multi Press Product	Precor	1	Product COD: C024ES
4	Pulldown/Seated Row	Precor	1	Product COD: C026ES
5	Leg Extension/Leg Curl	Precor	1	Product COD: C027ES
6	RECUMBENT BIKE	Precor	1	Product COD: RBK685
7	Elliptical Machine / Cross Trainer	Precor	1	Product COD: EFX685
Equipment				
No.	System	Brand	Quantity	Specifications

1	3 Door under counter refrigerator	DGD	2	Dimensions:1870 x 700 x 850 Model:TF03MIDGN
2	Conveyor toaster	HATCO	1	Dimensions:368 x 578 x 422 Model:TQ800H
3	Undercounter ice cube maker	BERMA	1	Dimensions:500 x 580 x 800 Model:CB425A
4	Single door freezer	DGD	2	Dimensions:700 x 830 x 2080 Model:AF07EKOMBT
5	Under counter heated cabinet	HRCO	1	Dimensions:1020 x 620 x 850 Model:C/F
6	2 Door refrigerator	DGD	1	Dimensions:1400 x 830 x 2080 Model:AF14PKMTN
7	Dishwasher condensate hood	HRCO	1	Dimensions:1000 x 1000 x 500 Model:C/F
8	Hood type dishwasher	DIHR	1	Dimensions:1020 x 720 x 1410 Model:HT-11
9	Insect killer	MOEL	2	Dimensions:685 x 200 x 380 Model:307
10	Conveyor toaster	HATCO	1	Dimensions:368 x 578 x 422 Model:TQ800H
11	3 Door under counter refrigerator	DGD	1	Dimensions:1870 x 700 x 850 Model:TF03MIDGN
12	2 Door under counter freezer	DGD	1	Dimensions:1420 x 700 x 850 Model:TF02EKOGN
13	Undercounter dishwasher	DIHR	1	Dimensions:590 x 600 x 850 Model:GS-50
14	Freezer room (-18 deg.c),	HRCO	1	2 H.P refrigeration system, with one hinge door
15	Cold room (4 deg.c)	HRCO	1	2 H.P refrigeration system, with one hinge door
16	Microwaves	LG	125	For guestrooms

Valuation process adoption:

Valuation of income-generating properties based on the income/discounted cash flow method by market

Valuation approach	Valuation method	Valuation process
Market	comparable	Valuation of the land according to the market method / the comparative sales method as a method supporting the income method (for guidance only)
Cost method	cost and substitution	Evaluation of the building from the construction, finishing and installation of air-conditioning equipment, elevators, water pumps, electrical control, and lighting such as switches, electrical boxes and internal transformers, and this method is considered supportive of the income method during the evaluation process (for guidance only)
income method	method of capitalizing net operating income	Capitalizing the net operating income of the property according to market returns for similar properties
	The discounted cash flow method	The property is income-generating - and the property was evaluated on the basis of the income method - the method of discounting future free cash flows to ascertain the property's income according to the market

18- Land Valuation Methodology

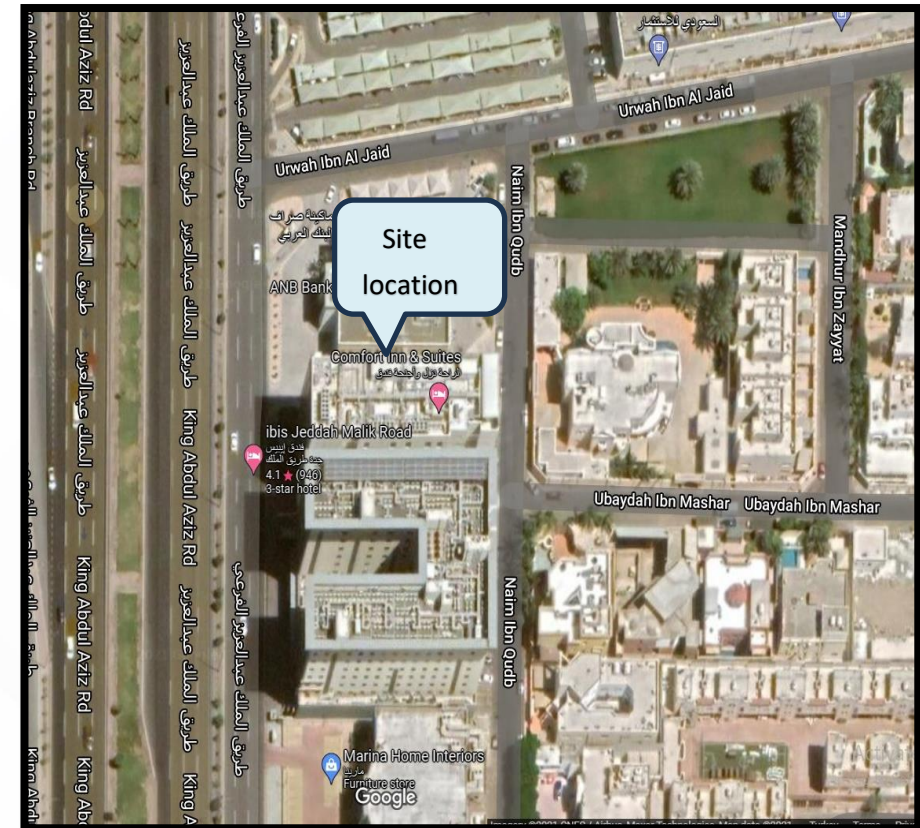
18.1 - Land Valuation Comparable Approach

Comparable Market Approach evaluation – Land Evaluation fair value (FV)

In this method, we will try to estimate the fair values for Land Area - land located within Zahraa district according to the market comparable approach. Through the market survey done by OPM team, similar land plots sizes founded in the catchment area and semi similar to targeted land.

However, within the same area, there is a shortage for similar land parcels offering either for sale or sale at date of valuation, and we just took many parcels similar in area and location and due to our survey and some of actual valuation for some projects in the region.

first, we will start defining the area of market survey done in this matter as per the following:



Relative Ratio Analysis:

A. Location (RAA):

Land plot size categories sq. m	Location RAA	
	North	South
Ratio	-5%	+5%

B. Area Space (RAA):

Land plot size categories Sqm	400-1,000	1,001-2,000	2,001-4,000	More than 4,001
RAA	+5%	0%	-8%	-15%

C. Other RAA:

Number of streets	(-,+) 5%
Public services (Metro - electricity - water - sewage - telephone)	(-,+) 5%
Property Land location	(-,+) 5%
Exit and entry	(-,+) 10%
Within a major Commercial / Residential area PAA	(-,+) 10%
Market movement adjustments (active - medium - stagnation)	(-,+) 5%
Settlements for real estate transactions (1 year)	(-,+) 5%

Comparable market Valuation Samples

Sample	Area Size sq m	Sample location	fair value S.R / sq m	Street name	Transaction Status	Land Usage
Sample 1	1800	North	1,6000	King Abdul Aziz Road	Available for sale	(Commercial)
Sample 2	1587	North	15,800	King Abdul Aziz Road	Available for sale	(Commercial / Residential)
Sample 3	7000	North	14,000	King Abdul Aziz Road	Available for sale	(Commercial / Residential)



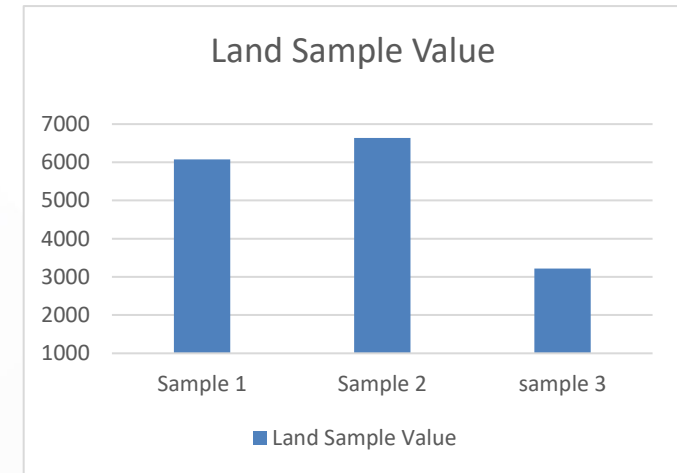
Samples modifications to Land property

Sample 1	S.R/ Sqm	Sample 2	S.R/ Sqm
Location RRA:		Location RRA:	
Sample Price	16,000	Sample Price	15,800
Add: (0%)	0	Add: (0%)	0
	+16,000		+15,800
Area Space RRA:		Area Space RRA:	
1,600 sq. m		1,587 sq. m	
Less: 0% Change	0	Less: 0% Change	0
	+16,000		+15,800
Other RRA:		Other RRA:	
Number of streets (0%)	0	Number of streets (0%)	0
Public services (Metro - electricity - water - sewage – tele.) (0%)	0	Public services (Metro - electricity - water - sewage – tele.) (0%)	0
Property Land location (0%)	0	Property Land location (0%)	0
Exit and entry (0%)	0	Exit and entry (+10%)	+1580
Within a major Commercial/Residential area PAA (0%)	0	Within a major Commercial/Residential area PAA (0%)	0
Market movement adjustments (active - medium - stagnation) (-5%)	-800	Market movement adjustments (active -medium - stagnation) (0%)	0
Settlements for real estate transactions (1 year) (0%)	0	Settlements for real estate transactions (1 year) (-5%)	-790
	0		
Modified Fair Value		Modified Fair Value	
	15,200 SAR/Sqm		16,590 SAR/Sqm

Sample 3	S.R/ Sqm
Location RRA:	
Sample Price	14,000
Add: (0%)	0
	+14,000
Area Space RRA:	
7,000 sq. m	2100
Less: 15% Change	0
	+16,100
Other RRA:	
Number of streets (-5%)	-805
Public services (Metro - electricity - water - sewage – tele.) (0%)	0
Property Land location (0%)	0
Exit and entry (+10%)	+1610
Within a major Commercial/Residential area PAA (0%)	0
Market movement adjustments (active -medium - stagnation) (0%)	0
Settlements for real estate transactions (1 year) (-5%)	-805
Modified Fair Value	16,100 SAR/Sqm

The / Current fair Value per sq. m for the land will be calculated as a weighted average of the fair sample modified values as follows:

Sample 1	15,200	40% of the sample due to similar in terms of area	6,080
Sample 2	16,590	40% of the sample due to similar in terms of area	6,636
Sample 3	16,100	20% of the percentage of the sample value, due to larger in terms of area	3,220
Weighted rate per square meter		15,936 S.R / sq. m	



The fair value of the land according to the valuation on a comparative basis

The total area of land Sqm	1,560
Fair value per square meter - S.R	15,936
The fair value of the land -S.R	24,860,160
Twenty-four million, eight hundred sixty thousand one hundred & sixty Saudi riyal only	

18.2 - Cost Approach Depreciated Replacement cost method (DRC) for Building

Depreciated replacement cost (DRC) approach. The 'cost approach' and DRC are regarded as synonymous terms; both are in common use around the world to describe a method of valuation of all types of assets.

Also, the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

It is important to understand that the word depreciation is used in a different context for valuation than for financial reporting. In a DRC valuation, depreciation refers to the reduction, or writing down, of the cost of a modern equivalent asset to reflect the obsolescence and relative disabilities affecting the actual asset. In financial reporting, depreciation accounting refers to a charge made against an entity income to reflect the consumption of an asset over a particular accounting period. These are distinct usages of the word, and there is no direct correlation between the methods used to assess depreciation in each case.

Although the DRC method may be used for the valuation of different types of specialized asset, particular complications arise when applying the DRC method to specialized property.

Some buildings (or specialized plant and equipment assets) have a conventional basic design that is superficially similar to other buildings that are regularly bought and sold in the market, but on closer inspection have specialized features or extensive adaptations designed to meet the requirements of the actual occupier. Typical examples, which may be purpose built or adapted, include a residential complex, office, retail, medical, hotels, universities and or an industrial building (labor camps) with structural alterations to accommodate a particular production process with enhanced security features such as thickened walls, toughened glazing, extra amenities, and extra facilities areas.

Depreciated Replacement cost (DRC)

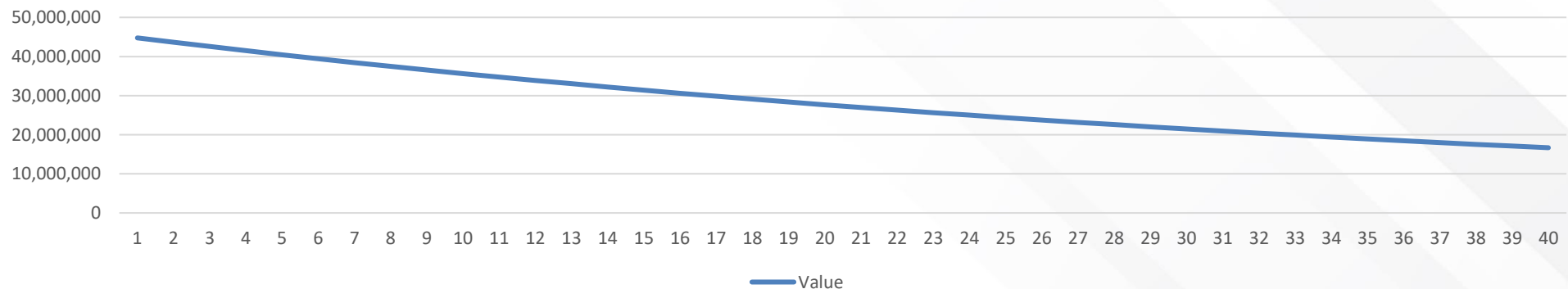
Standard: Average useful life for school building in Jeddah city after taken into consideration climate.	N (number of years) =	50 years
Deprecation ratio Per annum 2.0%	Appreciation 0 (Maintenance, renovation) ratio Per annum based to schedule of maintenance work per annum	Apportionment after Calculating Depreciation and Appreciation 2.0%
Building (equipment) useful life	N (number of years) =	1 years
Apportionment – Acc Depreciation	2.0%*1 Years	2%

Note: Deprecation is Charged on Dec Every Year

(Construction, Finishing & MEP equipment) for building – All MEP installed

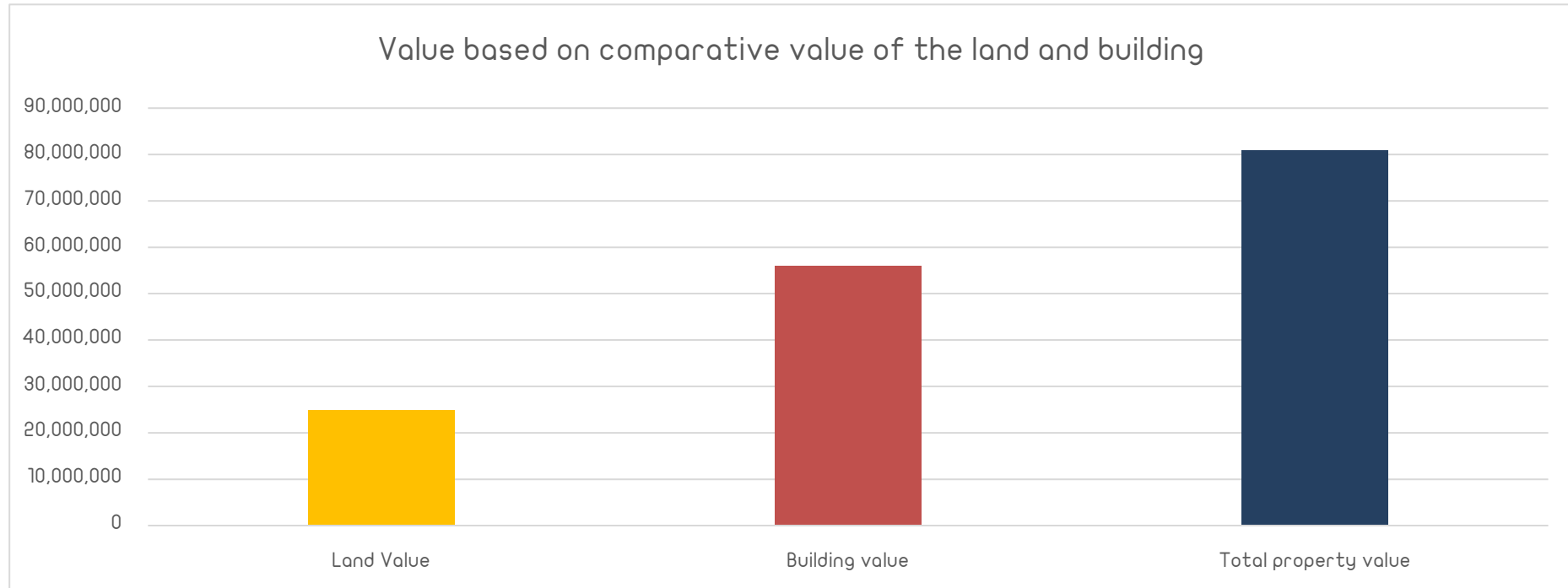
Type of Construction	GfA / sq. m	Replacement cost / SAR – sq. June-2023	Completion %	Fair value/ SR	Usage
Basement -1	1560	3,000	100%	4,680,000	Parking
Ground floor	1014.28	5,500	100%	5,578,540	Reception and restaurant
Mezzanine floor	1014.28	3,000	100%	3,042,030	Parking
First floor	937.33	4,500	100%	4,487,985	Services and offices
Typical floor	5070.05	5,500	100%	27,885,275	Hotel rooms
Replacement cost - SR				45,673,830	
- Apportionment Acc Deprecation –	(45,673,830 *2/100)			(913,477)	
Note: Deprecation will be Charged on Dec Every Year					
Depreciated Replacement cost DRC for building				44,760,353	

Value of building during operational Life Cycle



**19- Fair value (property) Land + Building In the case of finishing up to date from Finishing, fixtures & equipment work-
Currency SR**

Fair Value (Land)	24,860,160 SR
Plus	
Building Value before adding Profit Margin - SAR	44,760,353 SR
+ Developer Profit Margin (25%) – only for Building Value - SAR	11,190,088 SR
Building Value - SAR	55,950,441 SR
Sum of Value – Property	80,810,601 SR
Fair value -Total Land & Building Property	80,810,601 S.R (eighty million, eight Hundred ten thousand, six Hundred one Saudi riyals



20-Valuation Based to Income approach- Capitalization rate ratio of Net Operating Income (NOI) to property asset value - **Jeddah city - June 2023- FFO** to define the cash flow from their operations Official leasing Percentage Yield Escalation As per received from Client:

Lease summary	
owner	Real estate hotels development company
Tenant	Seera Hospitality Company
Duration contract	5 years
annual net operating income	6,239,451 Saudi riyals
date the contract is expected	27/03/2022
Total contract amount is for 5 years	31,197,255 Saudi riyals

Hotel Real Estate Development Company
Cr # 1010734462

شركة تنمية الفنادق العقارية
سجل تجاري # 1010734462

على ألا تقل مدة الإخطار عن 5 أيام.

(3-5) في حال الرغبة بتجديد العقد يتم الاتفاق بين الطرفين على شروط التجديد.

المادة (6): الأداء التشغيلي وأتعاب الإدارة والتشغيل وحساب الصندوق:

(1-6) الأداء التشغيلي

(أ) اتفق الطرفان على أن يكون للمشغل الحق الحصري في تولي أعمال تشغيل والإشراف على الفندق وصيانته وتقديم جميع الخدمات والأعمال اللازمة وفقاً لشروط وأحكام هذا العقد، على أن لا تقل ("القيمة التشغيلية الصافية للفندق") عن مبلغ قدره (6,239,451) (ستة ملايين ومائتان وتسعة وثلاثون ألفاً وأربعمائة وواحد وخمسون) ريال سعودي في كل سنة تشغيلية ("الحد الأدنى للأداء التشغيلي") مافي من أي رسوم أو تكاليف، ويقوم المشغل بسداد الحد الأدنى للأداء التشغيلي للمالك وفقاً لما هو وارد في الفقرة 6-5 من هذه المادة.

المادة (5): مدة العقد:

(1-5) تبلغ مدة هذا العقد خمس (5) سنوات ميلادية ("مدة العقد").

(2-5) تبدأ مدة العقد بتاريخ 2022/04/01 ويجوز للمالك تأخير سريان العقد لمدة ستة أشهر بإخطار يبلغه للطرف الثاني، كما يجوز للمالك -بعد تأسيس الصندوق- إخطار الطرف الثاني بالتاريخ الذي يبدأ فيه بمباشرة مهامه والتزاماته وفقاً لشروط وأحكام هذا العقد، ويلتزم الطرف الثاني بذلك،

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After reviewing the contract, it was found that it was a 5-year operating contract

This contract is guaranteed with a minimum income for the first party in an annual amount of 6,239,451 six million two hundred and thirty-nine thousand four hundred and fifty-one riyals, which the operator is obligated to pay to the first party annually, and in the event of insufficient income for this amount, the operator is obligated to pay the difference from his own money.

The minimum amount is guaranteed by 20 promissory notes Therefore, the contract appears to be an operating contract, but it is originally a rental contract.

Average Net Operating Income – triple Net for a Years Contractual period based to client's statement.	6,239,451 SR	
– Vacancy and collection loss	0	
Additional income	0	
Effective Average gross income	6,239,451 SR	
Operating Expenses (all expenses on Operator's responsibility) – Triple net wise		
Fixed	0	
Variable	0	
Reserves	0	
Total Operating expenses	0	
Average Net operating income NOI	6,239,451 SR	
Cap rate 7% (The target returns for the acquisition of REIT funds are 8%, with tax included and the pursuit within the acquisition process - the net returns distributed to the fund's unit owners are between 4%-7%, according to the last statement of the fund's unit managers)		
Fair Value @ 7% Capitalization rate	89,135,000 SAR	

Capitalization Rate: Free Risk Rate + Systematic Risk Premium = 6% + 1% = 7%

The latest deals of REIT funds (some comparisons of the capitalization rate through real estate investment funds on a number of properties in Jeddah & Riyadh for the year 2022)

- 1- SEDCO Capital Fund / commercial entertainment project on King Abdulaziz Road (purchase with a total return of 7.9% before deducting operating and maintenance expenses) - Jeddah
- 2- PARTICIPATION REIT / office project at the intersection of King Fahd Road with Tahlia Street (purchase with a return of 7.4%) - Riyadh
- 3- Al-Inma REIT / offices and hotels (purchase with a 7% return) - Riyadh
- 4- Bank Muscat / office project on Al-Thumamah Road (I-Offices) (purchase with a return of 6.5%) - Riyadh
- 5- Al-Raji REIT / real estate in Al-Kharj (purchase with a return of 7.5%) – Riyadh.

Lessee Performance Evaluation (Sira Hospitality Company)

We have not been informed of any payment failures or the existence of any obstacles that impede the work of the tenant, and given the existence of a binding contract for the tenant, the evaluation of performance is determined by making payments and periodic maintenance of the property, and as it became clear to us during the inspection of the property and by looking at the comments of the guests on the sales platforms, the work of the tenant is proceeding according to the standards and controls.

Evaluation of the operator's performance (Comfort Inn) and the way he operates the property

The operator's performance evaluation (Comfort Inn) was viewed. The market evaluation of the operator is at (8.8) for more than 2,500 people (on one of the platforms) who stayed overnight and visited the hotel. Most of the comments are positive with regard to cleanliness, quality, and hotel service for guests, as there are no negative comments. This has been shown to us from the field inspection, as the operator operates the property in accordance with the standards and controls of operating hotels that most operators follow.

20.1- Evaluate the property on the basis of the income method (the discounted cash flow method) to verify the income of the property according to the market rent

Estimating income / using the income method - the method of discounting future cash flows based on the rates and average annual overnight prices for hotels within the real estate area

- Samples of hotel rooms within the perimeter of the property (the average square of the room / suite is 50 square meters):

Sr.no	Hotel name	classification	Avg room size	ADR S.R	Occupancy %	Adj Rating & room size	prices after adjustments
1	Sakoon	4 -star	58 sqm	600	52%	-15%	510 S.R
2	adagio	4 -star	40 sqm	485	51%	-15%	412 S.R
3	Ibis	3-star	18 sqm	375	55%	-15%	320 S.R
4	Lotaz Hotel	3 -star	25 sqm	425	56%	-15%	360 S.R
				Average price after adjustments			400 S.R

Valuation date	30/6/2023									
Market Value (MV) - SAR	90,449,380									
	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues										
Rev - 1 - Rooms										
Number of Rooms	125	125	125	125	125	125	125	125	125	125
ADR (SAR) - Growth 6% every 2 Years	395	395	415	415	435	435	457	457	480	480
Days/Year	364	364	364	364	364	364	364	364	364	364
Occupancy Rate %	54.0%	56%	58%	58%	60%	60%	62%	62%	62%	62%
Revenue 1 - Rooms (SAR)	9,705,150	10,064,600	10,945,253	10,945,253	11,888,809	11,888,809	12,899,357	12,899,357	13,544,325	13,544,325
Rev - 2 - MOI (F&B + Minor Operating Income)										
Food and Beverage 20% from rooms sales	1,941,030	2,012,920	2,189,051	2,189,051	2,377,762	2,377,762	2,579,871	2,579,871	2,708,865	2,708,865
Other Operated Departments	388,206	402,584	437,810	437,810	475,552	475,552	515,974	515,974	541,773	541,773
Miscellaneous Income	48,526	50,323	54,726	54,726	59,444	59,444	64,497	64,497	67,722	67,722
Revenue 2 - MOI (SAR)	2,377,762	2,465,827	2,681,587	2,681,587	2,912,758	2,912,758	3,160,343	3,160,343	3,318,360	3,318,360
Total Operating Revenue	12,082,912	12,530,427	13,626,839	13,626,839	14,801,567	14,801,567	16,059,700	16,059,700	16,862,685	16,862,685
Departmental Expenses										
Rooms 40% from rooms sales	(4,833,165)	(5,012,171)	(5,450,736)	(5,450,736)	(5,920,627)	(5,920,627)	(6,423,880)	(6,423,880)	(6,745,074)	(6,745,074)
Food and Beverage 50% from F&B sales	(776,412)	(805,168)	(875,620)	(875,620)	(951,105)	(951,105)	(1,031,949)	(1,031,949)	(1,083,546)	(1,083,546)

Other Operated Departments	(9,705)	(10,065)	(10,945)	(10,945)	(11,889)	(11,889)	(12,899)	(12,899)	(13,544)	(13,544)
Total Operating Expenses	-5,619,282	-5,827,403	-6,337,301	-6,337,301	-6,883,620	-6,883,620	-7,468,728	-7,468,728	-7,842,164	-7,842,164

Net Operating income NOI	6,463,630	6,703,024	7,289,538	7,289,538	7,917,947	7,917,947	8,590,972	8,590,972	9,020,521	9,020,521
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Capital Expenditure	0	0	0	0	0	0	0	0	0	0
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Net Operating income Before DCF	6,463,630	6,703,024	7,289,538	7,289,538	7,917,947	7,917,947	8,590,972	8,590,972	9,020,521	9,020,521
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Exit cap rate	8.00%									
Discount rate	10.0%									
NOI	6,463,630	6,703,024	7,289,538	7,289,538	7,917,947	7,917,947	8,590,972	8,590,972	9,020,521	9,020,521
Terminal Value										112,756,509
free Net cash flow	6,463,630	6,703,024	7,289,538	7,289,538	7,917,947	7,917,947	8,590,972	8,590,972	9,020,521	121,777,029

Market Value-DCF	90,449,380
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Capitalization Rate: Risk free rate + systematic risk premium = 6% + 2% = 8%

Discount Factor: Build up Model R= risk free rate +systematic risk premium + unsystematic risk premium = 6% +3% +1% = 10%

21- Note: Opinion of Value in based to Capitalization rate method income.

We are of an opinion that income method / cash flow discount method has been nominated as the fair value of the property, as the purpose of the evaluation is Alinma REIT Hotel Fund An income-generating year:

Property Value Calculation	Amount (SAR)	Weighted %	Property Fair Value
Income Approach Capitalization rate – Fair Value	90,449,380	100%	90,449,380
Aggregate Fair value property			90,449,380 SR
Fair value FV	90,449,380 (Ninety million, four hundred forty-nine thousand, three Hundred eighty saudi riyal)		

General Notes:

- The fair value of the property - is **90,449,380** Saudi Riyals.
- The fair value was obtained based on the nomination of the income method / the discounted cash flow method of the property as a fair value method.
- Since the contract with the lessee is an operating contract, not a lease
- The property was fully inspected on the ground, and the movement of entry and exit and the general view were studied.
- No information has been hidden by Olat Real Estate Valuation Company that could affect the value of the property.
- Olat Real Estate Valuation Company undertakes not to disclose any information to others and to maintain the confidentiality of the evaluation.
- The property was evaluated with high professionalism, credibility, and objectivity without expressing an opinion. Rather, the general condition of the property was included according to nature.
- Building Costs - Replacement Cost were calculated on the basis based on Benchmark comparison market costs.
- Building area according to the building permit.
- The property is fitted out.
- we were provided with the lease and operation contract, and accordingly, it was assumed that the data and inputs are correct

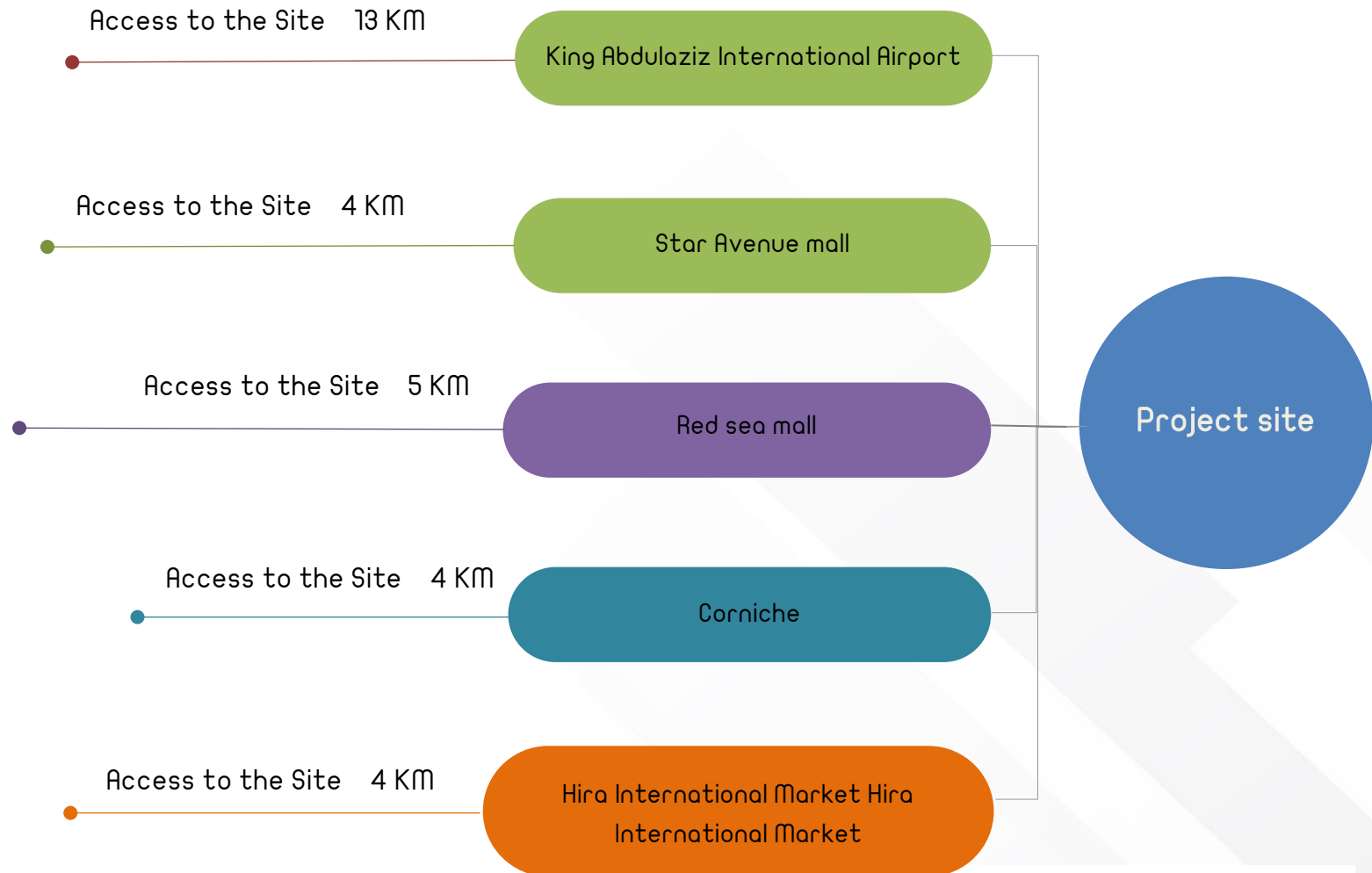
- Net income has been provided to us to assess the capitalization of income as per the contract.
- We were provided by the client with a legal due diligence (LDD) examination of the property on September 22, 2021, and it was viewed by the legal department at Olaat Valuation Real Estate Company, and no substantial observations were noted in it.
- According to the contract, Seera is the operator of the property.
- We have been provided with a lease contract for the entire hotel to evaluate the property on the basis of net operating income (NOI).
- We have been provided with the operating contract with the current operator.
- The return on profits of REIT funds distributed to shareholders ranges from 5% to 7% on average.
- The targeted returns for the acquisition of REIT funds are at 8%, and it is difficult to achieve due to the presence of taxes on emptying and the pursuit tax, and this leads to a successive reduction in returns, "to reach levels of 6.5%."
- Compliance with the Real Estate Investment Funds Regulations issued by the Board of the Capital Market Authority on 6/19/1427 AH corresponding to 7/15/2006 AD based on the Capital Market Law issued by Royal Decree No. (M / 30) dated 6/2/1424 AH.
- Commitment to a circular to accredited residents in the real estate appraisal branch on 10/26/1444 AH corresponding to 5/16/2023 AD and subsequent clarifications of the most important legal and professional requirements for preparing valuation reports prepared for evaluating real estate related to real estate investment funds traded in the financial market.

22-Traffic in the vicinity of the property and exit and entry to and from the property.

Traffic in the real estate area depends primarily on the period and road during official working days from Sunday to Thursday

Road access	degree of crowding			General Notes
	strong congestion	light congestion	Free Movement	
King Abdulaziz Road		During day		
Hira Street	During day			
Exit & Entry Movement				
Road Name	Exit	Entry	General Notes	
King Abdulaziz Road	Easy	Easy		
Hira Street	Non- Easy	Easy		

23-Prominent distance and proximity to the property :



24-SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"> - The property is located within a commercial area. - Close proximity to many malls, office towers, the corniche, and the Formula 1 circuit - Close proximity to many malls, office towers, the corniche, and the Formula 1 circuit - Operator brand. - Moderate overnight prices within the hotel area. - The location of the property is in Al-Zahra neighborhood on King Abdul Aziz Road. - It is located next to an office area. 	<ul style="list-style-type: none"> - Nothing.
Opportunity	Threat
<ul style="list-style-type: none"> - Targeting business visitors, tourism, and leisure seasons 	<ul style="list-style-type: none"> - Targeting business visitors, tourism, and leisure seasons. - The emergence of several competitors near the property in the future. - raise interest globally," which will lead to higher costs.

24.1 - Possible risks to the property

The real estate appraisal process, especially real estate similar to the real estate subject to evaluation, involves some risks that may affect its fair value, and the most important of these risks are:

Macroeconomic Risk:

It is known that real estate investment is not isolated from the general economic climate in the country. Macroeconomic conditions may affect the value of any real estate, such as inflation rates, interest rates, as well as financing costs and taxes, as the change of these indicators combined or individually may affect positively or negatively on the value of the real estate.

Legal and Regulatory Risks:

The property has been evaluated currently based on the current legal and regulatory conditions, and some changes may occur that may greatly affect the value of the property, such as the existence of new legislation that restricts some activities in specific places, or changing the number of permitted floors or other sovereign decisions. which cannot be controlled.

Risks of expropriation:

It is well known that government agencies in the Kingdom have the right to compulsory acquisition of some real estate to achieve public benefit such as building roads and public utilities, and although the price of the compensation amount is often at least equal to the fair value of the property, there is still a risk that the compensation value It may be insufficient compared to selling the property in the market within an open market, or establishing a project on it that achieves higher returns

Risks of classification of tenants: Seera Hospitality Company is the actual operator of the property as the tenant and there are no risks during the next 4 years because there is a binding contract for a period of five years according to the documents that were provided to us by the client

Credit risks and non-payment of rent: There are no potential risks of having a valid and binding contract as the tenant has a good reputation in the field of operating hotels.

The risks of occupancy rates and accommodation prices: There are no significant risks, but rather minor ones, on the occupancy rates and prices shown in the current period, as the sector is living in a golden period and the number of visitors to Jeddah is on the rise, and the location of the property on King Abdul Aziz Road constitutes an attractive force for business visitors.

Risks of not using the highest and best of the property: The current use is to achieve the highest use of the property through the exploitation of the permitted building areas, which raised the use of the property as a hotel located on a main vital road within a major commercial area (PTA).

Risks of market change: The market is going through a positive recovery period after the process of revitalizing downtown Jeddah and allocating a budget of 75 billion riyals to develop the downtown Jeddah project to support all tourism sectors and the sector's contribution to the GDP of the city of Jeddah and the whole of the Kingdom. Jeddah Economic City will create a global tourism site.

Risks of obsolescence and lack of maintenance: It is known that the economic and functional depreciation of hotels is higher than other properties, as the high number of customers raises the depreciation rate on the contents of the building, which requires periodic and proactive maintenance to ensure the quality of the building.

24.2- Analysis of the hotel sector in Jeddah Hospitality Market Assessment

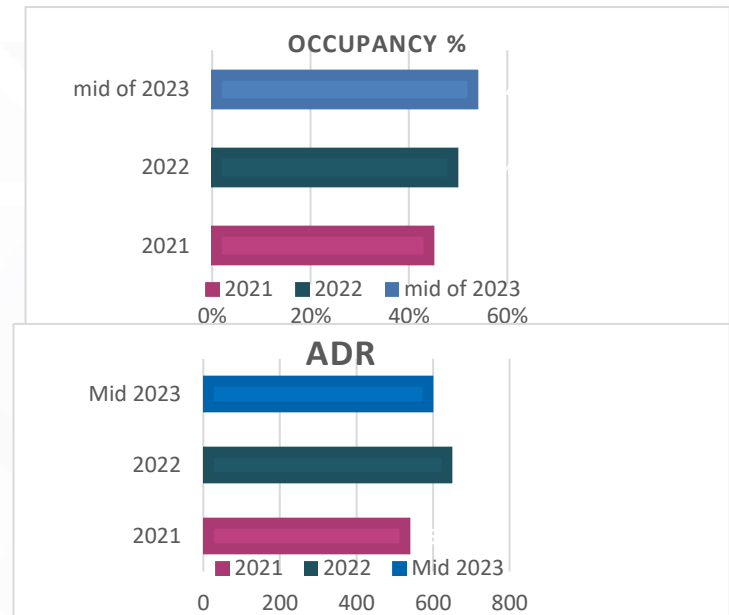
The sector is living a golden period supported by the state's initiatives, tourism and entertainment, support for festivals, and focus on providing the highest level of services to visitors to Jeddah and the western region in the summer and seasonal seasons, as well as the Hajj and Umrah seasons, business visits, and family and friends.

- The most important factors affecting the hotel sector in Jeddah

- Diversity of projects that promote the growth of tourism, entertainment, festivals, and events.
- Central Jeddah project, with investments amounting to 75 billion riyals, on an area of 5.7% million square meters.
- Tourist visa, transit, and many governments initiatives.
- Adding an air carrier, Riyadh Airlines, due to the huge demand for tourism services.
- The national transformation project, focusing on the hotel sector and enhancing its contribution to the national product by rates exceeding 4.5%.
- Near Jeddah to NEOM and the Red Sea projects.
- The presence of 2 international ports within Jeddah (King Abdul Aziz Islamic Port - King Abdullah Port in Rabakh).
- Jeddah is the gateway to the western region for the passage and delegations of pilgrims and Umrah performers from all over the world. It is also the sea bridge that feeds the central region with American and Western products, which made it an important hub in various fields.

Occupancy %	Years
45%	2021
50%	2022
53%	First quarterly 2023

Years	Occupancy %	Average accommodation prices / Saudi riyals
2021	-	500
2022	16%	580
Mid 2023	3%	600



General inventory of the hotel sector:

Current inventory is a rated hotel room	16,500 keys
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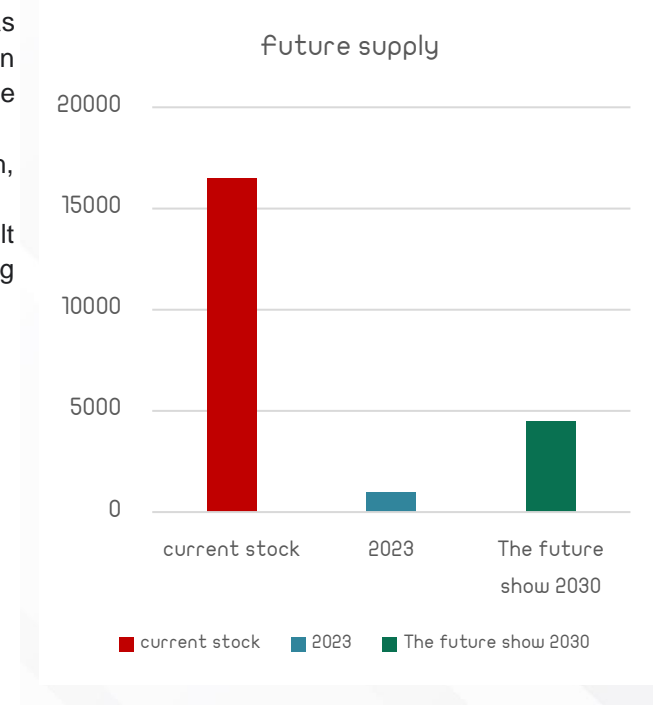
The demand

Demand growth forecasts during 2023-2026	A significant increase in the demand for hotel rooms and chalets within hotel resorts
Jeddah projects	Alma Residential Tourist Project - Jeddah Economic City - Hotels

It is expected that the downtown Jeddah project will capture a large share of the demand in the future, "as a result of the great strength that the project possesses as one of the most important investments in developing historical and heritage sites around the world, which will enhance the role of the city in the future."

It was recently announced that Arab investors would enter to invest in the hospitality sector in Jeddah, with investments amounting to 1.9 billion riyals, which will support the sector with a variety of projects.

It is expected that a future decrease in accommodation prices for exaggerated tourist resorts will result from the emergence of projects in large numbers that will work on balancing the market and creating attractive tourism for the largest possible number of tourists.



24.3- Summary of the hotel sector - for the city of Jeddah

Offer of hotel rooms and units	<ul style="list-style-type: none"> - The total supply of classified hotel rooms in Riyadh is constantly growing and is expected to rise from 16,500 units to 22,000 units gradually until 2030. - It is also expected to increase the supply of furnished hotel units spread within luxury hotel or residential buildings, such as apartments within residential towers. - The sector witnessed the entry of many hotel apartment operators with new concepts and ideas, focusing on entertainment and recreation for domestic visitors. - The number of tourists and visitors (local-international) to the Kingdom during the first nine months reached 73.1 million visitors, and it is expected that the number will reach 100 million annually by 2030.
Demand	<ul style="list-style-type: none"> - The total demand for classified hotel rooms in Riyadh is 3.5 million rooms during 2022 - Demand is expected to rise during 2023 to reach 4 million rooms annually - Demand concentrated in areas close to Jeddah Corniche, the airport, King Abdul Aziz Road, and Madinah Road - Demand from business visitors is concentrated within the northwest of Jeddah, where the regional headquarters and support companies are located
Future outlook and direction	<ul style="list-style-type: none"> - The future offer is concentrated in the north and west of Jeddah and within the historic downtown Jeddah project, most of which are five- and four-star hotels and office projects. - The entry of many international hotel operators into the market contributed to raising the quality - Expect the emergence of many large hotels that include commercial areas and restaurants classified globally (Michelin rating)

- Supporting hotel projects by the Ministry of Tourism and Leisure through financing, issuing permits and events
- Significant improvement in occupancy rates and accommodation rates
- The National Transformation Project and Vision 2030 will support the hotel sector
- Developing the center of Jeddah and the traditional markets to support tourism in order to attract the largest possible number of visitors and tourists.
- Creating opportunities that attract foreign tourists through reviving and developing the historical and heritage sites included in the World Heritage List, such as Historic Jeddah.
- Focusing on the cultural factor and strengthening the national identity through a set of fundamental transformations, such as reviving and improving heritage projects, especially in the center of Jeddah, after removing 12 random residential neighborhoods, which will have a major role in supplying tourism with additional numbers of tourists.
- The emergence of many tourist resorts in the center of Jeddah, which will have a major role in supporting tourism

25-most prominent future projects in Jeddah

More than 12 hotels are under construction and finishing, and are expected to enter the market successively in 2023-2025.

In terms of large projects, the Central Jeddah project acquires a large share in the future, in addition to the Jeddah Economic City project, which includes a large-scale hotel resort and investment lands designated for hotels that have not yet been built, which may increase the number of hotel projects.

Also, linking the southern and northern Obhur through the (King Salman Causeway) bridge will increase the volume of tourism investments within the northern Obhur and Salman Bay area.

#	Hotel	Location	Opening Date	Rating	Keys
1	Hilton Double tree	Close to Andalus Mall	2025	****	164
2	Swiss Otel Jeddah	King Abdulaziz road	2023	*****	150
3	Edition Hotel	Yacht Club Marina	2024	*****	77
4	So – Tahlia	Tahlia road close to Cornish rd.	2025	****	107

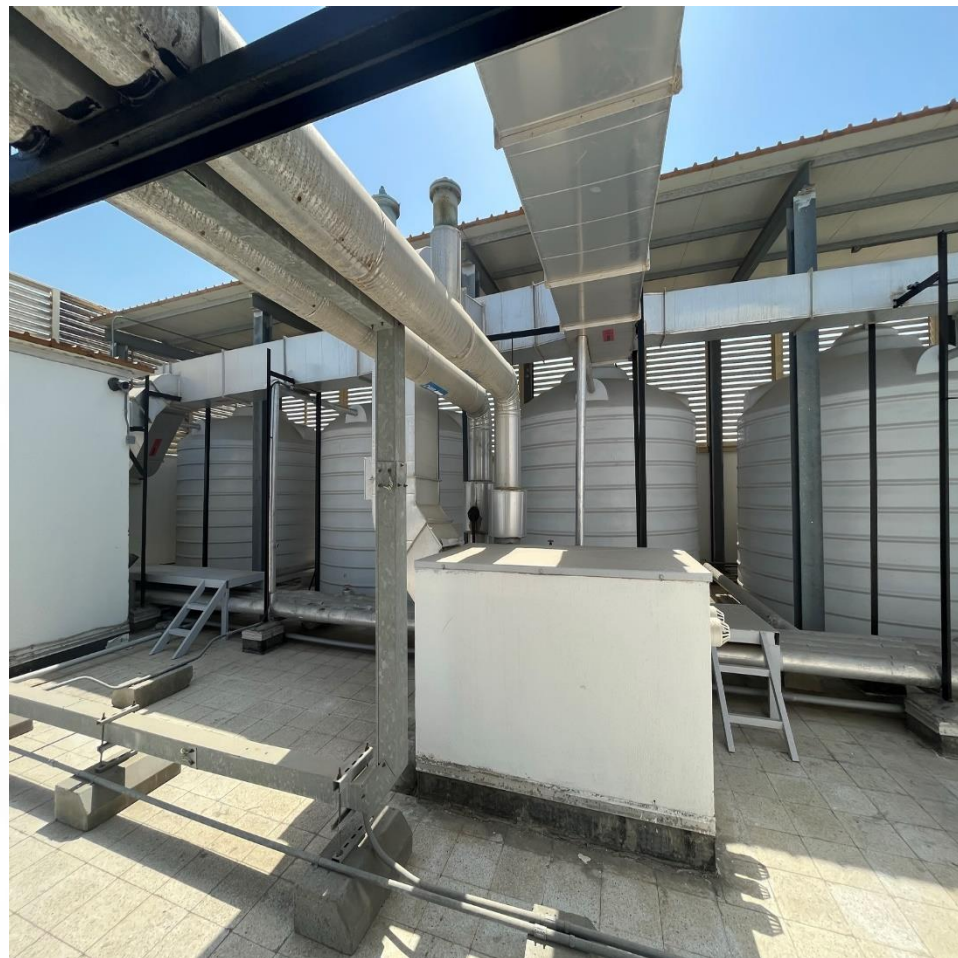


26- External and internal Pictures

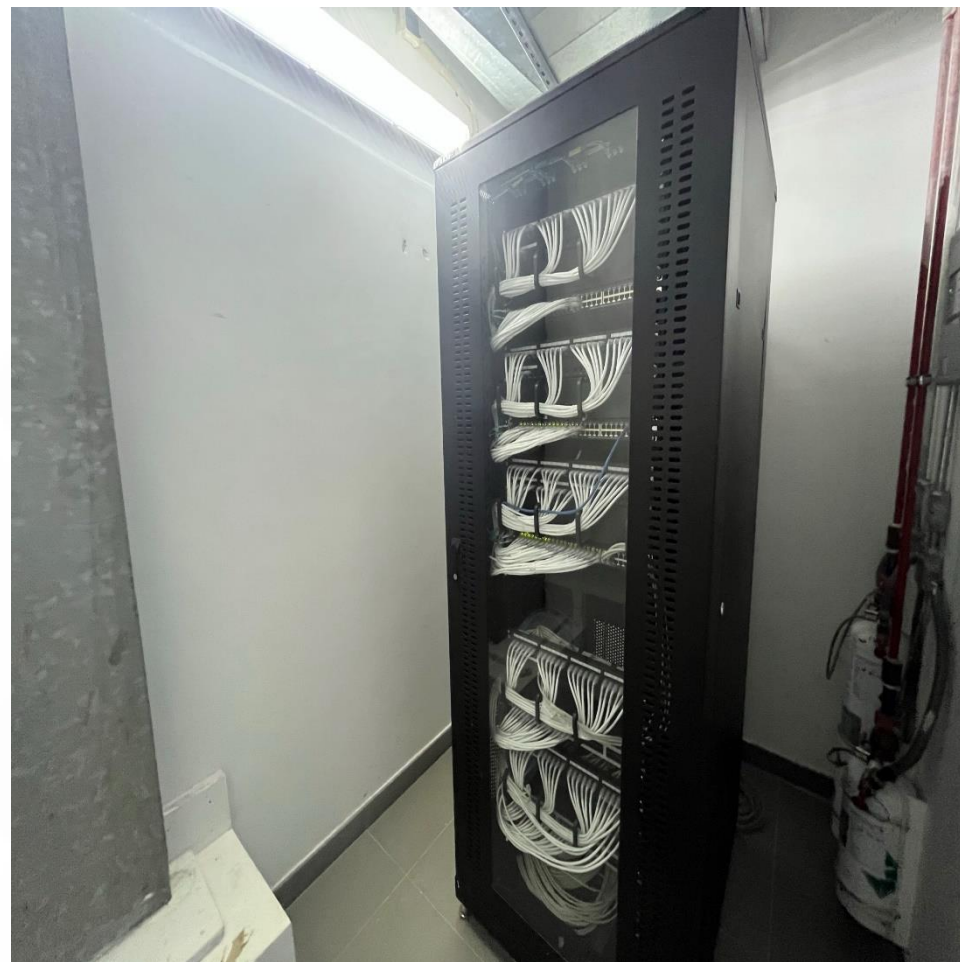
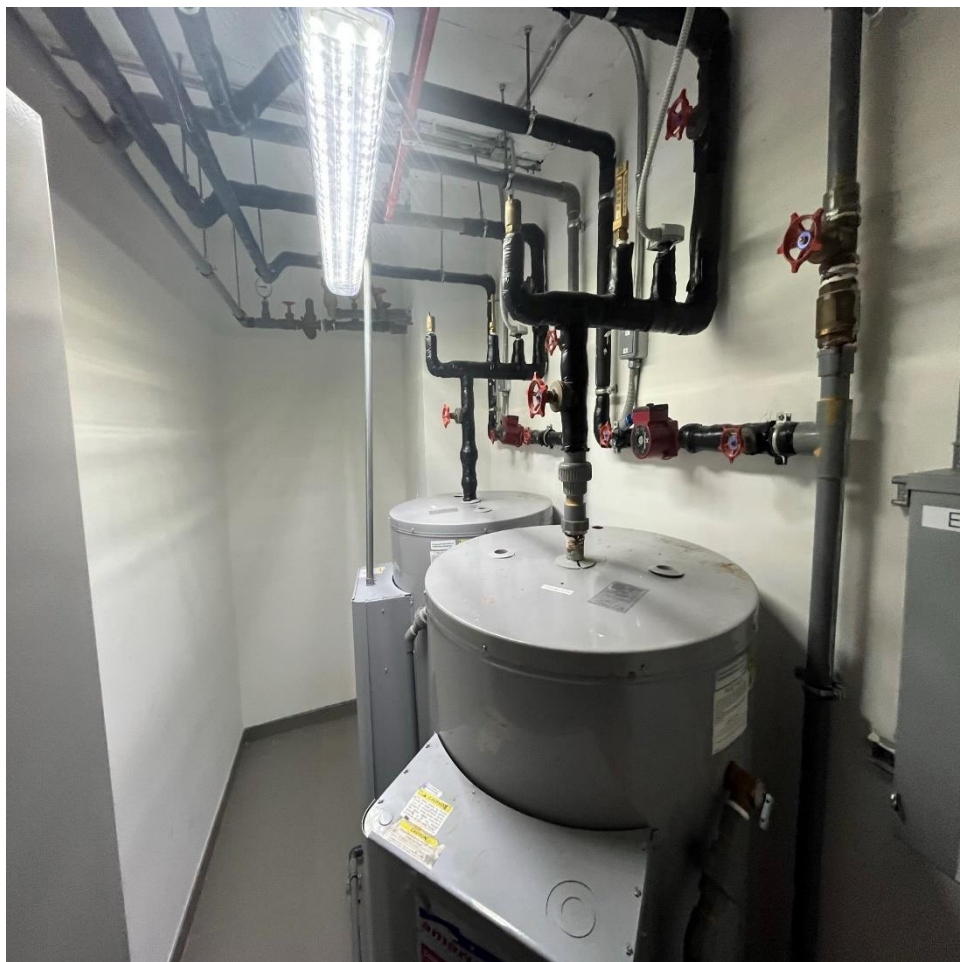
Internal & External view

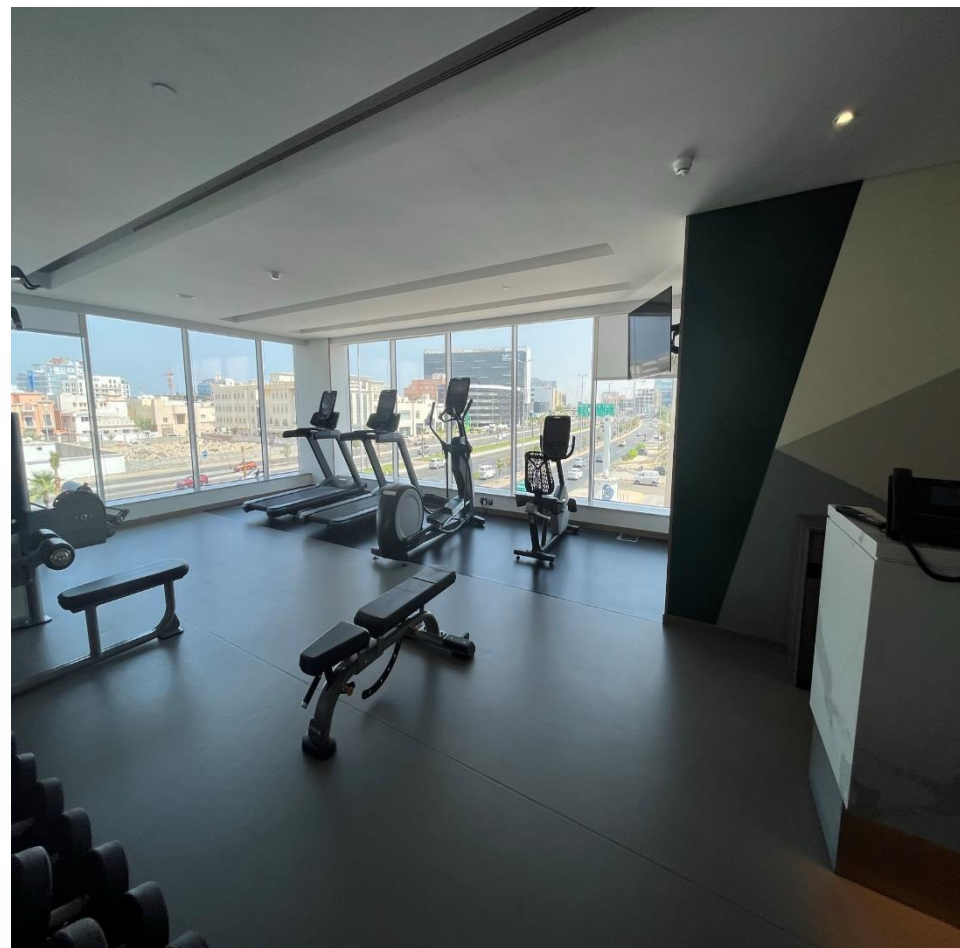
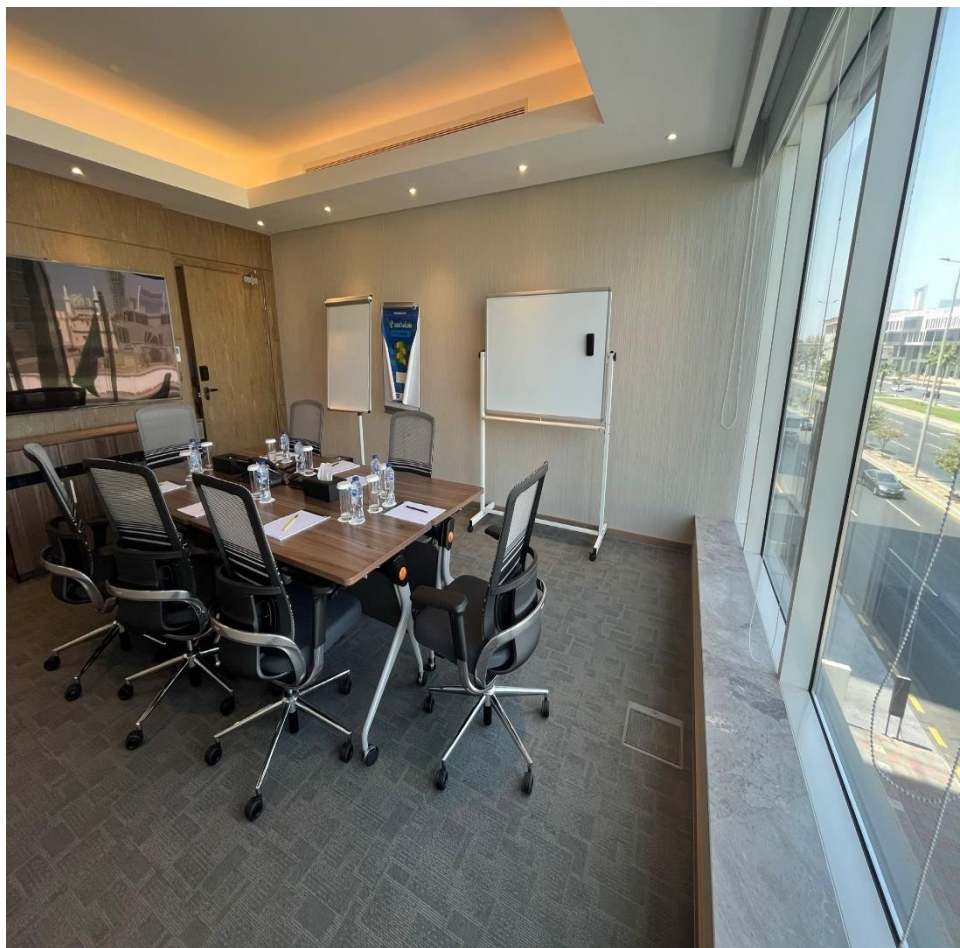








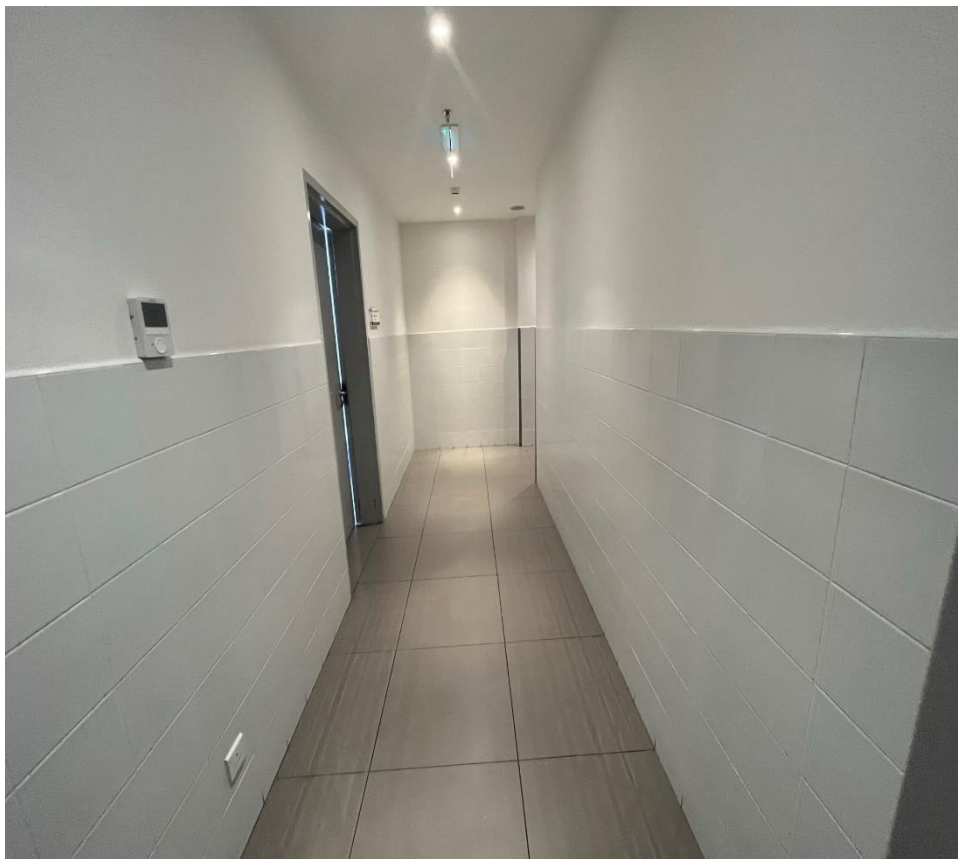








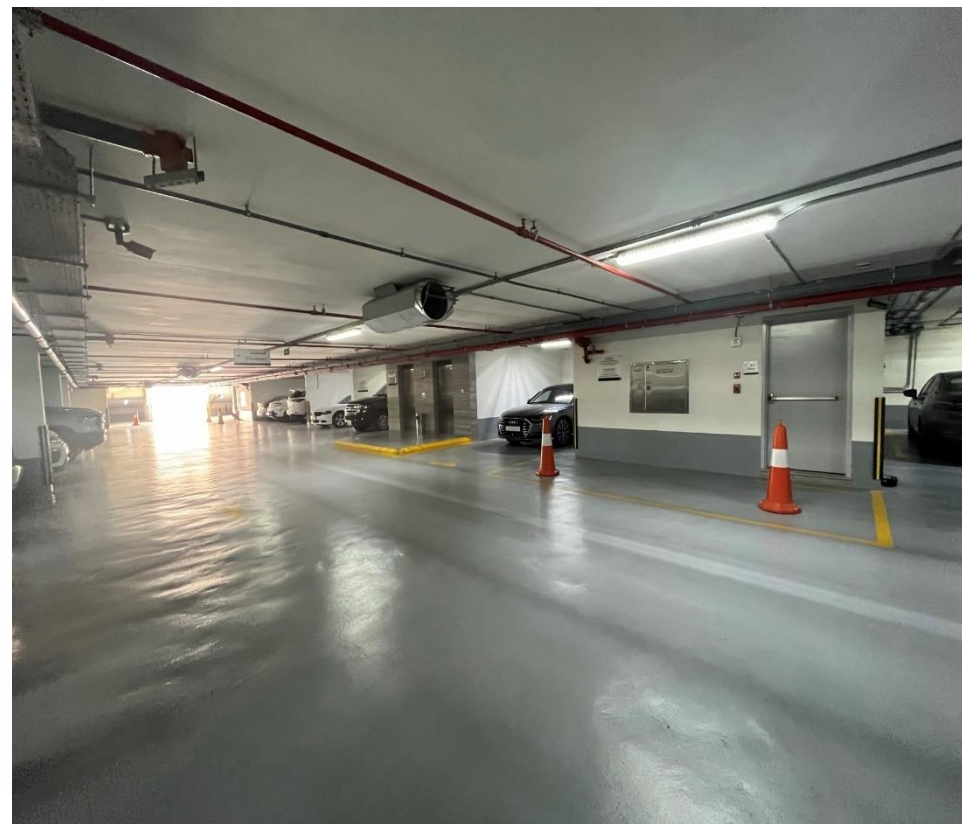












27-Olaat valuation Company's team

Title	Job Description	Saudi Authority for Accredited Valuers member ship	Validity of Member ship	Section
Abdulmalik Al-Darwish	Valuation Manger	1210000397	1445/07/18	Real estate
Roaa Nayef Al-Sharif	Site visit, inspection Catchment area	1210002841	1445/06/17	Real estate




27.1- OPM Valuation's team Taqueem's certificates



QR Code



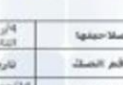
(هذا التقرير مسجل في بوابة قيمة)

رقم التقرير	836951
منشأة التقييم	شركة اولات للتقييم العقاري
العميل	صندوق الانماء ريت الفندقى
الغرض من التقييم	أخرى
عدد الأصول	1
نوع التقرير	تقرير مفصل
تاريخ إصدار التقرير	Mon 24 Jul, 2023

للتحقق من صحة شهادة التسجيل:



يمثل التقرير رأي منشأة التقييم فقط. ولا تتحمل الهيئة السعودية للمقيمين المعتمدين أي مسؤولية مترتبة عليه. وسجل التقرير لأغراض رقابية ولا يعني اعتماد الهيئة له.



أمانة جدة


رخصة بناء

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إدارة رخصات البناء

نموذج رخصة بناء تجارية


رقم الرخصة	400022743	التاريخ	٥/٤/١٤٤٣ التاريخ	صلاحيته	٩/٤/١٤٤٣ التاريخ
الاستخدام	اسم صاحب الرخصة				
الجهة بناء فندق	شركة الطائر للتعويض والاستثمار السياحي والفناري جواز رقم 09044315139				
العقيدة	رقم الكروكي	رقم المخطط	رقم العقيدة	الحالي	اسم الشارع
شقة الجديدة الغربية	2900154725	4/ع/83	150	الفرسان	غير محدد
الجهة	المخدود	الارتفاع	<p>جميع المعلومات الواردة بالمعاملة الالكترونية تعتبر ملزمة على المكتب الهندسي والمالك كل فيما يخصه وعلى المكتب الهندسي ضرورة اطلاع المالك على جميع المعلومات وميزان من مسئولياته بطلب التراخيص بتسليم الورق الإداري وعلى قيم الورق الإداري المحددة بحفظ الورق الإداري لتسليم في حال تركب الأوامر المستعجلة في تكملة واجهات المباني تكون من أنواع العقاقير الخفيفة</p>		
التمشيط	بطول 60.00 عرضها 14.00 رقم 140	0			
الضرب	بطول 26.00 عرضها 3.79 رقم 3.79	3.79			
الضرب	بطول 60.00 عرضها 15.00 رقم 152	0			
الضرب	بطول 26.00 عرضها 5.05 رقم 5.05	5.05			

المساحات وعدد الوحدات ومواضع السيارات					
ملاحظات المبنى	سكني		تجاري		إجمالي
	عدد	مساحة	عدد	مساحة	عدد مساحة
إجمالي	0	0	0	0	0
مناطق أرضية	0	0	1	327.62	1
مناطق مسوقة	0	0	0	0	0
مناطق أول	0	0	11	266.54	11
مناطق ثاني	25	796.01	0	0	25
مناطق ثالث	25	796.01	0	0	25
مناطق رابع	25	796.01	0	0	25
مناطق مخزن	50	1592.02	0	0	50
عدد المواضع	90		عدد غرف الكويزة		2



التركيبات الأرضية



طول الممر	0
عدد الوحدات	337
عدد الأدوار	7



نسخ الأمانة

<p>الموافق الإداري</p> <p>معمد أحمد بنكر الرشيد</p> <p>مهندس الدراسة</p> <p>مهندس عبدالمستطير حسين المصطفى</p> <p>اعتماد مدير المخار/إداري</p> <p>فارس أحمد جواد رجب</p> <p>مدير إدارة رخصات البناء</p> <p>والمستشار بالرباطية</p> <p>ع. م. عميد أحمد بنكر الرشيد</p>	<p>57215.90</p>
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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

المملكة العربية السعودية
 وزارة العدل
 [٢٧٧]

تاريخ الصك: ١٤٤٤/٥/٢٨ هـ رقم الصك: ٣٩٩٠٧٤٠٠٢٣٥٤

صك


الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن الفيلا المقامة على قطعة الأرض رقم 150 من المخطط رقم 3 / 488 ع الواقع في حي الزمراء بمدينة جدة . وحدودها وأطوالها :

شمالاً: قطعة رقم 148 بطول 60 ستون متر جنوبياً: 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 و ستون متر مربعاً بموجب الصك الصادر من الموثقين بالرياض 9 برقم 599684000717 في 21 / 12 / 1443 قد أصبحت في ملك/ شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 بشتم وقدره: 79400000 فقط تسعة وسبعون مليوناً و أربعمائة ألف ريال سعودي لا غير . وعليه جرى التصديق تحريراً 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
نموذج رقم (١٢-٠٠٤)

(هذا النموذج مخصص للاستخدام بالخاص الأتي ويمنع تداوله)

ملحظة: ملحق المحاكمة - ٢٧٦١٤٥



صفحة رقم 1 من 1

كمفورت سويتس (جدة) المملوك من قبل سيرا للضيافة

۲۲ ستمبر ۲۰۲۱ م



خالد بنعمر وشركاه المحاماة والاستشارات القانونية، محامون ومستشارون قانونيون
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شركة تنمية الفنادق العقارية
سجل تجاري # 1010734462

على ألا تقل مدة الإخطار عن 5 أيام.

(3-5) في حال الرغبة بتجديد العقد يتم الاتفاق بين الطرفين على شروط التجديد.

المادة (6): الأداء التشغيلي وأتعاب الإدارة والتشغيل وحساب الصندوق:

(1-6) الأداء التشغيلي

(١) اتفق الطرفان على أن يكون للمشغل الحق التصريحي في تولي أعمال تشغيل والإشراف على الفندق ومبانيه وتقديم خدمات الخدمات والأمانة اللازمة لمطرد وأحكامه بعد العقد، على أن لا تقل **(القيمة التشغيلية المئوية للخدمات)** عن مبلغ قدره (6,239,451) (ستة ملايين ومائتان وتسعة وثلاثون ألفاً وأربعمائة وواحد وخمسون ريال سعودي في كل سنة تشغيلية (إحدى الأبدان للخدمات التشغيلية)) مضافاً من أي رسوم أو تكاليف، ويقوم المشغل بسداد الأبدان للخدمات التشغيلية للمالك وفقاً لما هو وارد في الفقرة 6-5 من هذه المادة.

(ب) اتفق الطرفان على أنه في جميع الأحوال، إذا لم يحقق المشغل الحد الأدنى للأداء التشغيلي في أي سنة تشغيلية لأي سبب كان، فإن المشغل يلتزم بتعويض المالك من أمواله الخاصة بالفرق بين "**القيمة التشغيلية الصافية للنفق**" في تلك السنة التشغيلية و"**الحد الأدنى للتشغيلية**". بما في ذلك أي رسوم أو ضرائب مستحقة يتم فرضها لهذا الغرض (**الخصم**) (ووجدت).

(ج) اتفق الطرفان على أنه في حال كانت ("القيمة التشغيلية الصافية للنفق") أقل من ("الحد الأدنى للأداء التشغيلي") (أي كانت "القيمة التشغيلية الصافية للنفق") أكثر من مبلغ (6,239,451) (ستة ملايين ومائتان وتسعة وألوفين ألفاً وأربعمائة وواحد وخمسون) ريال سعودي في أي سنة تشغيلية خلال مدة العقد (التي ستزيد بزيادة ("الحد الأدنى للأداء التشغيلي") في كل مدة محددة للعقد) كامل، كامل الزيادة لصالح المشغل.

(2-6) اتفق الطرفان على أنه لأغراض الفقرة (6-1) من هذه المادة، فقد تنازل المشغل عن حق طلب الموازنة لأي طرف طارئ أو استثنائي مرتبط بالنشاط التشغيلي، ولا يعد بطرؤف السوق كسبب لتدني القيمة التشغيلية الصافية للفندق عن الحد الأدنى للأداء التشغيلي والالتزام بالوفاء بالحد الأدنى التشغيلي طوال مدة العقد

(3-6) اتفق الطرفان على أن يلتزم المشتغل بالتزام من توقيع هذا العقد بتقديم عشرين (20) سنداً أصح المالك بمبلغ يعادل الحد الأدنى للأداء التشغيلي على كل ربع سنة من سنوات مدة العقد ("السدادات لأمر") وذلك ضماناً للحد الأدنى للأداء التشغيلي والغرامات الواردة في المادة 2.12 بموجب شروط وأحكام هذا العقد وفقاً للنموذج الموضح في الملحق رقم (6) من هذا العقد.

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