

Vittori Palace Hotel Valuation Report

King Abdullah district - Riyadh

25 March 2024



Deposit code to the platform qima

نحن لك سند
We support you

Table of Content

	Title	Page
1	Part 1: Executive Summary	03
	Salient fact and assumptions and IVS 2022 and regulatory compliance	04
	Valuers	08
2	Part 2: Reporting Methodology	09
3	Part 3: Asset to be valued	11
3.1	Property Location Analysis	12
3.2	Property description and ownership	14
3.3	Property boundaries	15
3.4	Source of information	15
3.5	Structure description	16
3.6	Property photos	17
3.7	Analysis summary	22
4	Part 4: Valuation	23
4.1	Valuation approaches	24
4.2	Valuation Analysis	26
4.3	Opinion of Value	32
4.4	Validity of review and clarification	32
5	Part 5: Appendices	33
5.1	Documents	34
5.2	Assumptions and Limiting Conditions	36
5.3	Valuation Standards	37
5.4	Cash Flow Analysis	39



Part 1

Executive Summary

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Identity of the client	Addressee (to whom the report is addressed)	Alinma Hospitality REIT Fund	Other users	Unit holders of Alinma Hospitality REIT Fund
	Contact person	-	Contact information	-
Assets being valued	Assets name	Vittori Palace Hotel	Interest to be valued	Freehold interest
	Location	https://maps.app.goo.gl/TCVCXQmSEeMNwh5BA		
Valuation standards	International Valuation Standards 2022	Unless otherwise noted, the Valuation assignment is undertaken in accordance with the TAQEEM Regulations (Saudi Authority for Accredited Valuers) and in conformity with the International Valuation Standards (2022 Edition).		
Valuation	Purpose of valuation	Semi-annual periodic valuation of a real estate investment fund according to the requirements of the Capital Market Authority	valuation date	31/12/2023
	Inspection date	30/10/2023	Approved valuation approach and method	Income Approach – Discounted Cashflow method
	Basis of value	Market Value	Premise of value	Current Use/Existing Use
		Market value : a Standard of Value considered to represent the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing , and where the parties had each acted knowledgeably , prudently , and without compulsion		International Valuation Standards 2022 defines Current Use/Existing Use premise of value as "Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use."

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Report	Reference Number	23106088603	Report type	Detailed report
	Report date	25/03/2024	Report version	Final
	Use, publication and distribution restrictions	The valuations and reports are confidential to the intended entity and to those referred to it for a specific purpose, without any liability of any kind to any third party. This report may not be published in whole or in part in any document, statement, periodical publication or any means of communication with any third party without prior written consent in the form and context in which it appears, with the exception of in accordance with the purpose of the valuation, this report is allowed to be traded on the CMA (Tadawul) website and the fund manager's website or in such ways as the fund manager deems appropriate.		
	Status of Valuers	We shall be acting with "Subjectivity" as an External Valuer for the purposes of this instruction. "Subjectivity" is defined in the International Valuation Standards (IVS) as: "The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions".		

1 | Executive Summary

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

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Assumptions and special assumptions	Special assumptions	IVS's instructions	<ul style="list-style-type: none"> International Valuation Standards define it as "assumed facts that differ from those existing at the date of valuation." Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	<ul style="list-style-type: none"> The value opinion is based on the assumption that the subject property is leased with a 16-year investment contract to one tenant.

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Opinion of Value	443,045,000			
	Written	Only four hundred forty-three million forty-five thousand SAR		
	Currency	Saudi Riyal		
Valuers	Inspector	Information	Commercial Valuation Manager	Signed for and on behalf of Esnad Real Estate Valuation Company
Name	Ayad Mabrouk Al-Mutairi	Bilal Ramadan Al-Sayyad	Omar Mohammed Babhar	Eng. Almuhammad Abdul Latif Alhussami
Signature				
TAQEEM membership	1210001726	1220003054	1220001954	1210000934
	Associate	Associate	Fellow	Fellow
	Real Estate Sector			
Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -				
Membership Number			11000054	
Valuation Sector			Real Estate	
Professional Company Registration Number			323/18/784	
Professional Company Registration Date			02/ 03/ 1439H	
Company Stamp				

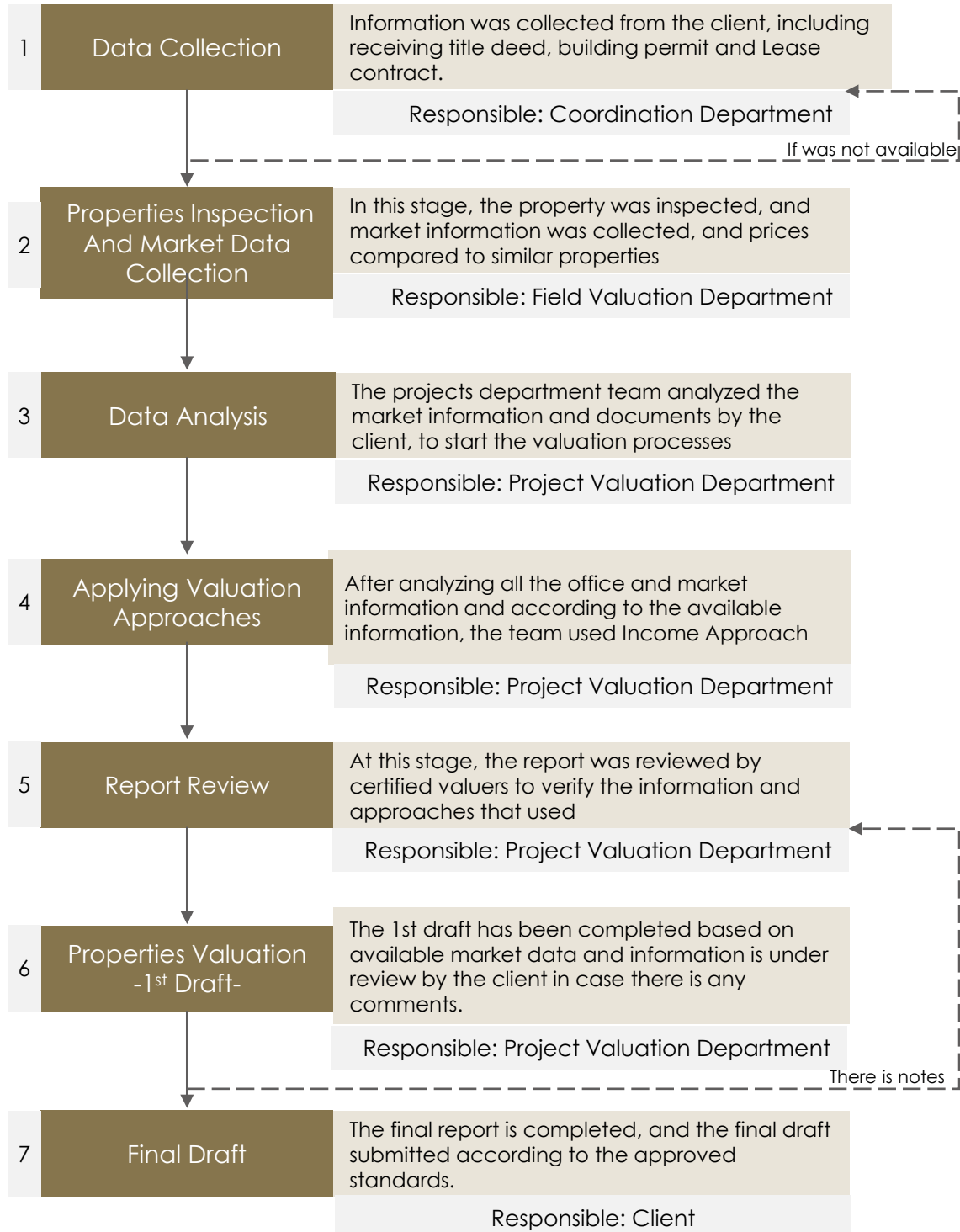


Part 2

Reporting Methodology

2 | Reporting Methodology

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



Part 3

Asset to be valued

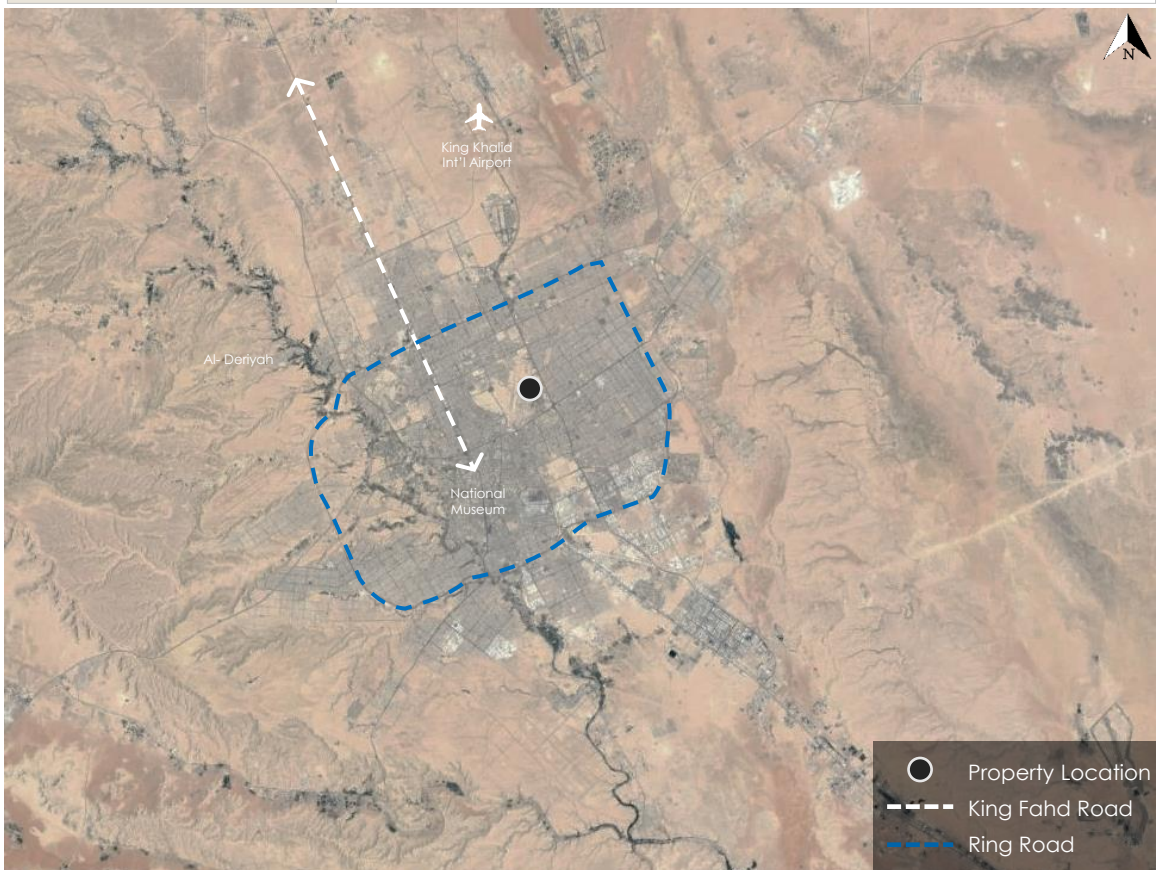
- 3.1 Property Location Analysis
- 3.2 Property description and ownership
- 3.3 Property boundaries
- 3.4 Source of information
- 3.5 Structure description
- 3.6 Property photos
- 3.7 Analysis summary

3.1 | Property Location Analysis

Description of the property at the city level

About Riyadh

Riyadh is the capital of the Kingdom of Saudi Arabia, its largest city and the third largest Arab capital by population. Riyadh is located in the middle of the Arabian Peninsula in the Najd Plateau, at an altitude of 600 meters above sea level. It is the headquarters of the Emirate of Riyadh region, according to the administrative division of the Saudi regions.



Property location

Surrounding attractions

Attraction	Distance	Attraction	Distance
King Khalid International Airport	22.3 km	National Museum	14.9 km
King Abdullah Financial Center	14.3 km	King Fahd International Stadium	16.8 m

3.1 | Property Location Analysis

Description of the property at the neighborhood level	
Description of the surrounding area	<p>The property area is characterized by its geographical location in Riyadh, where it is located on King Abdullah Road, The Ring Road and Makkah Road.</p> <p>The area where the subject property located is bounded by King Abdullah Road, followed by Al Mughrizat district to the north ,and on the south side is bounded by Makkah Al Mukarramah Road, followed by parts of Al Rabwah district, East side the property area is bounded by Eastern Ring Road followed by parts of Al Rawdah district and parts of Al Quds district, while to the west is King Abdulaziz Road followed by King Abdul Aziz district.</p>
Description of the district	<p>King Abdullah district is located in the middle of Riyadh and is characterized by its geographical location overlooking several main roads and commercial streets such as Eastern Ring Road and Makkah Al Mukarramah Road.</p>
Accessibility	<p>The area is easily accessible through several roads, the most important of which is Al Urubah Road Which is located near to the subject property.</p>

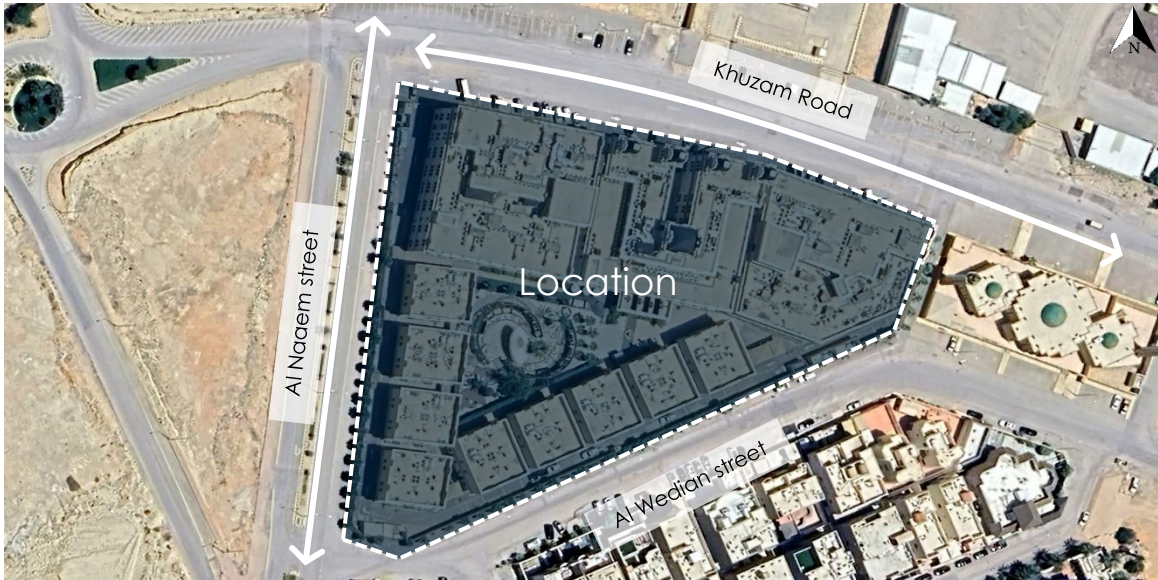


Satellite photo shows property location

3.2 | Property description and ownership

The subject property is Vittori Palace Hotel located in King Abdullah District – Riyadh.

Ownership information (based on title deed)					
Client's name	Alinma Hospitality REIT Fund		Owner's name	Hotel Development Real Estate Development Company	
Title deed number	499074003628		Title deed date	16/06/1444 H	
building permit number	7046 / 1434		building permit date	06/04/1434 H	
Property Information (Based on title deed)					
Province	Riyadh		City	Riyadh	
District	King Abdullah		Street	Khuzam Road	
No. of Plot	148	Block No	13	No. of Plan	3220
Property Type	Hotel		Notes	-	
24.734263° N 46.743253° E					
https://maps.app.goo.gl/YRMiKuV4MhAPQqJZA					
Property specifications					
Land area according to the Title Deed	17,274 m²		Land Topography	Flat	
Land area according to reality	- m²		Land shape	Semi-regular	
Notes	-				



Satellite photo shows subject property location

3.3 Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	181.27	Khuzam Road	Commercial	30	1
South	193.15	Al Wedian street	Internal	20	3
East	36	Mosque	-	-	-
West	137.43	Al Naaem street	Commercial	30	2

Property specifications		
Structure	basement	6,920.24 m ²
	BUA	26,197.29 m ² (Based on the building permit)
	Height (floors)	For the hotel: basement + 3 floors + upper annex For the villa: basement + two floors
	Age	9 years
	Num. of buildings	12 buildings
	Conditioning type	Central
	Finishing	Excellent
	Facilities	Fire extinguishing systems + camera surveillance systems + Parking lots + health club + celebration hall
	Use	According to the spatial portal of the Riyadh region: commercial buildings According to the building permit: residential villas + 3 developed system buildings (hotel)
	Zoning	
	Maximum footprint	-
	FAR	-
	Maximum height	-
	Notes	- The property consists of 320 hotel rooms + 36 hotel villas - There is an upper annex for hotel villas that is mentioned in the building permit and has not been implemented and has not been calculated with the built-up area.

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

3.4 Source of information

- The data was drawn up based on the documents received by the client dated 03 / 10 / 2023.
- The location of the property was determined based on title deed and the property was inspected on the date 30 / 10 / 2023.
- The effects were analyzed based on the current market situation.
- Disclosures of the manager of the Alinma Hospitality REIT Fund on the Saudi Tadawul website.

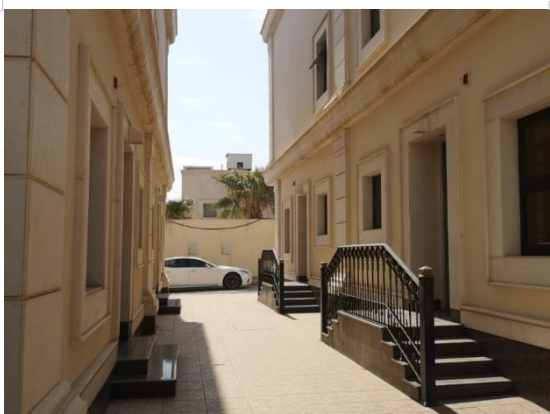
3.5 Structure description

Structure specifications				
Building specifications	External property specifications	Structure type	<input checked="" type="checkbox"/> Reinforced concrete <input type="checkbox"/> Wood <input type="checkbox"/> Steel <input type="checkbox"/> Stone and clay	
		Plumbing	<input checked="" type="checkbox"/> Interior plumbing works <input type="checkbox"/> Exterior plumbing works	
		Water tank	<input checked="" type="checkbox"/> Interior <input type="checkbox"/> Exterior	
		fence	<input type="checkbox"/> profil <input checked="" type="checkbox"/> Paint <input type="checkbox"/> Stone <input type="checkbox"/> steel	
		facades	<input checked="" type="checkbox"/> Paint <input type="checkbox"/> Glass panels <input type="checkbox"/> profil	
		windows	<input type="checkbox"/> Aluminum windows <input checked="" type="checkbox"/> Glass windows	
		exterior doors	<input type="checkbox"/> Wooden doors <input type="checkbox"/> Aluminum doors <input checked="" type="checkbox"/> Glass doors <input type="checkbox"/> Electronic door <input type="checkbox"/> Decorative steel door	
	Internal property specifications	Corridors and stairs	<input checked="" type="checkbox"/> marble <input type="checkbox"/> Ceramic, porcelain or mosaic	
		interior doors	<input checked="" type="checkbox"/> wood <input type="checkbox"/> aluminium <input type="checkbox"/> steel	
		Interior ceilings	<input checked="" type="checkbox"/> concrete roof <input type="checkbox"/> Suspended ceiling <input checked="" type="checkbox"/> Gypsum ceiling <input type="checkbox"/> Metal roof	
		interior walls	<input checked="" type="checkbox"/> paint <input type="checkbox"/> softening <input type="checkbox"/> wallpaper <input type="checkbox"/> Bricks	
		interior flooring	<input checked="" type="checkbox"/> Ceramic <input type="checkbox"/> Wood parquet <input type="checkbox"/> Mosaico <input type="checkbox"/> Carpet <input type="checkbox"/> marble <input checked="" type="checkbox"/> Porcelain	
		lightings system	<input type="checkbox"/> Manual control <input checked="" type="checkbox"/> Automatic Control	
		furnishing	<input checked="" type="checkbox"/> furnished <input type="checkbox"/> Unfurnished	
		Other virtual notes	-	

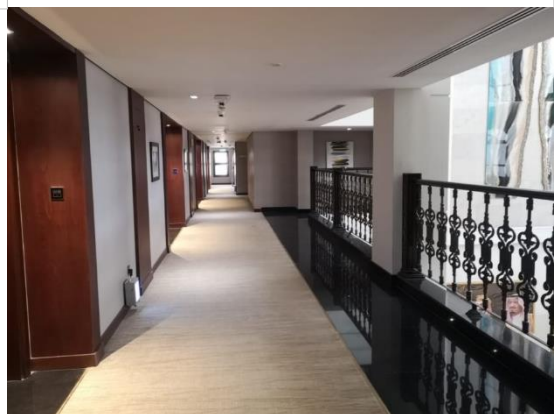
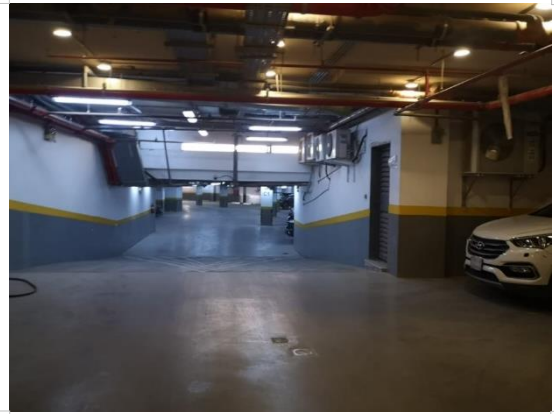
3.6 External property photos



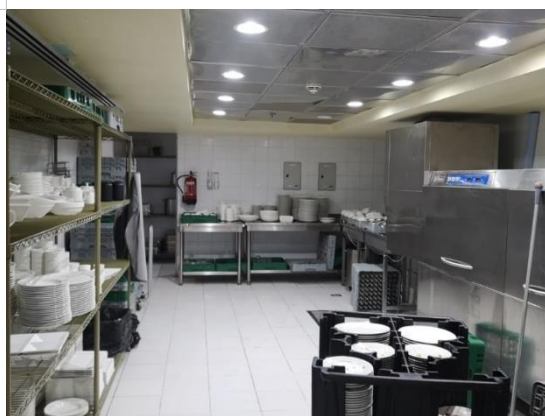
3.6 External property photos



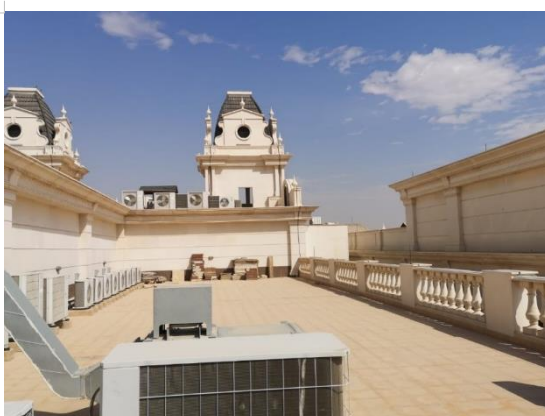
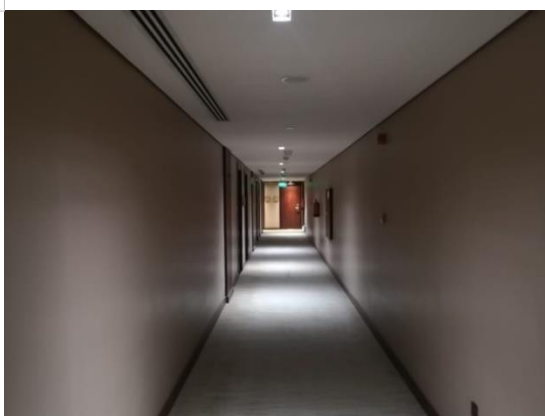
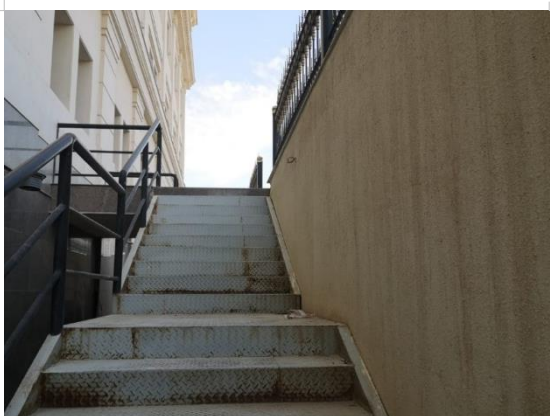
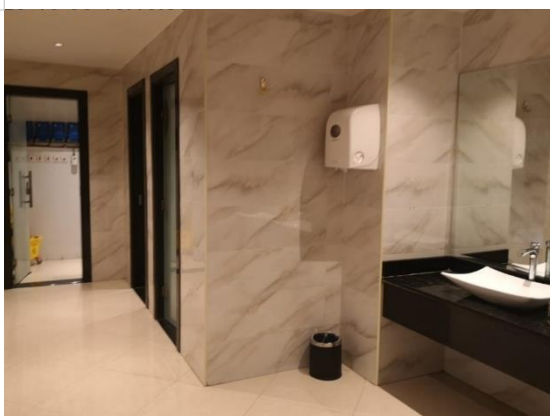
3.6 Interior property photos



3.6 Interior property photos



3.6 Interior property photos



3.7 | Analysis summary

Analysis summary	
Advantages	<ul style="list-style-type: none"> The Subject property is close to several important roads such as Eastern Ring Road Which facilitates access to the subject property.
Disadvantages	<ul style="list-style-type: none"> No defects were observed in the area around the property.
Opportunities	<ul style="list-style-type: none"> There are several development projects in Riyadh, including : the Sidra project in Riyadh, which is the first integrated Rushen neighborhoods in Riyadh, which will create a new urban nucleus in the real estate area and the green Riyadh project: the program is afforestation of more than 120 residential neighborhoods in Riyadh and also includes the construction of 3,331 new parks, street afforestation, the perimeter of mosques and schools, the afforestation of parking lots and the construction of sidewalks to provide shaded walking paths that stimulate the practice of healthy mobility patterns among the city's residents, and enhance connectivity between elements .
Overall Risks	<ul style="list-style-type: none"> Overall risks related to the real estate market. Financial, economic and natural disaster risks. Risks related to foreign exchange. Political and security risks. Risks related to VAT application. Risks related to real estate transaction tax application. Risks related to White Land fees. Risks related to the impact of the demand for residential and commercial real estate properties in the Kingdom of Saudi Arabia. Risks related to electricity, water and other services prices. Risks related to competition. Risks related to real estate development. Risks related to the nature of the realization or liquidation of real estate assets. Risks related to the devaluation of real estate assets. Risks related to regulatory requirements and regulatory oversight. Risks related to changes in the applicable laws and regulations.
Property Risks	<ul style="list-style-type: none"> The availability of multiple alternatives in the market, which affects the income generated by the subject property.



Part 4

Valuation

4.1 Valuation Approaches

4.2 Valuation Analysis

4.3 Opinion of Value

4.4 Validity of review and clarification

4.1 Valuation Approaches

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

4.1 | Valuation Approaches

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

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

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

Due to the expected change in the income of the property under valuation and its failure to reach the full maturity stage at current revenue levels, the cash flow method was chosen to evaluate the property using the income method and determine the explicit forecast period in accordance with these inputs.

٤,٢,١,١ Contractual lease data

- Tenant: Ashad Company.
- Hotel rating: 5 Stars.
- Contract period : 5 years with the possibility of renewal for a similar period by agreement of the parties.
- Date of Signing the contract: 01/12/2022
- Contract start date: 09/01/2023
- Contract lease start date: 08/01/2028
- The Valuation property consists of Residential and villas hotel rooms :
 - 320 hotel rooms.
 - 36 villas.
- Rental value for 5 years :33,004,650 SAR With the possibility of renewing the contract period for a similar period if both parties agree.

4.2.1.1 Terms and conditions of the contract:

- As a guarantee of the lessee's fulfillment of his obligations under this contract; the lessee is obliged to provide the lessor with the following guarantees:
 - ☐ There are (20) bonds for an order with a total value of 165,023,250 SAR.
 - ☐ Mortgaging units in Alinma Hospitality REIT Fund with a value of 99,000,000 SAR.
 - ☐ Waiver of revenues or returns for the property.
- The lessee acknowledges that the lessor has the right to enforce these guarantees directly and collect his rights from them in case the lessee fails to fulfill any of his obligations.

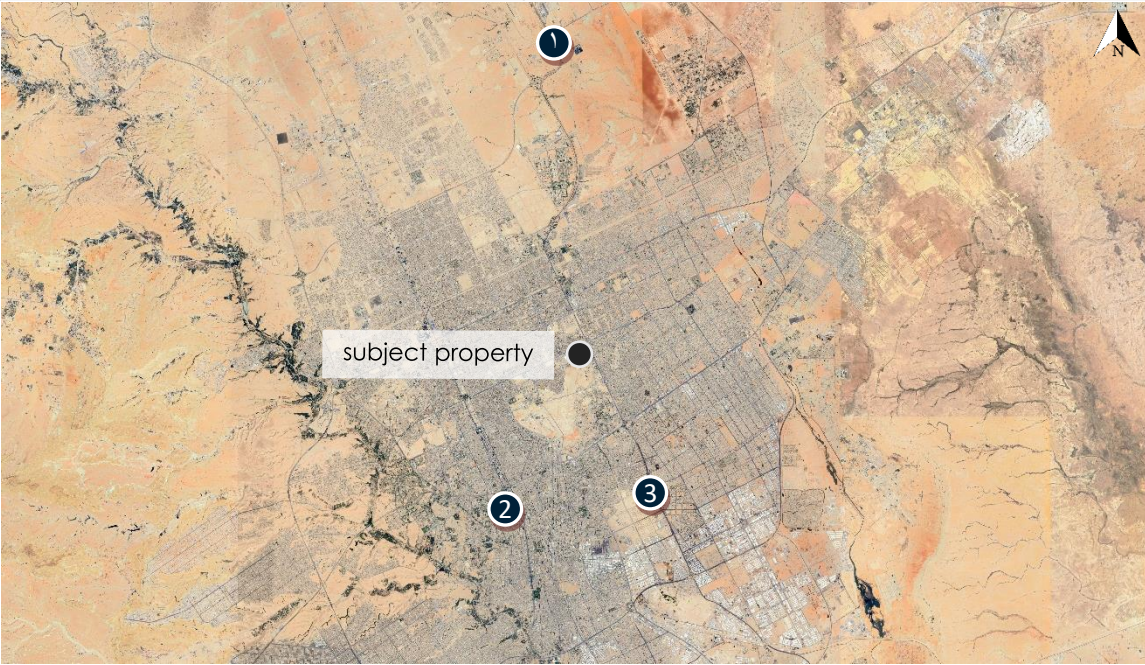
4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

4.2.1.3.1 Market Approach- Comparable Transactions Method (Hotel rooms)

Comparable Transactions Method is categorized under Market Approach in the International Valuation Standards 2022 and is defined as "The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value"

Comparables List- Hotel rooms		
Hotel name	transaction year	Value / night
Riyadh Airport Marriott Hotel	2023	595.00
InterContinental Riyadh Hotel	2023	450.00
Shaza Riyadh Hotel	2023	560.00



Satellite photo showing subject property and comparables

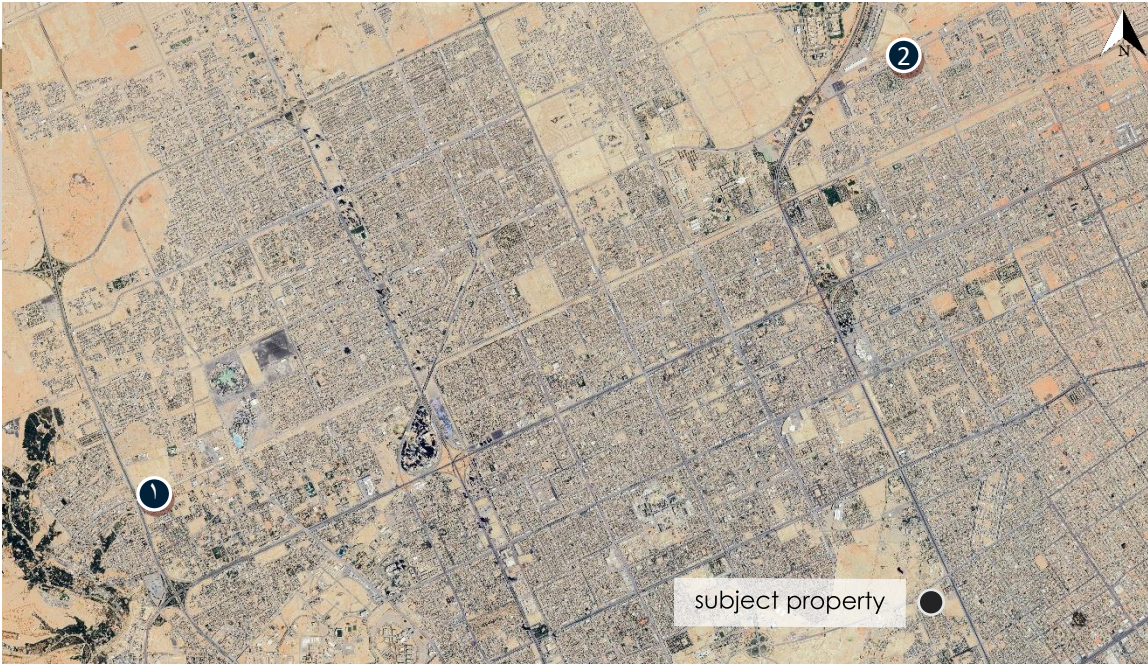
The average room value was estimated to be 550 Riyals / night.

4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

4.2.1.3.2 Market Approach- Comparable Transactions Method (villas)

Comparables List- Villas		
Hotel name	transaction year	Value / night
Bairra Hettin Villas Resort	2023	1,624.00
Radisson Blu Hotel, Riyadh Qurtuba	2023	1,915.00



Satellite photo showing subject property and comparables

The average room value was estimated to be 1,750 riyals / night.

4.2 | Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

Projected Profit and Loss Statement

Revenue

Unites	50,815,440.00
Food & Beverage	11,726,640.00
Other Operating Departments	1,954,440.00
Miscellaneous	177,854.04

Total Revenue	64,674,374.04
----------------------	----------------------

Departmental Expenses

Food cost	(2,345,328.00)
Payroll & Related Expenses	(4,260,679.20)
Other Expenses	(3,498,447.60)

Total Departmental Expenses	-15.62%	(10,104,454.80)
------------------------------------	----------------	------------------------

Gross Operating Income	84.38%	54,569,919.24
-------------------------------	---------------	----------------------

Undistributed Expenses

Admin & General	(6,467,437.40)
IT and Internet	(2,069,579.97)
Marketing & Sales	(1,358,161.85)
Utilities & Energy	(1,616,859.35)
Repairs & Maintenance	(6,467,437.40)

Total Undistributed Expenses	-27.80%	(17,979,475.98)
-------------------------------------	----------------	------------------------

Gross Operating Profit	56.58%	36,590,443.26
-------------------------------	---------------	----------------------

Replacement Reserve - 3.0%	(1,940,231.22)
----------------------------	----------------

Basic Fee - 0.0%	0.00
------------------	------

Incentive Fee	(1,645,562.04)
---------------	----------------

EBITDA	51.03%	33,004,650.00
---------------	---------------	----------------------

4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

4.2.1.3 Income data approved in the valuation

The actual income data of the subject property was compared with the market Income and the following was found:

Element	Actual income data	Market data	The difference	
			SAR	%
Rental average value (SR/Night)	-	500 SR	-	-
Total occupancy ratio	-	-	-	-
Operation and maintenance	-	-	-	-
Administrative costs	-	-	-	-
Marketing costs	-	-	-	-
Other costs	-	-	-	-
Net Income Property	33,004,650 SR	36,590,443.26 SR	3,585,793.26 SR	10.86%
Result	<ul style="list-style-type: none"> We found the income data provided to us by the client reflects the reality of the market and were relied upon as inputs in the evaluation process and the application of capitalization rates based on market data. 			

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.4 Assumptions

Cap rate analysis						
Name of the property/fund	Property	Sector	property value	Net income	Rate of Return	Year
SEDCO CAPITAL REIT	Al Hayat Tower Hotel Apartments	Hotel	20,393,000.00 SAR	1,500,000.00 SAR	7.36%	2023
JADWA REIT SAUDI	Abeer Jasmine hotel	Hotel	45,270,079.00 SAR	3,269,150.00 SAR	7.22%	2023
MULIKA REIT	Aljada complex	Hotel -Commercial - Office	341,028,000.00 SAR	24,558,349.00 SAR	7.20%	2023

- An analysis of the rate of Return was carried out and an estimated rate of Return of 7.76% was reached based on the average rates of return for real estate funds and similar properties after excluding abnormal values .

Project Assumptions	
Project period	15 years

- Annex 1 :details the cash flows of the subject property, where a -9.8% discount rate has been approved to calculate the value of the property, accordingly the value of the property is estimated in the manner of cash flows by:

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	3.32%	Saudi Exchange
Inflation rate	2.76%	General Authority for Statistics
Market Risk	1.22%	knoema Patform Data
Property Risk	2.50%	Valuer's estimate of the market
Discount rate	9.80%	

Valuation Result :

Appendix No. 5.4 details the cash flows of the property under valuation, where the discount rate has been adopted -9.8 % to calculate the value of the property, based on this, the value of the property is estimated by the cash flow method at :

Property value (SAR)	443,044,976.52 SAR
----------------------	---------------------------

4.3 | Opinion of Value

Opinion of value	
Value	443,045,000
Written	Only four hundred forty-three million forty-five thousand SAR
Currency	Saudi Riyal

4.4 | Validity of review and clarification

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



Part 5

Appendices

5.1 Documents

5.2 Cash flow analysis

5.3 Assumptions and Limiting Conditions

5.4 Valuation Standards

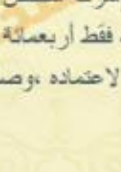
5.1 Documents

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ


المملكة العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٦٧١٤٤٤ هـ

رقم الصك: ٤٩٩٠٧٤٠٠٣٦٢٨



صك



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


صدرت هذه الوثيقة من وزارة العدل . ويجب التحقق من بياناتها وسرياتها غير الخدمات الإلكترونية لوزارة العدل

تمودج رقم (١٠٠٠٠١٢)

(هذا النموذج مخصص للاستخدام بالخاص الآلي وينسخ تكليفاً)

صفحة رقم 1 من 1

ملصقة مطابع المكمومة - ٢٩٢١٥٩



5.1 Documents

[illegible]

5.2 | Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 | Valuation Standards

5.3.1 Valuation Standards

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

5.3.2 Valuation Basis

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

5.3.3 Assumptions and Special Assumptions

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

5.3.4 Disposal Costs Taxation and Other Liabilities

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

5.3.5 Sources of Information

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

5.3.6 Title and Tenancy Information

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

5.3 | Valuation Standards

5.3.7 City Planning, Zoning and Regulations

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

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

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

5.3.8 Surveys

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

5.3.9 Site Conditions

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

5.3.10 Environmental Contamination

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

5.3.11 Insurance

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

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

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

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

5.3.12 Outstanding Debts

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

5.3.13 Confidentiality and Third-Party Liability

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

5.3.14 Plans and Maps

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

5.4 | Cash flow Analysis

		Profit and Loss Statement Projections																
Keys	356.00	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Unites Available		130,296.00	129,940.00	129,940.00	129,940.00	130,296.00	129,940.00	129,940.00	129,940.00	130,296.00	129,940.00	129,940.00	129,940.00	130,296.00	129,940.00	129,940.00	129,940.00	
Occupancy		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	
ADR		65.00	66.00	67.26	68.79	703.58	717.65	732.01	746.65	761.58	776.81	792.35	808.19	824.36	840.84	857.66	874.81	
Rooms Sold		78,177.60	77,964.00	77,964.00	77,964.00	78,177.60	77,964.00	77,964.00	77,964.00	78,177.60	77,964.00	77,964.00	77,964.00	78,177.60	77,964.00	77,964.00	77,964.00	
Rev/PAY		390.00	397.80	405.76	413.87	422.15	430.59	439.20	447.99	456.95	466.09	475.41	484.92	494.61	504.51	514.60	524.89	
Rooms Payroll & Related Expenses		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Rooms Other Expenses		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Rooms Department																		
Revenue	876,999,452.46	50,815,440.00	51,490,132.00	52,723,934.64	53,778,413.33	55,004,266.48	55,951,061.23	57,070,082.46	58,211,484.11	59,538,386.98	60,563,228.06	61,774,492.62	63,009,982.48	64,446,264.82	65,555,585.77	66,866,697.48	0.00	
Payroll & Related Expenses	(26,309,983.57)	(1,524,463.20)	(1,550,703.94)	(1,581,718.04)	(1,613,352.40)	(1,650,127.99)	(1,678,531.84)	(1,712,102.47)	(1,746,344.52)	(1,786,151.41)	(1,816,896.84)	(1,853,233.48)	(1,890,299.47)	(1,933,387.94)	(1,966,667.57)	(2,006,000.92)	0.00	
Other Expenses	(43,849,972.62)	(2,540,772.00)	(2,584,504.60)	(2,636,196.73)	(2,688,920.67)	(2,750,213.32)	(2,797,553.04)	(2,853,304.12)	(2,910,574.21)	(2,976,919.35)	(3,028,161.40)	(3,088,724.63)	(3,150,499.12)	(3,222,313.24)	(3,277,779.29)	(3,343,333.87)	0.00	
Room Department Profit	866,839,476.26	46,750,204.80	47,554,921.44	48,506,019.87	49,476,140.27	50,403,925.16	51,474,976.33	52,504,475.86	53,554,965.38	54,776,316.02	55,716,167.82	56,832,533.21	57,949,183.88	59,290,563.63	60,311,138.91	61,577,361.49	0.00	
Food and Beverage Department																		
Food and Beverage / POR		150.00	153.00	156.06	159.18	162.36	165.61	168.92	172.30	175.75	179.26	182.85	186.51	190.24	194.04	197.92	201.88	
Food cost		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	
Food and Beverage Payroll & Related Expenses		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	
Food and Beverage Other Expenses		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Food and Beverage Department																		
Revenue	202,384,489.03	11,726,640.00	11,928,492.00	12,167,061.84	12,410,403.08	12,693,292.26	12,911,783.36	13,170,019.03	13,433,419.41	13,739,627.76	13,976,129.55	14,255,652.14	14,540,765.19	14,872,214.96	15,128,212.10	15,430,776.34	0.00	
Food cost	(40,476,897.81)	(2,345,328.00)	(2,385,498.40)	(2,433,412.37)	(2,482,080.42)	(2,538,658.45)	(2,582,356.47)	(2,634,003.81)	(2,686,683.88)	(2,747,925.58)	(2,795,225.91)	(2,851,130.43)	(2,908,153.04)	(2,974,442.99)	(3,025,642.42)	(3,086,155.27)	0.00	
Payroll & Related Expenses	(40,476,897.81)	(2,345,328.00)	(2,385,498.40)	(2,433,412.37)	(2,482,080.42)	(2,538,658.45)	(2,582,356.47)	(2,634,003.81)	(2,686,683.88)	(2,747,925.58)	(2,795,225.91)	(2,851,130.43)	(2,908,153.04)	(2,974,442.99)	(3,025,642.42)	(3,086,155.27)	0.00	
Other Expenses	(8,432,687.54)	(469,065.60)	(477,139.48)	(484,682.47)	(496,416.12)	(507,731.49)	(516,471.33)	(526,800.74)	(537,336.78)	(549,385.11)	(559,045.18)	(568,320.61)	(578,388.40)	(589,128.48)	(601,228.48)	(613,203.15)	0.00	
Food and Beverage Department Profit	113,335,313.86	6,566,918.40	6,479,955.52	6,813,554.63	6,949,825.72	7,106,243.47	7,230,598.68	7,375,210.46	7,522,714.87	7,694,191.55	7,826,632.55	7,983,165.20	8,142,828.50	8,328,460.38	8,471,798.78	8,641,234.75	0.00	
Other Departments																		
Other Operated Depts / POR		25.00	25.50	26.01	26.53	27.06	27.60	28.15	28.72	29.29	29.88	30.47	31.08	31.71	32.34	32.99	33.65	
Other Operated Departments Payroll & Related Expenses		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	
Other Operated Departments Other Expenses		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
Miscellaneous		0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	
Other Operated Departments																		
Revenue	33,730,748.17	1,954,440.00	1,988,082.00	2,027,843.64	2,068,400.51	2,115,548.71	2,151,963.89	2,195,003.17	2,238,903.23	2,289,937.94	2,329,354.93	2,375,942.02	2,423,460.86	2,478,702.49	2,521,368.68	2,571,796.04	0.00	
Miscellaneous	3,069,498.08	177,854.04	180,915.46	184,533.77	188,224.45	192,514.93	195,828.71	199,745.29	203,740.19	208,384.35	211,971.30	216,021.02	220,534.94	225,561.93	229,444.55	234,033.44	0.00	
Payroll & Related Expenses	(6,746,149.63)	(390,888.00)	(397,616.40)	(405,568.73)	(413,680.10)	(423,109.74)	(430,392.78)	(439,000.63)	(447,780.65)	(457,987.59)	(465,870.99)	(475,188.40)	(484,692.17)	(495,740.50)	(504,273.74)	(514,359.21)	0.00	
Other Expenses	(8,432,687.04)	(488,410.00)	(497,020.50)	(504,960.91)	(517,100.13)	(528,887.18)	(537,990.97)	(548,750.79)	(559,725.81)	(572,484.49)	(582,338.73)	(593,985.51)	(605,865.22)	(619,475.62)	(630,342.17)	(642,949.01)	0.00	
Other Operated Department Profit	21,621,409.58	1,252,796.04	1,274,360.56	1,299,847.77	1,325,844.73	1,356,064.72	1,379,408.86	1,406,997.03	1,435,136.97	1,467,850.23	1,493,116.51	1,522,978.84	1,553,438.41	1,588,840.38	1,616,197.33	1,648,521.27	0.00	
Gross Operating Income																		
	941,776,219.69	54,569,919.24	55,509,237.52	56,619,422.27	57,751,810.72	59,048,235.55	60,084,983.87	61,286,683.55	62,512,417.22	63,937,387.80	65,037,918.87	66,338,677.25	67,446,450.80	69,207,852.31	70,399,135.01	71,807,117.71	0.00	
Admin & General																		
Admin & General		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
IT and Internet		0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
Marketing & Sales		0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	
Repairs & Maintenance		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Overhead Payroll																		
Admin & General	(55,809,209.39)	(3,333,718.70)	(3,289,381.07)	(3,355,168.49)	(3,422,272.07)	(3,500,281.12)	(3,560,531.86)	(3,631,742.50)	(3,704,377.35)	(3,788,816.85)	(3,854,034.19)	(3,931,114.88)	(4,009,737.17)	(4,101,137.21)	(4,171,730.56)	(4,255,165.17)	0.00	
IT and Internet	(7,815,289.31)	(452,720.62)	(460,513.55)	(469,723.62)	(479,118.09)	(490,039.36)	(498,474.46)	(508,443.95)	(518,612.83)	(530,434.36)	(539,564.79)	(550,356.08)	(561,363.20)	(574,159.21)	(584,042.28)	(595,723.12)	0.00	
Marketing & Sales	(6,697,105.13)	(388,046.24)	(394,725.73)	(402,620.24)	(410,672.65)	(420,033.73)	(427,263.82)	(435,809.10)	(444,552.28)	(454,638.02)	(464,484.10)	(471,733.79)	(481,168.46)	(492,136.47)	(500,607.47)	(510,619.82)	0.00	
Repairs & Maintenance	(55,809,209.39)	(3,333,718.70)	(3,289,381.07)	(3,355,168.49)	(3,422,272.07)	(3,500,281.12)	(3,560,531.86)	(3,631,742.50)	(3,704,377.35)	(3,788,816.85)	(3,854,034.19)	(3,931,114.88)	(4,009,737.17)	(4,101,137.21)	(4,171,730.56)	(4,255,165.17)	0.00	
Total Overhead Payroll	(126,128,813.21)	(7,308,204.27)	(7,434,001.23)	(7,582,881.25)	(7,734,334.87)	(7,910,435.33)	(8,044,802.00)	(8,207,738.04)	(8,371,892.80)	(8,542,726.09)	(8,710,117.27)	(8,884,319.42)	(9,042,006.91)	(9,268,570.09)	(9,428,111.05)	(9,616,473.28)	0.00	
Admin & General																		
Admin & General		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
IT and Internet		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Marketing & Sales		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Utilities & Energy		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Repairs & Maintenance		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Overhead Expenses																		
Admin & General	(55,809,209.39)	(3,333,718.70)	(3,289,381.07)	(3,355,168.49)	(3,422,272.07)	(3,500,281.12)	(3,560,531.86)	(3,631,742.50)	(3,704,377.35)	(3,788,816.85)	(3,854,034.19)	(3,931,114.88)	(4,009,737.17)	(4,101,137.21)	(4,171,730.56)	(4,255,165.17)	0.00	
IT and Internet	(27,904,604.69)	(1,616,859.35)	(1,644,490.54)	(1,677,584.35)	(1,711,136.03)	(1,750,140.56)	(1,780,265.93)	(1,815,871.25)	(1,852,188.67)	(1,894,408.43)	(1,927,017.10)	(1,965,557.44)	(2,004,868.59)	(2,050,568.60)	(2,085,865.28)	(2,127,582.58)	0.00	
Marketing & Sales	(1,674,2762.82)	(170,115.61)	(186,814.32)	(1,006,550.61)	(1,026,681.62)	(1,050,084.34)	(1,068,159.56)	(1,089,522.75)	(1,111,313.20)	(1,136,645.06)	(1,156,210.26)	(1,179,334.46)	(1,202,921.15)	(1,230,341.16)	(1,251,519.17)	(1,276,549.55)	0.00	
Utilities & Energy	(27,904,604.69)	(1,616,859.35)	(1,644,490.54)	(1,677,584.35)	(1,711,136.03)	(1,750,140.56)	(1,780,265.93)	(1,815,871.25)	(1,852,188.67)	(1,894,408.43)	(1,927,017.10)	(1,965,557.44)	(2,004,868.59)	(2,050,568.60)	(2,085,865.28)	(2,127,582.58)	0.00	
Repairs & Maintenance	(55,809,209.39)	(3,333,718.70)	(3,289,381.07)	(3,355,168.49)	(3,422,272.07)	(3,500,281.12)	(3,560,531.86)	(3,631,742.50)	(3,704,377.35)	(3,788,816.85)	(3,854,034.19)	(3,931,114.88)	(4,009,737.17)	(4,101,137.21)	(4,171,730.56)	(4,255,165.17)	0.00	
Total Overhead Expenses	(184,170,390.98)	(10,671,271.72)	(10,854,957.54)	(11,072,056.49)	(11,293,497.83)	(11,500,927.49)	(11,749,755.14)	(11,984,790.24)	(12,224,466.25)	(12,503,095.41)	(12,718,312.83)	(12,972,679.09)	(13,232,132.47)	(13,533,752.79)	(13,746,710.83)	(14,042,045.05)	0.00	
Gross Operating Profit																		
	631,497,015.50	36,590,443.26	37,22															

5.4 | Cash flow Analysis

Cash Flow Analysis	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Revenue																	
Unltes	876,999,452.46	50,815,440.00	51,690,132.00	52,723,934.64	53,778,413.33	55,004,266.48	55,951,061.23	57,070,082.46	58,211,484.11	59,538,386.98	60,563,228.06	61,774,492.62	63,009,982.48	64,446,264.82	65,555,585.77	66,866,697.48	0.00
Food & Beverage	202,384,489.03	11,726,640.00	11,928,492.00	12,167,061.84	12,410,403.08	12,693,292.26	12,911,783.36	13,170,019.03	13,433,419.41	13,739,627.76	13,976,129.55	14,255,652.14	14,540,765.19	14,872,214.96	15,128,212.10	15,430,776.34	0.00
Other Operating Departments	33,730,748.17	1,954,440.00	1,988,082.00	2,027,843.64	2,068,400.51	2,115,548.71	2,151,963.89	2,195,003.17	2,238,903.23	2,289,937.96	2,329,354.93	2,375,942.02	2,423,460.86	2,478,702.49	2,521,368.68	2,571,796.06	0.00
Miscellaneous	3,049,498.08	177,854.04	180,915.46	184,533.77	188,224.45	192,514.93	195,828.71	199,745.29	203,740.19	208,384.35	211,971.30	216,210.72	220,534.94	225,561.93	229,444.55	234,033.44	0.00
Total Revenue	1,116,184,187.74	64,674,374.04	65,877,621.46	67,103,373.89	68,445,641.37	70,006,622.39	71,210,637.20	72,634,849.94	74,087,546.94	75,776,337.05	77,080,683.84	78,622,297.52	80,194,743.47	82,022,744.19	83,434,611.10	85,103,303.33	0.00
Departmental Expenses																	
Food cost	(40,476,897.81)	(2,345,328.00)	(2,385,498.40)	(2,433,412.37)	(2,482,080.42)	(2,538,658.45)	(2,582,356.67)	(2,634,003.81)	(2,686,683.88)	(2,747,925.55)	(2,795,225.91)	(2,851,130.43)	(2,908,153.04)	(2,974,442.99)	(3,025,642.42)	(3,086,155.27)	0.00
Payroll & Related Expenses	(73,533,031.01)	(4,260,679.20)	(4,334,018.76)	(4,420,699.14)	(4,509,113.12)	(4,611,896.19)	(4,691,281.29)	(4,785,106.91)	(4,880,809.05)	(4,992,064.75)	(5,077,993.74)	(5,179,553.61)	(5,263,144.68)	(5,403,571.43)	(5,496,583.73)	(5,606,515.40)	0.00
Other Expenses	(60,578,039.23)	(3,498,447.60)	(3,558,666.78)	(3,629,840.12)	(3,702,436.92)	(3,786,832.19)	(3,852,015.37)	(3,929,055.68)	(4,007,636.79)	(4,098,988.95)	(4,169,545.32)	(4,252,936.22)	(4,337,994.95)	(4,436,877.46)	(4,513,249.94)	(4,603,514.94)	0.00
Total Departmental Expenses	(174,583,966.05)	(10,104,454.80)	(10,278,383.94)	(10,483,951.62)	(10,693,630.65)	(10,937,386.83)	(11,125,653.33)	(11,348,166.40)	(11,575,129.72)	(11,838,979.26)	(12,042,764.96)	(12,283,620.26)	(12,529,292.67)	(12,814,891.89)	(13,035,476.09)	(13,296,185.62)	0.00
Gross Operating Income	941,796,219.69	54,569,919.24	55,509,237.52	56,619,422.27	57,751,810.72	59,048,235.55	60,084,983.87	61,286,683.55	62,512,417.22	63,937,357.80	65,037,918.87	66,338,677.25	67,665,450.80	69,207,852.31	70,399,135.01	71,807,117.71	0.00
Undistributed Expenses																	
Admin & General	(111,618,418.77)	(6,467,437.40)	(6,578,762.15)	(6,710,337.39)	(6,844,544.14)	(7,000,562.24)	(7,121,063.72)	(7,263,484.99)	(7,408,754.69)	(7,577,633.71)	(7,708,068.38)	(7,862,229.75)	(8,019,474.35)	(8,202,274.42)	(8,343,461.11)	(8,510,330.33)	0.00
IT and Internet	(35,717,894.01)	(2,069,579.97)	(2,105,203.89)	(2,147,307.96)	(2,190,254.12)	(2,240,179.92)	(2,278,740.39)	(2,324,315.20)	(2,370,801.50)	(2,424,842.79)	(2,466,581.88)	(2,515,913.52)	(2,566,231.79)	(2,624,727.81)	(2,669,907.54)	(2,723,305.71)	0.00
Marketing & Sales	(23,439,867.94)	(1,358,161.85)	(1,381,540.05)	(1,409,170.85)	(1,437,354.27)	(1,470,118.07)	(1,495,423.38)	(1,525,331.85)	(1,555,838.49)	(1,591,303.08)	(1,618,694.36)	(1,651,068.25)	(1,684,089.61)	(1,722,477.63)	(1,752,126.83)	(1,787,169.37)	0.00
Utilities & Energy	(27,904,604.49)	(1,616,859.35)	(1,647,584.35)	(1,677,584.35)	(1,711,136.03)	(1,750,140.54)	(1,780,265.93)	(1,815,871.25)	(1,852,188.67)	(1,894,408.43)	(1,927,017.10)	(1,965,557.44)	(2,004,868.59)	(2,050,568.60)	(2,085,865.28)	(2,127,582.58)	0.00
Repairs & Maintenance	(111,618,418.77)	(6,467,437.40)	(6,578,762.15)	(6,710,337.39)	(6,844,544.14)	(7,000,562.24)	(7,121,063.72)	(7,263,484.99)	(7,408,754.69)	(7,577,633.71)	(7,708,068.38)	(7,862,229.75)	(8,019,474.35)	(8,202,274.42)	(8,343,461.11)	(8,510,330.33)	0.00
Total Undistributed Expenses	(310,299,204.19)	(17,979,475.98)	(18,288,958.77)	(18,654,737.94)	(19,027,832.70)	(19,461,563.02)	(19,776,557.14)	(20,192,488.28)	(20,596,338.05)	(21,065,821.70)	(21,428,430.11)	(21,856,998.71)	(22,294,138.68)	(22,802,322.89)	(23,194,821.89)	(23,658,718.32)	0.00
Gross Operating Profit	631,497,015.50	36,590,443.26	37,220,278.76	37,964,684.33	38,723,978.02	39,606,672.53	40,288,426.73	41,094,195.26	41,916,079.17	42,871,536.10	43,609,488.77	44,481,678.54	45,371,312.11	46,405,529.42	47,204,313.12	48,148,399.39	0.00
Replacement Reserve - 3.0%	(33,485,525.63)	(1,940,231.22)	(1,973,628.64)	(2,013,101.22)	(2,053,363.24)	(2,100,168.67)	(2,136,319.12)	(2,179,045.50)	(2,222,626.41)	(2,273,290.11)	(2,312,420.52)	(2,358,668.93)	(2,405,842.30)	(2,460,682.33)	(2,503,038.33)	(2,553,099.10)	0.00
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incentive Fee	(40,859,993.22)	(1,645,562.04)	(2,242,000.11)	(2,946,933.11)	(3,665,964.78)	(1,201,388.84)	(1,846,992.61)	(2,610,034.77)	(3,388,337.76)	(4,293,130.99)	(1,361,441.75)	(2,187,383.12)	(3,029,843.31)	(4,009,220.59)	(4,745,448.29)	(1,666,111.14)	0.00
EBITDA	557,151,496.65	33,004,650.00	33,004,650.00	33,004,650.00	33,004,650.00	36,305,115.00	36,305,115.00	36,305,115.00	36,305,115.00	36,305,115.00	39,935,626.50	39,935,626.50	39,935,626.50	39,935,626.50	39,935,626.50	43,929,189.15	0.00
Cap Rate Analysis																	
Property	City	Value (\$AR)	NOI (\$AR)	Yield	Year												
SEDCO REIT	Riydah	20,393,000.00	1,500,000.00	7.36%	2023												
Al-Ahli REIT	Riydah	45,270,079.00	3,261,150.00	7.22%	2023												
Al-Ahli REIT	Riydah	341,028,000.00	24,558,349.00	7.20%	2023												
Average Cap Rate						7.26%											
Adjustment to Average						0.50%											
Approved Cap Rate						7.76%											
Cap rate																	
Terminal Value	566,142,249.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	566,142,249.20
years		1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00
FCFF	1,123,293,745.85	33,004,650.00	33,004,650.00	33,004,650.00	33,004,650.00	36,305,115.00	36,305,115.00	36,305,115.00	36,305,115.00	36,305,115.00	39,935,626.50	39,935,626.50	39,935,626.50	39,935,626.50	39,935,626.50	43,929,189.15	566,142,249.20
Discount Rate		1.00	0.91	0.83	0.76	0.69	0.63	0.57	0.52	0.47	0.43	0.39	0.36	0.33	0.30	0.27	0.25
Present Value	443,044,976.52	33,004,650.00	30,888,879.78	27,376,028.94	24,932,631.10	24,978,046.73	22,748,975.52	20,718,283.72	18,869,110.86	17,184,982.56	17,216,284.90	15,679,676.59	14,280,215.48	13,005,660.73	11,844,864.05	11,866,439.39	139,280,547.17
Discount Rate Analysis																	
Source	Value																
Risk-free rate	Saudi Exchange	3.32%															
Inflation Rate	General Authority for Statistics	2.74%															
Market Risk	Knosma Platform Data	1.22%															
Property Risk	Valuer's estimate	2.50%															
Discount Rate	9.80%																
NPV of Discount Rate - 9.8%	443,044,976.52																
Income Approach Value	443,045,000.00																

Thank you

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

نحن لك سند
We support you

Ascott Rafal Hotel Valuation Report

Al Sahafah district - Riyadh

25 March 2024



Deposit code to the platform qima

نحن لك سند
We support you

Table of Content

	Title	Page
1	Part 1: Executive Summary	03
	Salient fact and assumptions and IVS 2022 and regulatory compliance	04
	Valuers	08
2	Part 2: Reporting Methodology	09
3	Part 3: Asset to be valued	11
3.1	Property Location Analysis	12
3.2	Property description and ownership	14
3.3	Property boundaries	15
3.4	Source of information	15
3.5	Structure description	16
3.6	Property photos	17
3.7	Analysis summary	22
4	Part 4: Valuation	24
4.1	Valuation approaches	25
4.2	Valuation Analysis	27
4.3	Opinion of Value	32
4.4	Validity of review and clarification	32
5	Part 5: Appendices	33
5.1	Documents	34
5.2	Assumptions and Limiting Conditions	37
5.3	Valuation Standards	38
5.4	Cash Flow Analysis	40



Part 1

Executive Summary

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Identity of the client	Addressee (to whom the report is addressed)	Alinma Hospitality REIT Fund	Other users	Unit holders of Alinma Hospitality REIT Fund
	Contact person	-	Contact information	-
Assets being valued	Assets name	Ascott Rafal Hotel	Interest to be valued	Freehold interest
	Location	https://maps.app.goo.gl/etFwrhtvpfVWL2fk7		
Valuation standards	International Valuation Standards 2022	Unless otherwise noted, the Valuation assignment is undertaken in accordance with the TAQEEM Regulations (Saudi Authority for Accredited Valuers) and in conformity with the International Valuation Standards (2022 Edition).		
Valuation	Purpose of valuation	Semi-annual periodic valuation of a real estate investment fund according to the requirements of the CMA	Valuation date	31/12/2023
	Inspection date	01/11/2023	Approved valuation approach and method	Income Approach – Discounted Cashflow Method
	Basis of value	Market Value	Premise of value	Current Use/Existing Use
		Market value : a Standard of Value considered to represent the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing , and where the parties had each acted knowledgeably , prudently , and without compulsion		International Valuation Standards 2022 defines Current Use/Existing Use premise of value as "Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use."

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Report	Reference Number	23106088604	Report type	Detailed report
	Report date	25/03/2024	Report version	Final
	Use, publication and distribution restrictions	The valuations and reports are confidential to the intended entity and to those referred to it for a specific purpose, without any liability of any kind to any third party. This report may not be published in whole or in part in any document, statement, periodical publication or any means of communication with any third party without prior written consent in the form and context in which it appears, with the exception of in accordance with the purpose of the valuation, this report is allowed to be traded on the CMA (Tadawul) website and the fund manager's website or in such ways as the fund manager deems appropriate.		
	Status of Valuers	We shall be acting with "Subjectivity" as an External Valuer for the purposes of this instruction. "Subjectivity" is defined in the International Valuation Standards (IVS) as: "The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions".		






1 | Executive Summary

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

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Assumptions and special assumptions	Special assumptions	IVS's instructions	<ul style="list-style-type: none"> International Valuation Standards define it as "assumed facts that differ from those existing at the date of valuation." Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	None (except as indicated in the terms and conditions).

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Opinion of Value	266,417,000			
	Written	Only two hundred sixty-six million four hundred seventeen thousand SAR		
	Currency	Saudi Riyal		
Valuers	Inspector	Information	Commercial Valuation Manager	Signed for and on behalf of Esnad Real Estate Valuation Company
Name	Ayad Mabrouk Al Mutairi	Muhammad Nasser Meleek	Omar Mohammed Babhar	Eng. Al-Muhannad Al-Hussami
Signature				
TAQEEM membership	1210001726	1220003380	1220001954	1210000934
	Associate	Associate	Fellow	Fellow
	Real Estate Sector			
Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -				
Membership Number			11000054	
Valuation Sector			Real Estate	
Professional Company Registration Number			323/18/784	
Professional Company Registration Date			02/ 03/ 1439H	
Company Stamp				

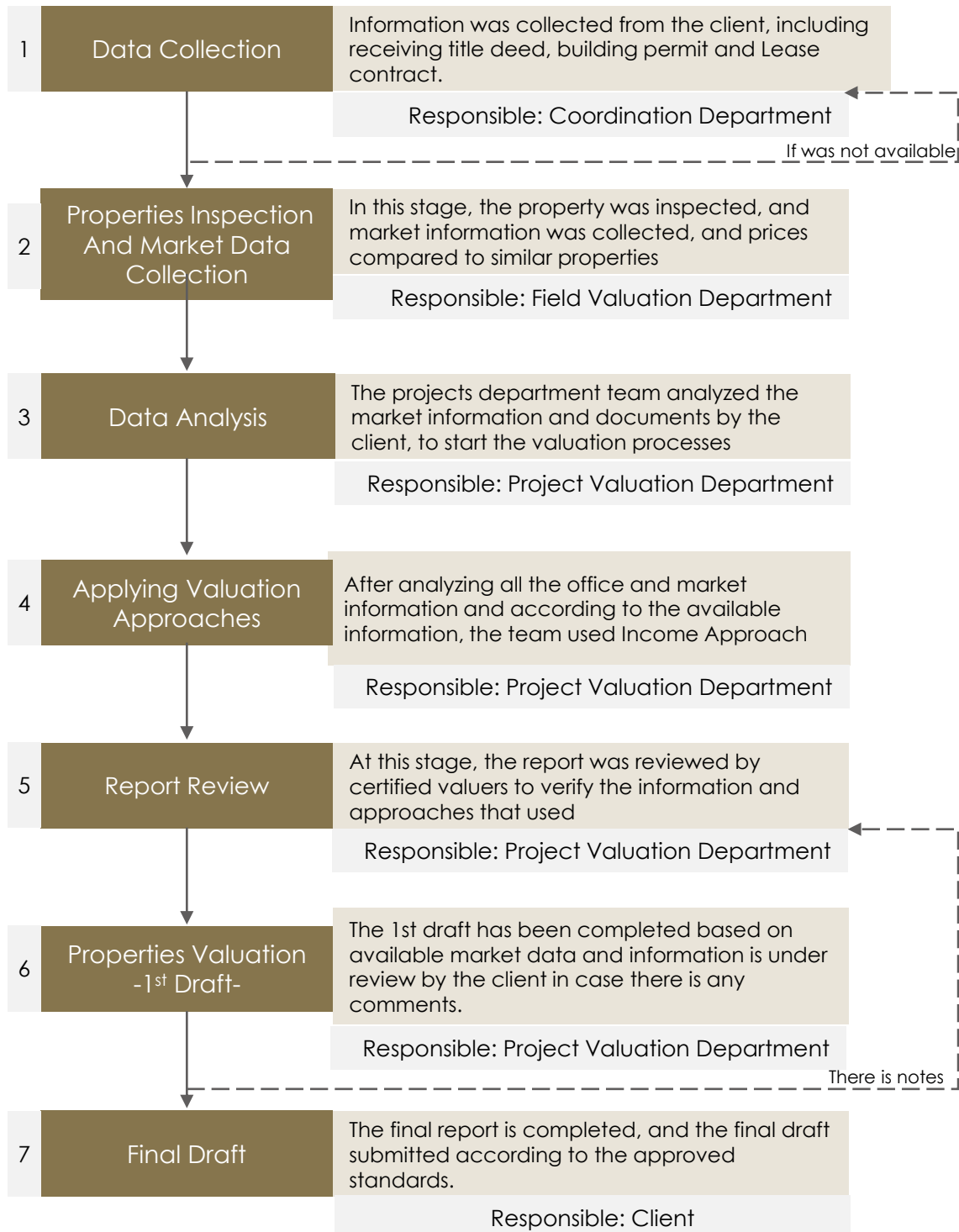


Part 2

Reporting Methodology

2 | Reporting Methodology

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





Part 3

Asset to be valued

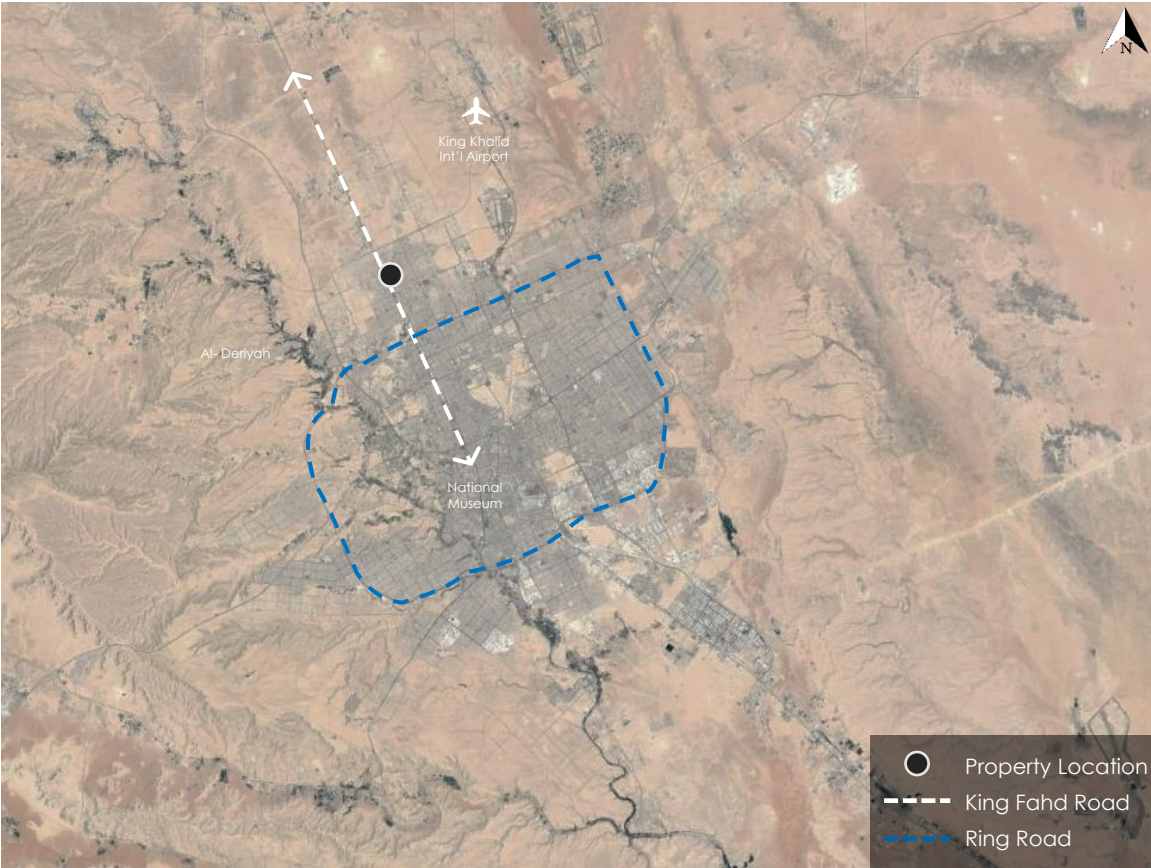
- 3.1 Property Location Analysis
- 3.2 Property description and ownership
- 3.3 Property boundaries
- 3.4 Source of information
- 3.5 Structure description
- 3.6 Property photos
- 3.7 Analysis summary

3.1 | Property Location Analysis

Description of the property at the city level

About Riyadh

Riyadh is the capital of the Kingdom of Saudi Arabia, its largest city and the third largest Arab capital by population. Riyadh is located in the middle of the Arabian Peninsula in the Najd Plateau, at an altitude of 600 meters above sea level. It is the headquarters of the Emirate of Riyadh region, according to the administrative division of the Saudi regions.

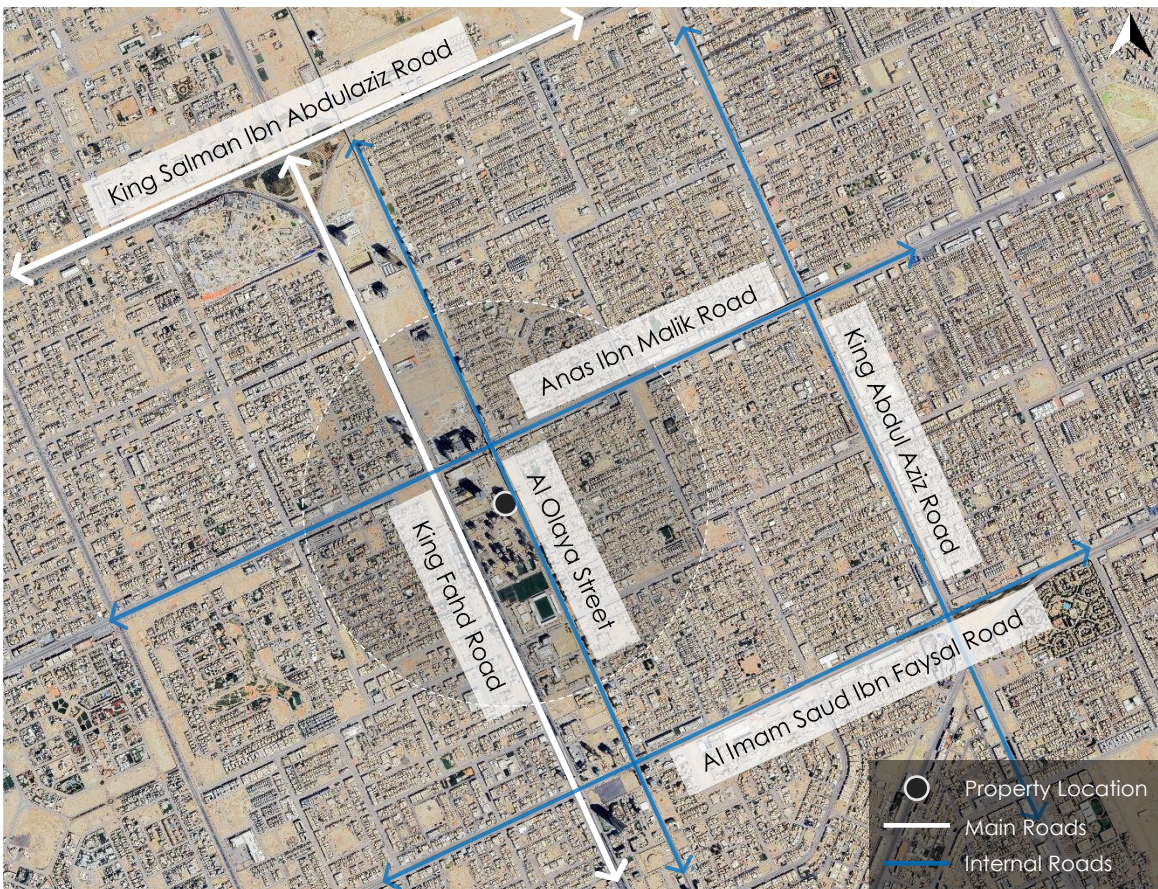


Property location

Surrounding attractions			
Attraction	Distance	Attraction	Distance
King Khalid International Airport	26.7 km	National Museum	10.7 km
King Abdullah Financial Center	8.6 km	Kingdom Centre	12.2 m

3.1 | Property Location Analysis

Description of the property at the neighborhood level	
Description of the surrounding area	<p>The property area is characterized by its geographical location in Riyadh, where it is located on King Fahd Road and Al-Olaya Street.</p> <p>The area where the subject property located is bounded by Anas Ibn Malik Road, followed by Al Yasmin district to the north, and on the south side is bounded by Al Imam Saud Ibn Faysal Road, followed by parts of Al Sahafah district, East side the property area is bounded by Al Olaya Street followed by parts of Al Sahafah district and Al Yasmin district, while to the west is King Fahd Road followed by Al Malqa district.</p>
Description of the district	<p>Al Sahafah district is in the centre of Riyadh and is characterized by its geographical location overlooking several main roads and commercial streets such as King Fahd Road, King Salman Bin Abdulaziz Road and Al Olaya Street.</p>
Accessibility	<p>The area is easily accessible through several roads, the most important of which is Al Olaya Street which is directly subject property overlooks directly.</p>



Satellite photo shows property location

3.2 Property description and ownership

The subject property is Ascott Rafal Hotel located in Al Sahafah district, Riyadh

Ownership information (based on title deed)			
Client's name	Alinma Hospitality REIT Fund	Owner's name	Hotel Development Real Estate Company (One person company)
Title deed number	410115065922	Title deed date	02/06/1444 H
building permit number	1434 / 6465	building permit date	28/03/1434 H
Property Information			
Province	Riyadh	City	Riyadh
District	Al Sahafah	Street	Al Olaya Street
No. of Plot	-	No. of Plan	1863/أ ب
Property Type	Hotel	Notes	-
24.808967084° N 46.626522317° E			
https://maps.app.goo.gl/4723kdjasmD8HMHY6			
Property specifications			
Land area according to the Title Deed	5,312.69 m²	Land Topography	Flat
Land area according to nature	- m²	Land shape	Regular
Notes	<p>-There is a difference in the land area between the title deed and the building permit as: according to the title deed, the land area is 5,312.69 m² and according to the building permit, the land area is 10,957 m².</p> <p>-According to the title deed, the part to be evaluated is the apartment No.1167/1 on the ground floor to the tenth floor of tower No.1167.</p>		
			
Satellite photo shows subject property location			

3.3 Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	98.35	Unnamed Street	Internal	15	4
South	57.73	Unnamed street	Internal	20	3
East	103	Al Olaya Street	Commercial	40	1
West	72.84	Wadi Halb Street	Internal	20	2
Property specifications					
Structure	BUA	25,462.74 m² (According to the title deed)			
	Height (floors)	From Ground floor to the tenth floor (According to the title deed)			
	Age	8 years (According to Google Earth)			
	Num. of buildings	1			
	Conditioning type	Central			
	Finishing	Excellent			
	Facilities	Fire extinguishing systems + Fire alarm systems + Camera surveillance systems + Parking lots + Gym			
	Elevators	Available			
Zoning	Use	Commercial – Residential - Office		Commercial – Residential - Office	
	Maximum footprint	35%		60%	
	FAR	-		2.1	
	Maximum height	-		Ground floor + 2 floors + 50% Appendices	
Notes		- The subject property is a hotel consists of 234 rooms			
Services and Facilities					
Boys School	Mosque	Sewerage	Water	Electricity	
✓	✓	✓	✓	✓	
Phone	Civil defense	police station	Health center	Girl's school	
✓	✓	✓	✓	✓	
Municipal works	Post Mail	Commercial	Park	Storm water drainage	
-	✓	✓	✓	✓	

3.4 Source of information

- The data was drawn up based on the documents received by the client dated 03 / 10 / 2023.
- The location of the property was determined based on title deed and the property was inspected on the date 01 / 11 / 2023.
- The effects were analyzed based on the current market situation.
- Disclosure of the Alinma Hospitality REIT Fund manager on the Saudi Tadawul website.

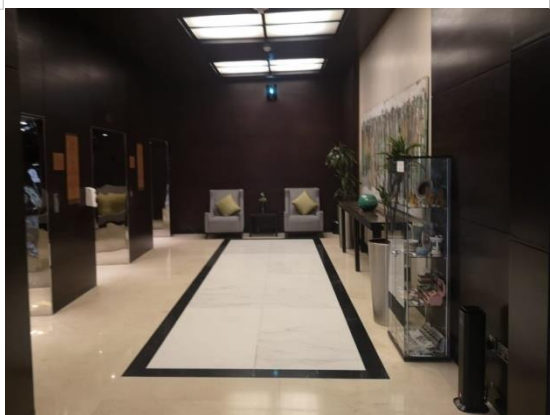
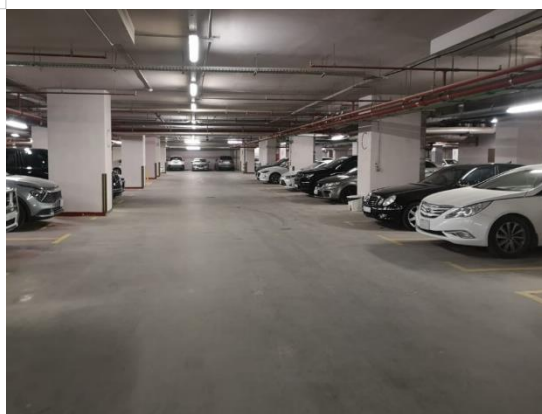
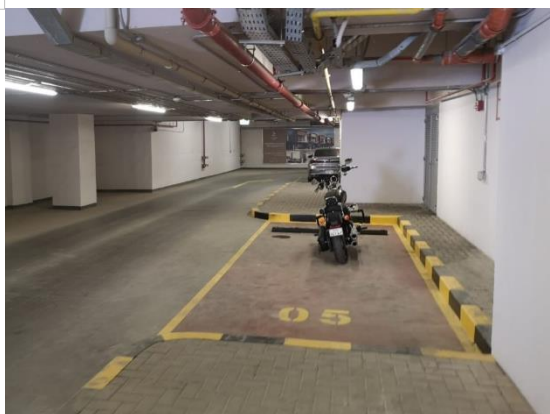
3.5 | Structure description

Structure specifications				
Building specifications	External property specifications	Structure type	<input checked="" type="checkbox"/> Reinforced concrete <input type="checkbox"/> Wood <input type="checkbox"/> Steel <input type="checkbox"/> Stone and clay	
		Plumbing	<input checked="" type="checkbox"/> Interior plumbing works <input type="checkbox"/> Exterior plumbing works	
		Water tank	<input checked="" type="checkbox"/> Interior <input type="checkbox"/> Exterior	
		fence	<input type="checkbox"/> profil <input type="checkbox"/> Paint <input type="checkbox"/> Stone <input type="checkbox"/> steel	
		facades	<input type="checkbox"/> Paint <input checked="" type="checkbox"/> Glass panels <input checked="" type="checkbox"/> profil	
		windows	<input type="checkbox"/> Aluminum windows <input checked="" type="checkbox"/> Glass windows	
		exterior doors	<input type="checkbox"/> Wooden doors <input type="checkbox"/> Aluminum doors <input checked="" type="checkbox"/> Glass doors <input type="checkbox"/> Electronic door <input type="checkbox"/> Decorative steel door	
	Internal property specifications	Corridors and stairs	<input checked="" type="checkbox"/> marble <input type="checkbox"/> Ceramic, porcelain or mosaic	
		interior doors	<input checked="" type="checkbox"/> wood <input type="checkbox"/> aluminium <input type="checkbox"/> steel	
		Interior ceilings	<input checked="" type="checkbox"/> concrete roof <input type="checkbox"/> Suspended ceiling <input checked="" type="checkbox"/> Gypsum ceiling <input type="checkbox"/> Metal roof	
		interior walls	<input checked="" type="checkbox"/> paint <input type="checkbox"/> softening <input type="checkbox"/> wallpaper <input type="checkbox"/> Bricks	
		interior flooring	<input checked="" type="checkbox"/> Ceramic <input type="checkbox"/> Wood parquet <input type="checkbox"/> Mosaico <input type="checkbox"/> Carpet <input type="checkbox"/> marble <input checked="" type="checkbox"/> Porcelain	
		lightings system	<input type="checkbox"/> Manual control <input checked="" type="checkbox"/> Automatic Control	
		furnishing	<input checked="" type="checkbox"/> furnished <input type="checkbox"/> Unfurnished	
		Other virtual notes	-	

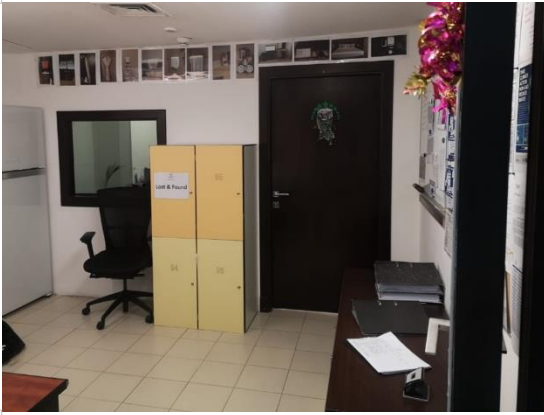
3.6 External property photos



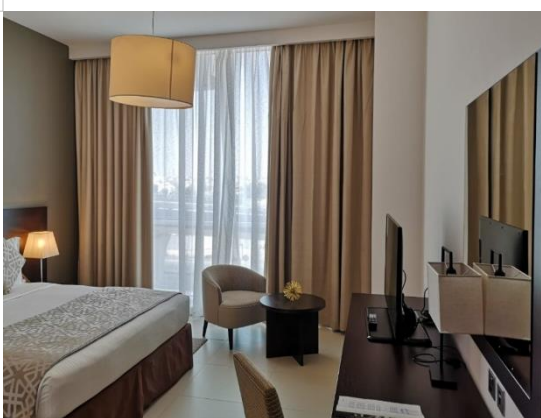
3.6 Internal property photos



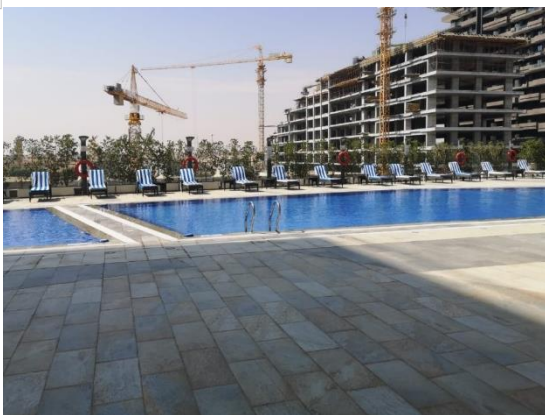
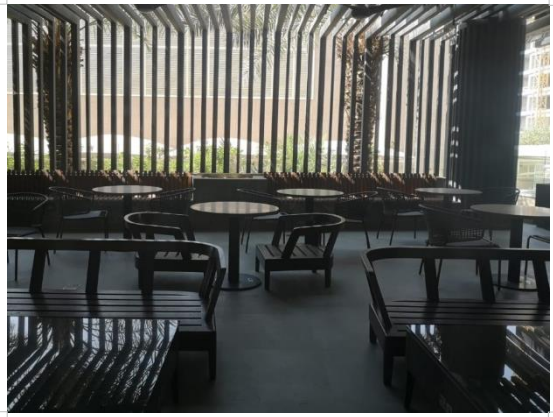
3.6 Internal property photos



3.6 Internal property photos



3.6 Internal property photos



3.7 | Analysis summary

Analysis summary	
Advantages	<ul style="list-style-type: none"> The Subject property is distinguished by its view of Al Olaya Street one of the important streets, which facilitates access to the subject property. The Subject property is distinguished by its location in Al Sahafah district, which is one of the vital districts in Riyadh region. The Subject property is close to famous landmarks in Riyadh such as King Abdullah Financial Center.
Disadvantages	<ul style="list-style-type: none"> No defects were observed around the property.
Opportunities	<p>There are so many developmental projects in Riyadh : Sidra project in Riyadh, which is the first integrated Rushen districts in Riyadh, which will create a new urban core in the real estate area and The green Riyadh project: the program is afforestation of more than 120 residential districts in the city of Riyadh and also includes the construction of 3,331 new parks, the afforestation of streets, the perimeter of mosques and schools, the afforestation of parking lots and the construction of sidewalks to provide shaded walking paths that stimulate the practice of healthy mobility patterns among the residents of the city, and enhance connectivity between the elements of the district.</p>

3.7 | Analysis summary

Analysis summary	
Overall Risks	<ul style="list-style-type: none"> • Overall risks related to the real estate market. • Financial, economic and natural disaster risks. • Risks related to foreign exchange. • Political and security risks. • Risks related to VAT application. • Risks related to real estate transaction tax application. • Risks related to White Land fees. • Risks related to the impact of the demand for residential and commercial real estate properties in the Kingdom of Saudi Arabia. • Risks related to electricity, water and other services prices. • Risks related to competition. • Risks related to real estate development. • Risks related to the nature of the realization or liquidation of real estate assets. • Risks related to the devaluation of real estate assets. • Risks related to regulatory requirements and regulatory oversight. • Risks related to changes in the applicable laws and regulations.
Property Risks	<ul style="list-style-type: none"> • The availability of multiple alternatives in the market, which affects the income generated by the property.



Part 4

Valuation

4.1 Valuation Approaches

4.2 Valuation Analysis

4.3 Opinion of Value

4.4 Validity of review and clarification

4.1 Valuation Approaches

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

4.1 | Valuation Approaches

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

4.2 | Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

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

Due to the expected change in the income of the property under valuation and its failure to reach the full maturity stage at current revenue levels, the cash flow method was chosen to evaluate the property using the income approach and determine the explicit forecast period in accordance with these inputs.

4.2.1.1 Contract Data

Tenant's name : Al-Maskan Al-Hadari real estate development company.

Hotel rating : 4 Stars.

Contract start date : March-2022

Contract term : 5 years with the possibility of renewal for a similar period.

The subject property consists of hotel rooms as follows :

- Number of hotel rooms : 234 rooms.

Contract rental value :

- For 5 years : 18,800,000 SAR/year mandatory with the possibility of renewal for a similar period by agreement of the parties.

4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

4.2.1.2 Market Approach- Comparable Transactions Method (Hotel rooms)

Comparable Transactions Method is categorized under Market Approach in the International Valuation Standards 2022 and is defined as "The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value"

Comparables List-Hotel rooms		
Hotel name	Transaction Year	Value/night
Myrtle Hotel	2023	541 SAR
Swiss International Royal Hotel	2023	495 SAR
Anan Hotel	2023	360 SAR



Satellite photo showing subject property and comparables

The average room value was estimated to be 450 SAR / night.

4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

Projected Profit and Loss Statement

Revenue

Unites	25,050,870.00
Food & Beverage	7,236,918.00
Other Operating Departments	1,670,058.00
Miscellaneous	87,678.05

Total Revenue	34,045,524.05
----------------------	----------------------

Departmental Expenses

Food cost	(1,447,383.60)
Payroll & Related Expenses	(2,532,921.30)
Other Expenses	(1,959,534.72)

Total Departmental Expenses	-17.45%	(5,939,839.62)
------------------------------------	----------------	-----------------------

Gross Operating Income	82.55%	28,105,684.43
-------------------------------	---------------	----------------------

Undistributed Expenses

Admin & General	(3,404,552.40)
IT and Internet	(1,089,456.77)
Marketing & Sales	(714,956.00)
Utilities & Energy	(851,138.10)
Repairs & Maintenance	(1,191,593.34)

Total Undistributed Expenses	-21.30%	(7,251,696.62)
-------------------------------------	----------------	-----------------------

Gross Operating Profit	61.25%	20,853,987.80
-------------------------------	---------------	----------------------

Replacement Reserve - 3.0%	(1,021,365.72)
----------------------------	----------------

Basic Fee - 0.0%	0.00
------------------	------

Incentive Fee	(1,032,622.08)
---------------	----------------

EBITDA	55.22%	18,800,000.00
---------------	---------------	----------------------

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.3 Income data approved in the valuation

The actual income data of the subject property was compared with the market Income and the following was found:

Element	Actual income data	Market data	The difference	
			SAR	%
Rental average value (SAR/Night)	-	450 SR	-	-
Total occupancy ratio	-	-	-	-
Operation and maintenance	-	-	-	-
Administrative costs	-	-	-	-
Marketing costs	-	-	-	-
Other costs	-	-	-	-
Net Income property	18,800,000.00 SAR	20,853,987.80 SAR	2,053,987.8 SAR	10.93%
Result	<ul style="list-style-type: none"> We have found income data provided by the client to accurately reflect the market reality, and it has been relied upon until the end of the mandatory contractual period as inputs in the valuation process. The rest of the cash flow period will be completed based on market income, taking into account Cap rate and discount rate based on market data. 			

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.4 Assumptions

Cap rate analysis						
Name of the property/fund	Property	Sector	property value	Net income	Rate of Return	Year
SEDCO CAPITAL REIT	Al Hayat Tower Hotel Apartments	Hotel	20,393,000.00 SAR	1,500,000.00 SAR	7.36%	2023
JADWA REIT SAUDI	Abeer Jasmine hotel	Hotel	45,270,079.00 SAR	3,269,150.00 SAR	7.22%	2023
MULIKA REIT	Aljada complex	Hotel -Commercial - Office	341,028,000.00 SAR	24,558,349.00 SAR	7.20%	2023

- An analysis of the rate of return was carried out and an estimated rate of return of 7.26% was reached based on the average rates of return for real estate funds and similar properties after excluding abnormal values .

Project Assumptions	
Project period	10 years

- Annex 1 :details the cash flows of the subject property, where a -9.80% discount rate has been approved to calculate the value of the property, accordingly the value of the property is estimated in the manner of cash flows by:

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	3.32%	Saudi Exchange
Inflation rate	2.76%	General Authority for Statistics
Market Risk	1.22%	knoema Patform Data
Property Risk	2.50%	Valuer's estimate of the market
Discount rate	9.80%	

Valuation Result :

Appendix No. 5.4 details the cash flows of the property under valuation, where the discount rate has been adopted -9.80% to calculate the value of the property, based on this, the value of the property is estimated by the cash flow method at :

Property value (SAR)	266,416,853.65 SAR
----------------------	---------------------------

4.3 | Opinion of Value

Opinion of value	
Value	266,417,000
Written	Only two hundred sixty-six million four hundred seventeen thousand SAR
Currency	Saudi Riyal

4.4 | Validity of review and clarification

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



Part 5

Appendices

5.1 Documents

5.2 Assumptions and Limiting Conditions

5.3 Valuation Standards

5.4 Cash flow analysis

5.1 Documents

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ٢٦/١٤٤٤ هـ
رقم الصك: ٤١٠١١٥٠٦٥٩٢٢

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:

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

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض 15.00 م بارتداد 3.00 م بطول: ()
21.00+1.40+19.40+9.90+11.80+8.50+26.35

جنوباً: شارع عرض 20.00 م بارتداد 4.00 م بطول: ()
19.20+5.60+11.80+4.20+16.93

شرقاً: شارع عرض 40.00 م بارتداد 6.00 م بطول: ()
9.90+4.20+19.20+4.20+25.30+21.00+19.20

غرباً: شارع 20.00 م بارتداد 4.00 م بطول: (72.84) اثنين و سبعون متر و أربعة و ثمانون سنتمتر

ومساحتها: (25,462.74) خمسة و عشرون ألفا و أربعمئة و اثنين و ستون متر مربعاً و أربعة و سبعون سنتمتر مربعاً فقط مساحة الارض مشاعا 5312.69م2 , تكون حصة كل مالك فى الاجزاء المشتركة بنسبة قيمة الجزء الذى يملكه مفرزا 0.578% , حسب التقرير المساحى رقم 5767/43 فى 27/10/1437 هـ بالخطاب رقم 3700261211 فى 28/12/1437 هـ , والمقيد برقم 38161337 فى 10/1/1438 هـ كما يجب على مالك كل وحدة التنسيق مع باقى الملاك بالعقار , وتكوين جمعية ملاك بعد مدة أقصاها 6 أشهر من اكتمال النصاب , وذلك عند بلوغ عدد الوحدات المفزة للعقار أكثر من 10 وحدات , وزاد عدد ملاكها عن 5 أشخاص وذلك وفق مأنص عليه نظام ملكية الوحدات العقارية وفرزها الصادر بقر

والمستند فى اقرارها على الصك الصادر من كتابة العدل بوسط الرياض برقم 614010002737 فى 1 / 12 / 1443 هـ

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

صدرت هذه الوثيقة من وزارة العدل , ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تكليفه)
نموذج رقم (١٢-٠٣-١٠)
مستند مطابح الحكومة - ٢٩٢١٥٩

صفحة رقم 1 من 2

5.1 Documents

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ٢٦/١٤٤٤ هـ
رقم الصك: ٤١٠١١٥٠٦٥٩٢٢

صك

بثمن وقدره 245000000 مئتين و خمسة و أربعون مليون ريال وعليه جرى التصديق تحريراً في 2 / 6 / 1444 هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
(هذا النموذج مخصص للاستخدام بالماسب الألي ويمنع تكليفه)
مصححة مطابع الحكومة - ٢٩٢١٥٩
نموذج رقم (١٢-٠٣-١٠٠٤)
صفحة رقم 2 من 2

5.1 Documents

[illegible]

5.2 | Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 | Valuation Standards

5.3.1 Valuation Standards

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

5.3.2 Valuation Basis

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

5.3.3 Assumptions and Special Assumptions

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

5.3.4 Disposal Costs Taxation and Other Liabilities

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

5.3.5 Sources of Information

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

5.3.6 Title and Tenancy Information

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

5.3 | Valuation Standards

5.3.7 City Planning, Zoning and Regulations

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

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

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

5.3.8 Surveys

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

5.3.9 Site Conditions

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

5.3.10 Environmental Contamination

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

5.3.11 Insurance

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

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

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

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

5.3.12 Outstanding Debts

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

5.3.13 Confidentiality and Third-Party Liability

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

5.3.14 Plans and Maps

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

5.4 | Cash flow Analysis

Profit and Loss Statement Projections											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Keys	234.00										
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Unites Available	85,644.00	85,410.00	85,410.00	85,410.00	85,644.00	85,410.00	85,410.00	85,410.00	85,644.00	85,410.00	85,410.00
Occupancy	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
ADR	450.00	459.00	468.18	477.54	487.09	496.84	506.77	516.91	527.25	537.79	548.55
Rooms Sold	55,668.60	55,516.50	55,516.50	55,516.50	55,668.60	55,516.50	55,516.50	55,516.50	55,668.60	55,516.50	55,516.50
RevPAR	292.50	298.35	304.32	310.40	316.61	322.94	329.40	335.99	342.71	349.56	356.56
Rooms Payroll & Related Expenses	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Rooms Other Expenses	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rooms Department											
Revenue	243,916,999.48	25,050,870.00	25,482,073.50	25,991,714.97	26,511,549.27	27,115,867.32	27,582,615.86	28,134,268.18	28,696,953.54	29,351,086.84	0.00
Payroll & Related Expenses	(7,317,509.98)	(751,526.10)	(764,462.21)	(779,751.45)	(795,346.48)	(813,476.02)	(827,478.48)	(844,028.05)	(860,908.61)	(880,532.61)	0.00
Other Expenses	(12,195,849.97)	(1,252,543.50)	(1,274,103.68)	(1,299,585.75)	(1,325,577.46)	(1,355,793.37)	(1,379,130.79)	(1,406,713.41)	(1,434,847.68)	(1,467,554.34)	0.00
Room Department Profit	224,403,639.52	23,046,800.40	23,443,507.62	23,912,377.77	24,390,625.33	24,946,597.94	25,376,006.59	25,883,526.72	26,401,197.26	27,002,999.89	0.00
Food and Beverage / POR											
Food cost	130.00	132.60	135.25	137.96	140.72	143.53	146.40	149.33	152.32	155.36	158.47
Food and Beverage Payroll & Related Expenses	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Food and Beverage Other Expenses	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Food and Beverage Department											
Revenue	70,464,910.96	7,236,918.00	7,361,487.90	7,508,717.66	7,658,892.01	7,833,472.78	7,968,311.25	8,127,677.47	8,290,231.02	8,479,202.86	0.00
Food cost	(14,447,383.60)	(1,447,383.60)	(1,472,297.58)	(1,501,743.53)	(1,531,778.40)	(1,566,694.56)	(1,593,662.25)	(1,625,535.49)	(1,658,046.20)	(1,695,840.57)	0.00
Payroll & Related Expenses	(14,092,982.19)	(1,447,383.60)	(1,472,297.58)	(1,501,743.53)	(1,531,778.40)	(1,566,694.56)	(1,593,662.25)	(1,625,535.49)	(1,658,046.20)	(1,695,840.57)	0.00
Other Expenses	(2,818,596.44)	(289,476.72)	(294,459.52)	(300,348.71)	(306,355.68)	(313,338.91)	(318,732.45)	(325,107.10)	(331,609.24)	(339,168.11)	0.00
Food and Beverage Department Profit	39,460,350.14	4,052,674.08	4,122,433.22	4,204,881.89	4,288,979.53	4,386,744.76	4,462,254.30	4,551,499.39	4,642,529.37	4,748,353.60	0.00
Other Operated Depts / POR											
Other Operated Departments Payroll & Related Expenses	30.00	30.60	31.21	31.84	32.47	33.12	33.78	34.46	35.15	35.85	36.57
Other Operated Departments Other Expenses	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Miscellaneous	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Other Operated Departments											
Revenue	16,261,133.30	1,670,058.00	1,698,804.90	1,732,781.00	1,767,436.62	1,807,724.49	1,838,841.06	1,875,617.88	1,913,130.24	1,956,739.12	0.00
Miscellaneous	853,709.50	87,678.05	89,187.26	90,971.00	92,790.42	94,905.54	96,539.16	98,469.94	100,439.34	102,728.80	0.00
Payroll & Related Expenses	(3,252,226.66)	(334,011.60)	(339,760.98)	(346,556.20)	(353,487.32)	(361,544.90)	(367,768.21)	(373,123.58)	(382,626.05)	(391,347.82)	0.00
Other Expenses	(4,065,283.32)	(417,514.50)	(424,701.23)	(433,195.25)	(441,859.15)	(451,931.12)	(459,710.26)	(468,904.47)	(478,282.56)	(489,184.78)	0.00
Other Operated Department Profit	9,797,332.81	1,006,209.95	1,023,529.95	1,044,000.55	1,064,880.56	1,089,154.00	1,107,901.74	1,130,059.77	1,152,660.97	1,178,935.32	0.00
Gross Operating Income	273,661,322.47	28,105,684.43	28,589,470.80	29,161,260.21	29,744,485.42	30,422,496.70	30,946,162.63	31,565,085.88	32,196,387.60	32,930,288.82	0.00
Admin & General											
IT and Internet	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Marketing & Sales	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Repairs & Maintenance	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Overhead Payroll											
Admin & General	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
IT and Internet	(16,574,837.66)	(1,702,276.20)	(1,731,577.68)	(1,766,209.23)	(1,801,533.42)	(1,842,598.51)	(1,874,315.37)	(1,911,801.67)	(1,950,037.71)	(1,994,487.88)	0.00
Marketing & Sales	(2,320,477.27)	(238,318.67)	(242,420.87)	(247,269.29)	(252,214.68)	(257,963.79)	(262,404.15)	(267,652.23)	(273,005.28)	(279,228.30)	0.00
Repairs & Maintenance	(1,988,980.52)	(204,273.14)	(207,789.32)	(211,945.11)	(216,184.01)	(221,111.82)	(224,917.84)	(229,416.20)	(234,004.52)	(239,338.55)	0.00
Total Overhead Payroll	(6,629,935.06)	(680,910.48)	(692,631.07)	(706,483.69)	(720,613.37)	(737,039.40)	(749,726.15)	(764,720.67)	(780,015.08)	(797,795.15)	0.00
Admin & General	(16,574,837.66)	(1,702,276.20)	(1,731,577.68)	(1,766,209.23)	(1,801,533.42)	(1,842,598.51)	(1,874,315.37)	(1,911,801.67)	(1,950,037.71)	(1,994,487.88)	0.00
IT and Internet	(8,287,418.83)	(851,138.10)	(865,788.84)	(883,104.62)	(900,766.71)	(921,299.25)	(937,157.68)	(955,900.84)	(975,018.85)	(997,243.94)	0.00
Marketing & Sales	(4,972,451.30)	(510,682.86)	(519,473.30)	(529,862.77)	(540,460.02)	(552,779.55)	(562,294.61)	(573,540.50)	(585,011.31)	(598,346.36)	0.00
Utilities & Energy	(8,287,418.83)	(851,138.10)	(865,788.84)	(883,104.62)	(900,766.71)	(921,299.25)	(937,157.68)	(955,900.84)	(975,018.85)	(997,243.94)	0.00
Repairs & Maintenance	(4,972,451.30)	(510,682.86)	(519,473.30)	(529,862.77)	(540,460.02)	(552,779.55)	(562,294.61)	(573,540.50)	(585,011.31)	(598,346.36)	0.00
Total Overhead Expenses	(43,094,577.92)	(4,425,918.13)	(4,502,101.96)	(4,592,144.00)	(4,683,986.88)	(4,790,756.12)	(4,873,219.95)	(4,970,684.35)	(5,070,098.04)	(5,185,668.49)	0.00
Gross Operating Profit	203,052,514.03	20,853,987.80	21,212,949.89	21,637,208.89	22,069,953.06	22,573,027.06	22,961,579.17	23,420,810.75	23,889,226.97	24,433,770.44	0.00
Replacement Reserve - 3.0%	(9,944,902.60)	(1,021,365.72)	(1,038,946.61)	(1,059,725.54)	(1,080,920.05)	(1,105,559.10)	(1,124,589.22)	(1,147,081.00)	(1,170,022.62)	(1,196,692.73)	0.00
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGOP	193,107,611.43	19,832,622.08	20,174,003.28	20,577,483.35	20,989,033.01	21,467,467.96	21,836,989.95	22,273,729.75	22,719,204.34	23,237,077.71	0.00
Minimum Performance Income											
Lease Contract Expiraton	2026	2031	2035								
AGOP %		58.25%	58.25%	58.25%	58.25%	58.25%	58.25%	58.25%	58.25%	58.25%	0.00%
Incentive Fee (dynamic %of AGOP)											
Incentive Fee		(1,032,622.08)	(1,374,003.28)	(1,777,483.35)	(135,045.21)	(613,480.16)	(983,002.15)	(1,419,741.95)	(1,865,216.54)	0.00	0.00
EBITDA	183,907,016.71	18,800,000.00	18,800,000.00	18,800,000.00	20,853,987.80	20,853,987.80	20,853,987.80	20,853,987.80	20,853,987.80	23,237,077.71	0.00

5.4 | Cash flow Analysis

Cash Flow Analysis	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue											
Unites	243,916,999.48	25,050,870.00	25,482,073.50	25,991,714.97	26,511,549.27	27,115,867.32	27,582,615.86	28,134,268.18	28,696,953.54	29,351,086.84	0.00
Food & Beverage	70,464,910.96	7,236,918.00	7,361,487.90	7,508,717.66	7,658,892.01	7,833,472.78	7,968,311.25	8,127,677.47	8,290,231.02	8,479,202.86	0.00
Other Operating Departments	16,261,133.30	1,670,058.00	1,698,804.90	1,732,781.00	1,767,436.62	1,807,724.49	1,838,841.06	1,875,617.88	1,913,130.24	1,956,739.12	0.00
Miscellaneous	853,709.50	87,678.05	89,187.26	90,971.00	92,790.42	94,905.54	96,539.16	98,469.94	100,439.34	102,728.80	0.00
Total Revenue	331,496,753.24	34,045,524.05	34,631,553.56	35,324,184.63	36,030,668.32	36,851,970.13	37,486,307.32	38,236,033.47	39,000,754.14	39,889,757.63	0.00
Departmental Expenses											
Food cost	(14,092,982.19)	(1,447,383.60)	(1,472,297.58)	(1,501,743.53)	(1,531,778.40)	(1,566,694.56)	(1,593,662.25)	(1,625,535.49)	(1,658,046.20)	(1,695,840.57)	0.00
Payroll & Related Expenses	(24,662,718.84)	(2,532,921.30)	(2,576,520.77)	(2,628,051.18)	(2,680,612.20)	(2,741,715.47)	(2,788,908.94)	(2,844,687.12)	(2,901,580.86)	(2,967,721.00)	0.00
Other Expenses	(19,079,729.74)	(1,959,534.72)	(1,993,264.42)	(2,033,129.70)	(2,073,792.30)	(2,121,063.40)	(2,157,573.51)	(2,200,724.98)	(2,244,739.48)	(2,295,907.24)	0.00
Total Departmental Expenses	(57,835,430.77)	(5,939,839.62)	(6,042,082.76)	(6,162,924.42)	(6,286,182.90)	(6,429,473.43)	(6,540,144.69)	(6,670,947.59)	(6,804,366.54)	(6,959,468.81)	0.00
Gross Operating Income	273,661,322.47	28,105,684.43	28,589,470.80	29,161,260.21	29,744,485.42	30,422,496.70	30,946,162.63	31,565,085.88	32,196,387.60	32,930,288.82	0.00
Undistributed Expenses											
Admin & General	(33,149,675.32)	(3,404,552.40)	(3,463,155.36)	(3,532,418.46)	(3,603,066.83)	(3,685,197.01)	(3,748,630.73)	(3,823,603.35)	(3,900,075.41)	(3,988,975.76)	0.00
IT and Internet	(10,607,896.10)	(1,089,456.77)	(1,108,209.71)	(1,130,373.91)	(1,152,981.39)	(1,179,263.04)	(1,199,561.83)	(1,223,553.07)	(1,248,024.13)	(1,276,472.24)	0.00
Marketing & Sales	(6,961,431.82)	(714,956.00)	(727,262.62)	(741,807.88)	(756,644.03)	(773,891.37)	(787,212.45)	(802,956.70)	(819,015.84)	(837,684.91)	0.00
Utilities & Energy	(8,287,418.83)	(851,138.10)	(865,788.84)	(883,104.62)	(900,766.71)	(921,299.25)	(937,157.68)	(955,900.84)	(975,018.85)	(997,243.94)	0.00
Repairs & Maintenance	(11,602,386.36)	(1,191,593.34)	(1,212,104.37)	(1,236,346.46)	(1,261,073.39)	(1,289,818.95)	(1,312,020.76)	(1,338,261.17)	(1,365,026.39)	(1,396,141.52)	0.00
Total Undistributed Expenses	(70,608,808.44)	(7,251,696.62)	(7,376,520.91)	(7,524,051.33)	(7,674,532.35)	(7,849,469.64)	(7,984,583.46)	(8,144,275.13)	(8,307,160.63)	(8,496,518.37)	0.00
Gross Operating Profit	203,052,514.03	20,853,987.80	21,212,949.89	21,637,208.89	22,069,953.06	22,573,027.06	22,961,579.17	23,420,810.75	23,889,226.97	24,433,770.44	0.00
Replacement Reserve - 3.0%	(9,944,902.60)	(1,021,365.72)	(1,038,946.61)	(1,059,725.54)	(1,080,920.05)	(1,105,559.10)	(1,124,589.22)	(1,147,081.00)	(1,170,022.62)	(1,196,692.73)	0.00
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incentive Fee	(9,200,594.72)	(1,032,622.08)	(1,374,003.28)	(1,777,483.35)	(135,045.21)	(613,480.16)	(983,002.15)	(1,419,741.95)	(1,865,216.54)	0.00	0.00
EBITDA	183,907,016.71	18,800,000.00	18,800,000.00	18,800,000.00	20,853,987.80	20,853,987.80	20,853,987.80	20,853,987.80	20,853,987.80	23,237,077.71	0.00

Cap Rate Analysis					
Property	City	Value (\$AR)	NOI (\$AR)	Yield	Year
SEDCO REIT	Riydah	20,393,000.00	1,500,000.00	7.36%	2023
Al-Ahli REIT	Riydah	45,270,079.00	3,269,150.00	7.22%	2023
Al-Ahli REIT	Riydah	341,028,000.00	24,558,349.00	7.20%	2023
Average Cap Rate				7.26%	
Adjustment to Average				0.00%	
Approved Cap Rate				7.26%	

Cap rate	7.26%										
Terminal Value	320,096,804.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	320,096,804.35
years		1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00
FCFF	504,003,821.07	18,800,000.00	18,800,000.00	18,800,000.00	20,853,987.80	20,853,987.80	20,853,987.80	20,853,987.80	20,853,987.80	23,237,077.71	320,096,804.35
Discount Rate		1.00	0.91	0.83	0.76	0.69	0.63	0.57	0.52	0.47	0.43
Present Value	266,416,853.65	18,800,000.00	17,122,040.07	15,593,843.42	15,753,682.73	14,347,616.33	13,067,045.84	11,900,770.34	10,838,588.66	10,999,242.82	137,994,023.45

Discount Rate Analysis	Source	Value
Risk-free rate	Saudi Exchange	3.32%
Inflation Rate	General Authority for Statistics	2.76%
Market Risk	Iknema Platform Data	1.22%
Property Risk	Valuer's estimate	2.50%
Discount Rate		9.80%

NPV of Discount Rate - 9.8%266,416,853.65

Income Approach Value266,417,000.00

Thank you

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

نحن لك سند
We support you

Clarion Hotel Valuation Report

Al Marwah District - Jeddah

25 march 2024



Deposit code to the platform qima

Submitted to: Alinma Hospitality REIT Fund

نحن لك سند
We support you

Table of Content

	Title	Page
1	Part 1: Executive Summary	03
	Salient fact and assumptions and IVS 2022 and regulatory compliance	04
	Valuers	07
2	Part 2: Reporting Methodology	08
3	Part 3: Asset to be valued	10
3.1	Property Location Analysis	11
3.2	Property description and ownership	13
3.3	Property boundaries	14
3.4	Source of information	14
3.5	Structure description	15
3.6	Property photos	16
3.7	Analysis summary	19
4	Part 4: Valuation	20
4.1	Valuation approaches	21
4.2	Valuation Analysis	23
4.3	Opinion of Value	28
4.4	Validity of review and clarification	28
5	Part 5: Appendices	29
5.1	Documents	30
5.2	Assumptions and Limiting Conditions	32
5.3	Valuation Standards	33
5.4	Cash flow analysis	35



Part 1

Executive Summary

1 Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance

Identity of the client	Addressee (to whom the report is addressed)	Alinma Hospitality REIT Fund	Other users	Unit holders of Alinma Hospitality REIT Fund
	Contact person	-	Contact information	-
Assets being valued	Assets name	Clarion Hotel	Interest to be valued	freehold interest
	Location	https://maps.app.goo.gl/KQh8wGYsfFsVBbDD9		
Valuation standards	International Valuation Standards 2022	Unless otherwise noted, the Valuation assignment is undertaken in accordance with the TAQEEM Regulations (Saudi Authority for Accredited Valuers) and in conformity with the International Valuation Standards (2022 Edition).		
Valuation	Purpose of valuation	Semi-annual periodic valuation of a real estate investment fund according to the requirements of the CMA	valuation date	31/12/2023
	Inspection date	16/11/2023	Approved valuation approach and method	Income Approach - Cashflow method
	Basis of value	Market Value	Premise of value	Current Use/Existing Use
		Market value : a Standard of Value considered to represent the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing , and where the parties had each acted knowledgeably , prudently , and without compulsion		International Valuation Standards 2022 defines Current Use/Existing Use premise of value as "Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use."

1 | Executive Summary



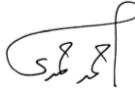


Salient fact and assumptions and IVS 2022 and regulatory compliance

Report	Reference Number	23106088602	Report type	Detailed report
	Report date	25/03/2024	Report version	final
	Use, publication and distribution restrictions	The valuations and reports are confidential to the intended entity and to those referred to it for a specific purpose, without any liability of any kind to any third party. This report may not be published in whole or in part in any document, statement, periodical publication or any means of communication with any third party without prior written consent in the form and context in which it appears, with the exception of in accordance with the purpose of the valuation, this report is allowed to be traded on the CMA (Tadawul) website and the fund manager's website or in such ways as the fund manager deems appropriate.		
	Status of Valuers	We shall be acting with "Subjectivity" as an External Valuer for the purposes of this instruction. "Subjectivity" is defined in the International Valuation Standards (IVS) as: "The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions".		

1 Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Investigations and Compliance	Limits on investigations	—	
	Limits on analysis	—	
	Limits on inspection	—	
Nature and sources of information upon which the valuer relies	<ul style="list-style-type: none">• We have accepted the following documents to be used as input in our valuation assuming they are correct and up to date:• These documents -may be referred to in the appendices- are:<ul style="list-style-type: none">◦ <u>Title deed</u>◦ <u>Building permit</u>◦ <u>Lease contract</u>• Market research and analysis have been undertaken by the valuer.• Disclosures of the manager of the Alinma Hospitality REIT Fundon the Saudi Tadawul website.		
Assumptions and special assumptions	Assumptions	IVS's instructions	<ul style="list-style-type: none">• International Valuation Standards define it as "the presumed facts that are consistent with, or could be consistent with, those at the valuation date."• Assumptions related to facts that are consistent with, or could be consistent with, those existing at the date of valuation may be the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.• All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	None (except as indicated in the terms and conditions).
Assumptions and special assumptions	Special assumptions	IVS's instructions	<ul style="list-style-type: none">• International Valuation Standards define it as "assumed facts that differ from those existing at the date of valuation."• Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset.• They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date• All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	None (except as indicated in the terms and conditions)

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Opinion of Value	161,845,000			
	Written	Only one hundred sixty-one million eight hundred forty-five thousand SAR		
	Currency	Saudi Riyal		
Valuers	Inspector	Information	Commercial Valuation Manager	Signed for and on behalf of Esnad Real Estate Valuation Company
Name	Abdullah Ibrahim Al-Ghamdi	Ahmed Hamdy Elsehamy	Omar Babahr	Eng. Almuhammad Alhussami
Signature				
TAQEEM membership	1210002671	1220003393	1220001954	1210000934
	Associate	Associate	Fellow	Fellow
	Real Estate Sector			
Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -				
Membership Number			11000054	
Valuation Sector			Real Estate	
Professional Company Registration Number			323/18/784	
Professional Company Registration Date			02/ 03/ 1439H	
Company Stamp				

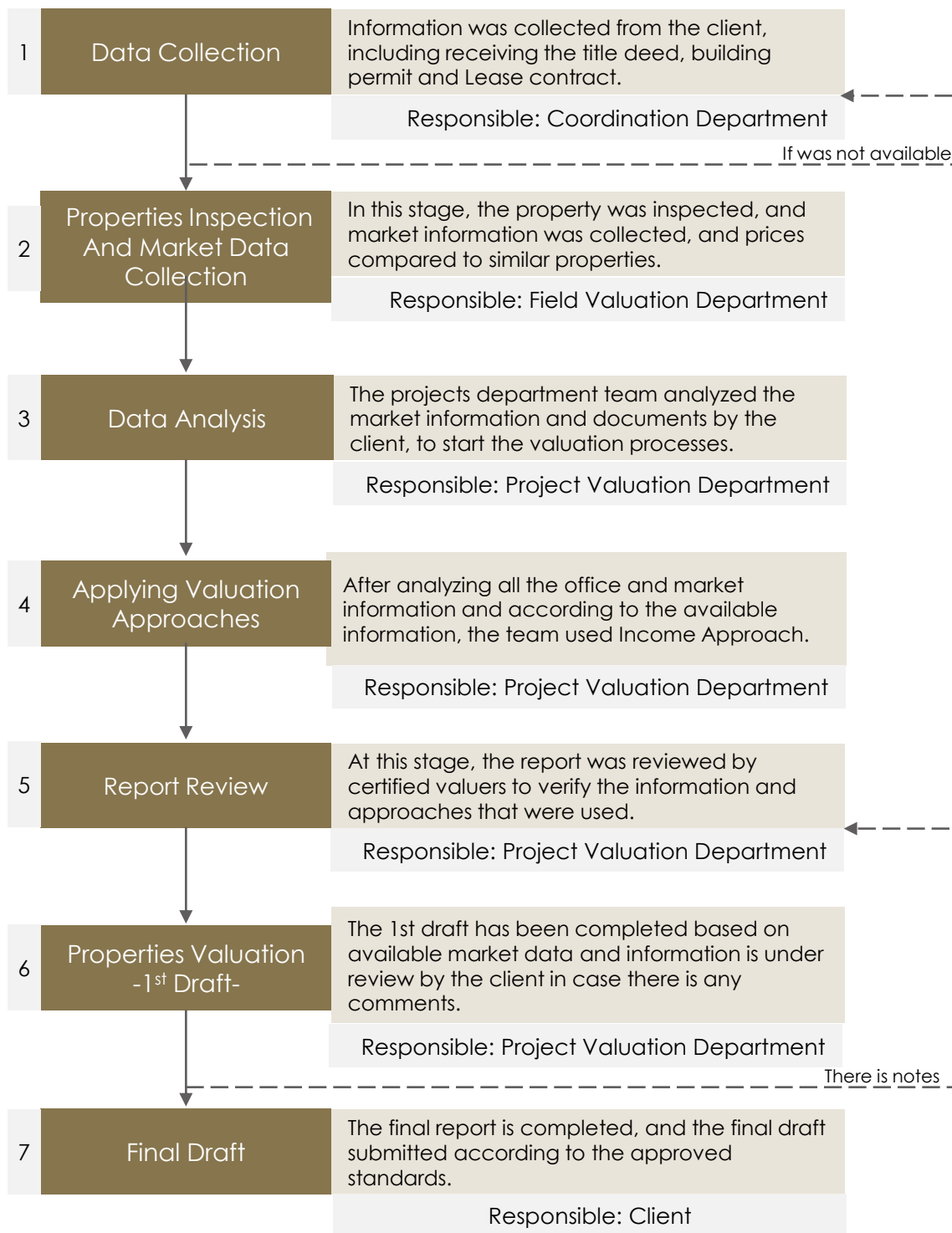


Part 2

Reporting Methodology

2 | Reporting Methodology

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





Part 3

Asset to be valued

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

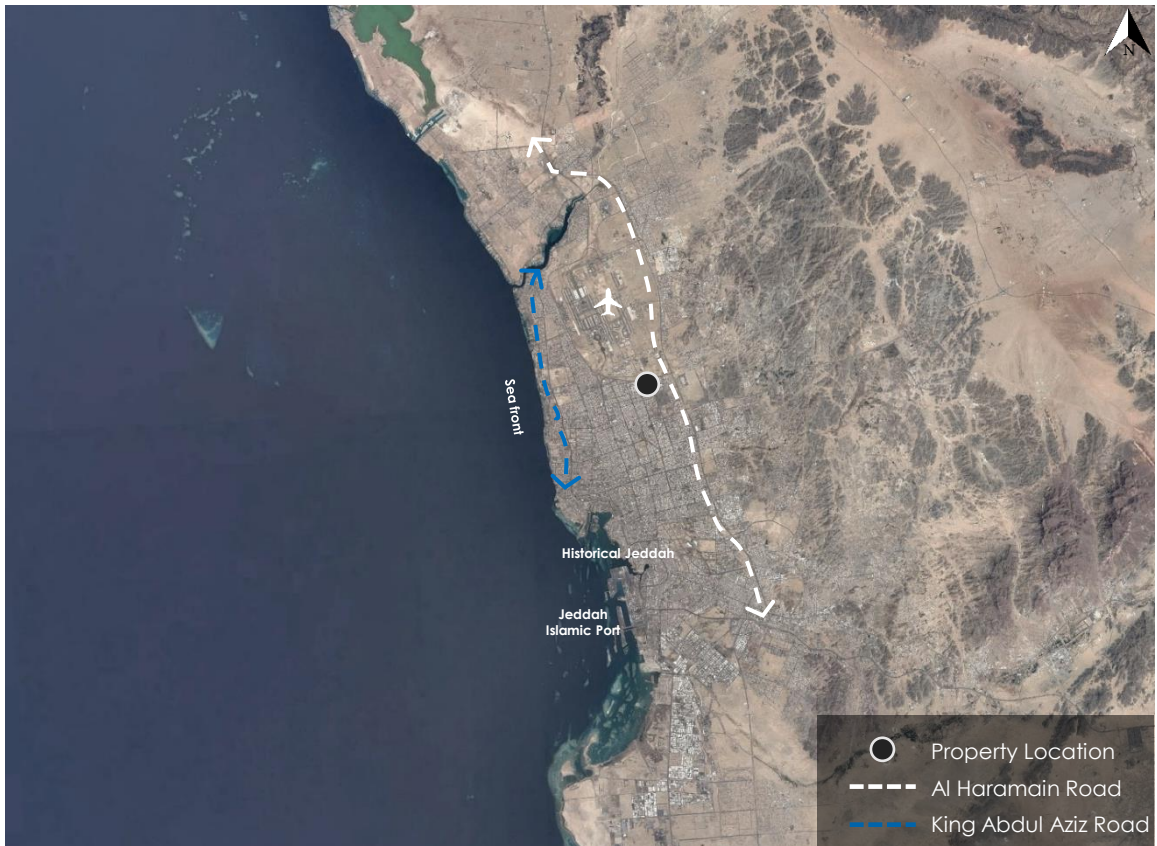
3.1 | Property Location Analysis

Description of the property at the city level

About Jeddah

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

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

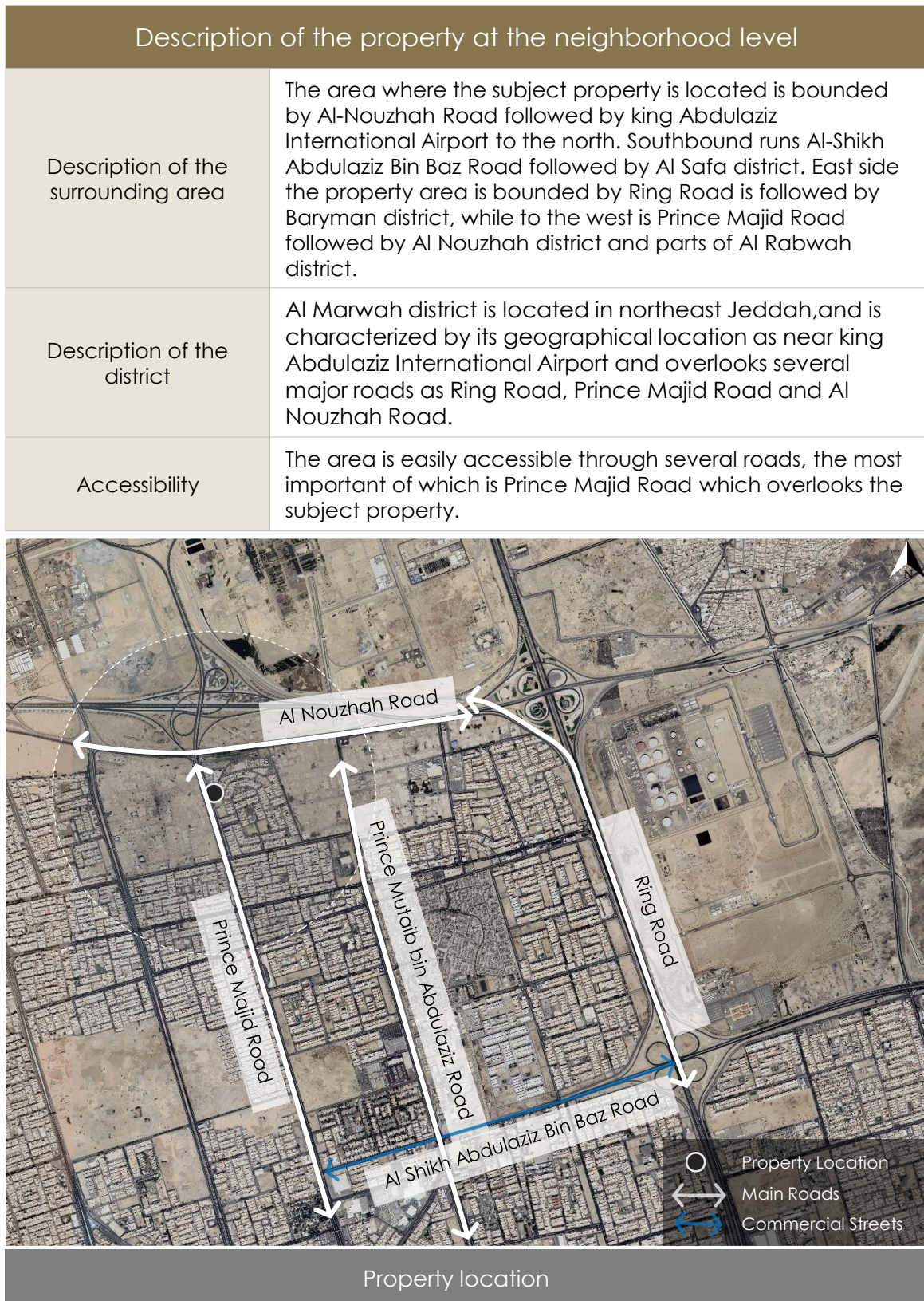


Property location

Surrounding attractions

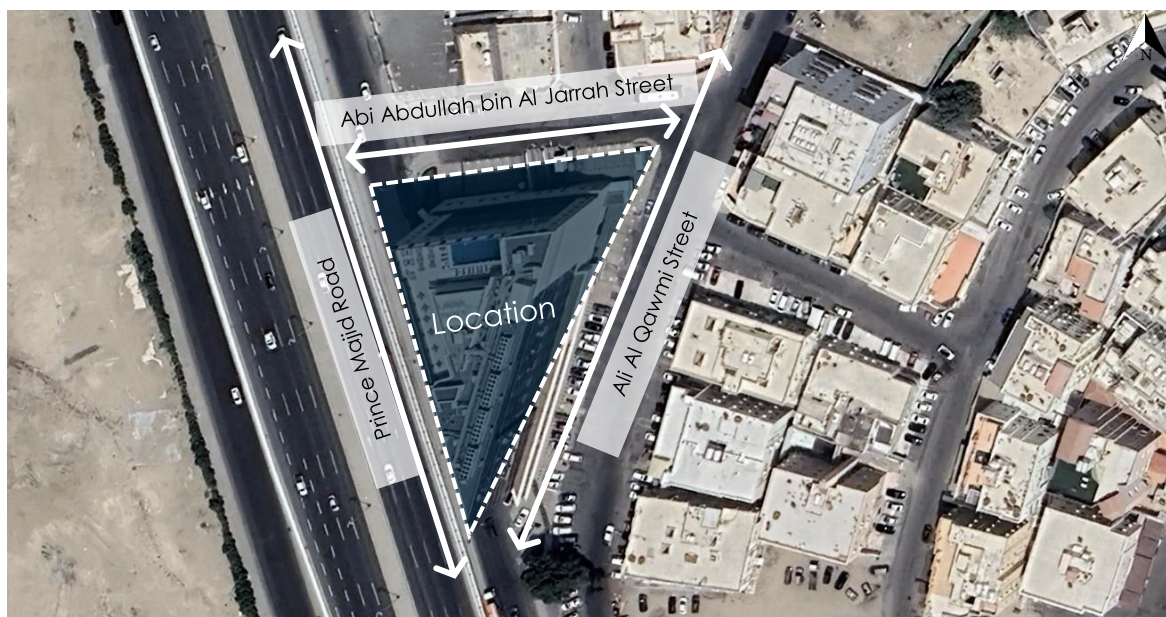
Attraction	Distance	Attraction	Distance
King Abdulaziz International Airport	2 km	King Abdullah Sports City	20 km
Prince Majid Park	7 km	Sea front	19 km

3.1 | Property Location Analysis



3.2 | Property description and ownership

Ownership information (based on title deed)			
Client's name	Alinma Hospitality REIT Fund	Owner's name	Hotel Development Real Estate Company
Title deed number	499074003352	Title deed date	28/05/1444 H
building permit Number	4100014242	building permit Date	13/03/1441 H
Property Information			
Province	Makkah	City	Jeddah
District	Al Marwah	Street	Prince Majid Road
No. of Plot	30 + 31 + 32 + 33	No. of Plan	171 / ب / أ / المعدل
Property Type	Hotel	Notes	-
21.628689° 39.183376°			
https://maps.app.goo.gl/CJVJ4vohCs9gbjEFA			
Property specifications			
Land area according to the Title Deed	3,311.25 m ²	Land Topography	Flat
Land area according to nature	- m ²	Land shape	Irregular
Notes	-		



Satellite photo shows subject property location

3.3 Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	60.3	Abi Abdullah bin Al Jarrah Street	Internal	16	2
South	6.2	Garden and then a street junction	-	-	-
East	101.62	Ali Al Qawmi Street	Internal	15	3
West	99.69	Prince Majid Road	commercial	80	1
Property specifications					
Structure	Basement area		9,965.67 m² (according to the building permit)		
	BUA		15,346.85 m² (according to the building permit)		
	Height (floors)		3 Basements + Ground floor + Typical floors		
	Age		2 years		
	Num. of buildings		1		
	Conditioning		Center		
	Finishing		Excellent		
	Facilities		Fire extinguishing system + Surveillance by cameras + Parking + pool + Gym		
	Elevators		available		
	Use		Commercial		
Zoning	Maximum footprint		60%		
	FAR		5.4		
	Maximum height		9 floor		
Notes		The subject property is a 4-star hotel consisting of 199 rooms.			
Services and Facilities					
Boys School	Mosque	Sewerage	Water	Electricity	
✓	✓	✓	✓	✓	
Phone	Civil defense	police station	Health center	Girls school	
✓	✓	✓	✓	✓	
Municipal works	Post Mail	Commercial	Park	Storm water drainage	
✓	✓	✓	✓	✓	

3.4 Source of information

- The data was drawn up based on the documents received by the client dated 03/10/2023.
- The location of the property was determined based on title deed and the property was inspected on the date 16/11/2023.
- The effects were analyzed based on the current market situation.
- Disclosures of the manager of the Alinma Hospitality REIT Fund on the Saudi Tadawul website.

3.5 | Structure description

Structure specifications				
Building specifications	External property specifications	Structure type	<input checked="" type="checkbox"/> Reinforced concrete <input type="checkbox"/> Steel	<input type="checkbox"/> Wood
		Plumbing	<input checked="" type="checkbox"/> Interior plumbing works	<input checked="" type="checkbox"/> Exterior plumbing works
		Water tank	<input checked="" type="checkbox"/> Interior	<input type="checkbox"/> Exterior
		fence	<input type="checkbox"/> Not applicable <input type="checkbox"/> Stone	<input type="checkbox"/> Paint <input type="checkbox"/> steel
		facades	<input type="checkbox"/> Stone <input type="checkbox"/> Paint	<input checked="" type="checkbox"/> Glass and Paint
		windows	<input checked="" type="checkbox"/> Wooden windows <input checked="" type="checkbox"/> Glass windows	
		exterior doors	<input type="checkbox"/> Wooden doors	<input type="checkbox"/> Aluminum doors
			<input checked="" type="checkbox"/> Glass doors	<input type="checkbox"/> Electronic door
			<input type="checkbox"/> Decorative steel door	
	Internal property specifications	Corridors and stairs	<input checked="" type="checkbox"/> marble <input type="checkbox"/> Ceramic, porcelain or mosaic	
		interior doors	<input checked="" type="checkbox"/> wood <input type="checkbox"/> steel	<input type="checkbox"/> aluminium
		Interior ceilings	<input checked="" type="checkbox"/> concrete roof <input type="checkbox"/> Gypsum ceiling	<input type="checkbox"/> Suspended ceiling <input type="checkbox"/> Metal roof
		interior walls	<input checked="" type="checkbox"/> paint <input type="checkbox"/> wallpaper	<input type="checkbox"/> softening <input type="checkbox"/> Bricks
		interior flooring	<input checked="" type="checkbox"/> Ceramic <input type="checkbox"/> Mosaico <input type="checkbox"/> marble	<input type="checkbox"/> Wood parquet <input type="checkbox"/> Carpet <input type="checkbox"/> Porcelain
		lightings system	<input checked="" type="checkbox"/> Manual control	<input type="checkbox"/> Automatic Control
		furnishing	<input checked="" type="checkbox"/> furnished	<input type="checkbox"/> Unfurnished
		Other virtual notes	- Fire extinguishing system , Surveillance by cameras , Pool and Gym.	

3.6 | Property photos



3.6 | Property photos



3.6 Property photos



3.7 | Analysis summary

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



Part 4

Valuation

4.1 Valuation Approaches

4.2 Valuation Analysis

4.3 Opinion of Value

4.4 Validity of review and clarification

4.1 Valuation Approaches

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

4.1 | Valuation Approaches

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

4.2 | Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

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

Due to the expected change in the income of the property under valuation and its failure to reach the full maturity stage at current revenue levels, the cash flow method was chosen to evaluate the property using the income method and determine the explicit forecast period in accordance with these inputs.

4.2.1.1 Contractual lease data

- Tenant: Seera Group.
- Hotel rating: 4 stars.
- Contract period : 5 years.
- Contract Date: 01/02/2023.
- Start Date: 22/12/2022.
- End Date: 21/12/2027.
- The subject property consists of 199 rooms.
- Annual rental value: 11,598,777 SAR.

4.2.1.1 Terms and conditions of the contract:

- ☐ The parties agreed that the total rental value of the hotel for the entire period of the contract will be an amount of (57,993,885) SAR, excluding VAT.
- ☐ The two parties agreed that the rental amount for each year of the contract duration will be paid in four (4) equal installments.
- ☐ The two parties agreed that the tenant, upon signing this contract, shall undertake to provide twenty (20) promissory notes payable to the owner, each equivalent to the rental value for every quarter of the contract's duration, as a guarantee for the rental amount.

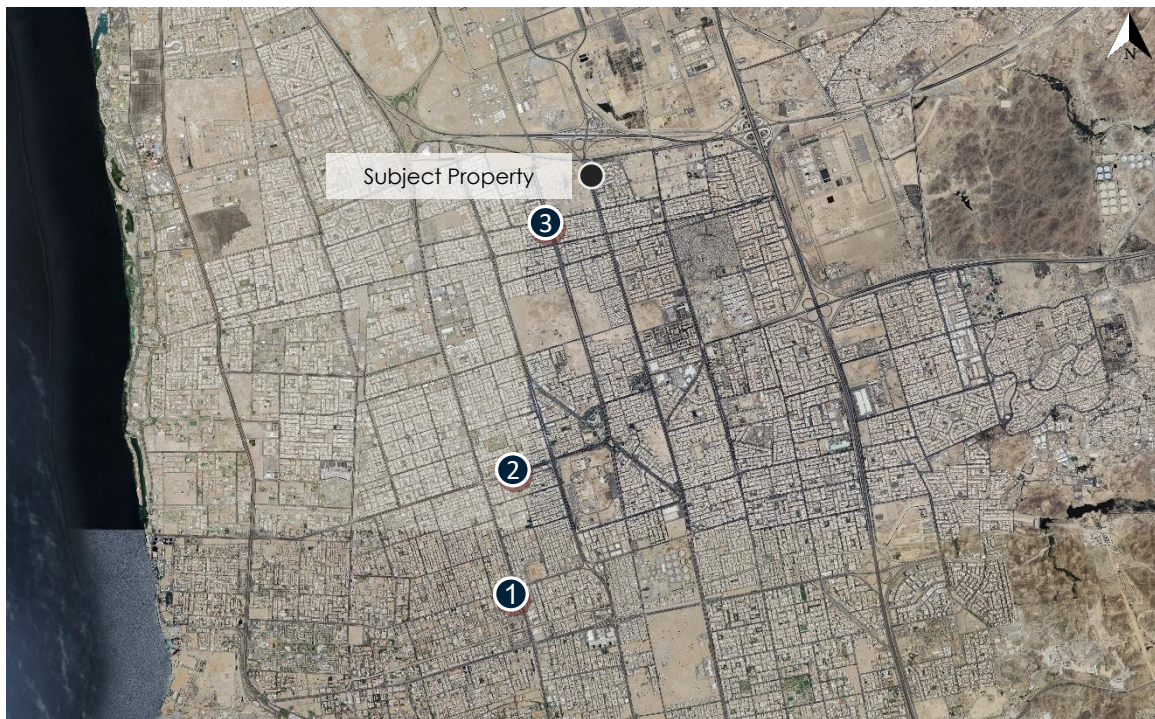
4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.2 Property Income- Assumed Market Income – Hotel Rooms

- The international evaluation standards of 2022 classify the comparative approach to transactions under the market method, known as "comparative transactions method" or also referred to as the guideline transactions method. This method uses information about transactions of assets that are identical or similar to the asset being evaluated in order to arrive at a value indicator.

Comparables List -Hotel Rooms			
Hotel name	Transaction Year	Hotel rating	Room value/night
Sunset Jeddah	2023	4 Star	SAR 385
White Diamond sari Hotel	2023	4 Star	SAR 453
Areen Airport Hotel	2023	4 Star	SAR 400



Satellite photo showing subject property and comparables

The average room rate was reached to be estimated at 420 SAR/m²

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

Projected Profit and Loss Statement (Stabilized in 2024)

Revenue

Rooms	19,043,502.41
Food & Beverage	5,441,000.69
Other Operating Departments	680,125.09
Miscellaneous	66,652.26

Total Revenue	25,231,280.44
----------------------	----------------------

Departmental Expenses

Food cost	(1,360,250.17)
Payroll & Related Expenses	(1,795,530.23)
Other Expenses	(1,339,846.42)

Total Departmental Expenses	-17.82%	(4,495,626.82)
------------------------------------	----------------	-----------------------

Gross Operating Income	82.18%	20,735,653.62
-------------------------------	---------------	----------------------

Undistributed Expenses

Admin & General	(2,018,502.44)
IT and Internet	(807,400.97)
Marketing & Sales	(529,856.89)
Utilities & Energy	(630,782.01)
Repairs & Maintenance	(883,094.82)

Total Undistributed Expenses	-19.30%	(4,869,637.13)
-------------------------------------	----------------	-----------------------

Gross Operating Profit	62.88%	15,866,016.50
-------------------------------	---------------	----------------------

Replacement Reserve - 3.0%	(756,938.41)
----------------------------	--------------

Basic Fee - 0.0%	0.00
------------------	------

Incentive Fee	(3,510,301.08)
---------------	----------------

EBITDA	45.97%	11,598,777.00
---------------	---------------	----------------------

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.3 Income data approved in the valuation

The actual income data of the subject property was compared with the market Income and the following was found:

Element	Actual income data	Market data	The difference	
			SAR	%
Rental average value (SR/Night)	-	420 SR	-	-
Total occupancy ratio	-	-	-	-
Operation and maintenance	-	-	-	-
Administrative costs	-	-	-	-
Marketing costs	-	-	-	-
Other costs	-	-	-	-
Property Income (SAR)	11,598,777 SR	12,135,134.58 SR	536,357.58 SR	4.62%
Result	<ul style="list-style-type: none"> The rental value mentioned in the contract provided by the client has been adopted for a duration of 4 years until the contract's expiration. Subsequently, the remaining cash flows were completed based on market income, taking into consideration discount rates and cap rates. 			

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.4 Assumptions

- The rental value mentioned in the contract was relied on for a period of 4 years until the end of the contract period. The rest of the period of flows was completed according to market income .

Cap rate analysis						
Name of the property/fund	Property	Sector	property value	Net income	Rate of Return	Year
SEDCO CAPITAL REIT	Al Hayat Tower Hotel Apartments	Hotel	20,393,000 SAR	1,500,000 SAR	7.36%	2023
JADWA REIT SAUDI	Abeer Jasmine hotel	Hotel	45,270,079 SAR	3,269,150 SAR	7.22%	2023
MULIKA REIT	Aljada complex	Hotel -Commercial - Office	341,028,000 SAR	24,558,349 SAR	7.20%	2023

- Cap Rate set at 8.26 % based on the averages of Cap Rates of funds and similar properties after excluding outliers.

Project Assumptions	
Project period	10 years

- Annex 1 :details the cash flows of the subject property, where a -11.3% discount rate has been approved to calculate the value of the property, accordingly the value of the property is estimated in the manner of cash flows by:

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	3.32%	Saudi Exchange
Inflation rate	2.76%	General Authority for Statistic
Market Risk	1.22%	knoema Patform Data
Property Risk	4.00%	Valuer's estimate of the market
Discount rate	11.30%	

Valuation Result :

Appendix No.(5.4) shows details the cash flows of the subject property, where the discount rate has been adopted -11.3 % to calculate the value of the property, based on this, the value of the property is estimated by the cash flow method at :

Property value (SAR)	161,844,711.35 SAR
----------------------	--------------------

4.3 | Opinion of Value

Opinion of value	
Value	161,845,000
Written	Only one hundred sixty-one million eight hundred forty-five thousand SAR
Currency	Saudi Riyal

4.4 | Validity of review and clarification

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



Part 5

Appendices

5.1 Documents


5.2 Assumptions and Limiting Conditions

5.3 Valuation Standards


5.4 Cash flow analysis

5.1 Documents

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



تاريخ الصك: ١٤٤٤/٥/٢٨ هـ
رقم الصك: ٤٩٩٠٧٤٠٠٣٣٥٢



صك

المملكة العربية السعودية
وزارة العدل
[٢٧٧]


الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 30 / 31 / 32 من المخطط رقم 171 / ب / أ المعدل الواقع في حي النزهة بمدينة جدة . وحدودها وأطوالها : شمالاً: شارع عرض 16م بطول 56.91 ستة و خمسون متر و واحد و تسعون سنتمتر يبدأ من الغرب الى الشرق ثم ينكسر بشطفه الى الجنوب الشرقي بطول 3.39م جنوباً: جزء من حديقته على شكل مثلث ثم ملتقى شوارع بطول 6.2 ستة متر و عشرون سنتمتر شرقاً: شارع عرض 15م بطول 101.62 مائة و واحد متر و اثنين و ستون سنتمتر يبدأ من الشمال الى الجنوب على شكل قوس غرباً: طريق الامير ماجد عرض 80م بطول 95.85 خمسة و تسعون متر و خمسة و ثمانون سنتمتر يبدأ من الجنوب الشرقي الى الشمال الغربي ثم ينكسر بشطفه الى الشمال الشرقي بطول 3.84م ومساحتها 3311.25 ثلاثة آلاف و ثلاثمائة و أحد عشر متر مربعاً و خمسة و عشرون سنتمتر مربعاً بموجب الصك الصادر من الموثقين بالرياض 9 برقم 799684000718 في 21 / 12 / 1443 قد أصبحت في ملك/ شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 بثمن وقدره: 147600000 فقط مائة و سبعة و أربعون مليوناً و ستمائة ألف ريال سعودي لا غير. وعليه جرى التصديق تحريراً في 1444 / 05 / 28 لاعتماده، و صلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل

مصلحة مطابع الحكومة - ٢٩٢١٥٩


نموذج رقم (١٢-٠٣-١٩)

(هذا النموذج مخصص للاستخدام بالحواسيب الآلي ويمنع تغليفه)



صفحة رقم 1 من 1

5.1 Documents



رخصة بناء

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إمارة محافظة جدة
إدارة رخص البناء

تجديد رخصة


رقم الرخصة	4100014242					التاريخ	13/ربيع الأول/1441	صلاحيتها	13/ربيع الأول/1442
الاستخدام	اسم صاحب الرخصة					رقم السجل	رقم الصك	تاريخ الصك	
رخصة بناء فندق	شركة الطيار للتطوير والاستثمار السياحي والعقاري حوال رقم 0505431535					1010256065	720220021940	24/شعبان/1439	
البلدية	رقم الكروكي	رقم المخطط	رقم القطعة	الحجى	اسم الشارع	مساحة الارض			
الصفاء	3300459037	ب/171 المعدل	33+32+31+30	المروة	غير مسمى	3311.25			

جميع التعهدات الواردة بالمعاملة الالكترونية تعتبر ملزمة على المكتب الهندسي والمالك كل فيما يخصه وعلى جميع المكاتب الهندسية ضرورة إطلاع المالك على جميع التعهدات وتعتبر من مسئوليتهم، يجب الالتزام بتنفيذ العزل الحراري وفق قيم العزل الحراري المحددة بمخطط العزل الحراري للمبنى، في حال تركيب الواح الالمنيوم المستخدمة في تغطية واجهات المبنى تكون من النوع المقاوم للحريق تجديد الرخصة السابقة برقم 4000027116/مرفق جرائد للامن والسلامة


الجهة	الحدود	الارتداد
الشمال	بطول 56.91م تم بتكسر 3.39م يحده شارع عرض 16م	8.60
الشرق	من الشمال للجنوب شكل قوس 101.62م يحده شارع عرض 15م	3
الجنوب	بطول 6.20م يحده حديقة على شكل مثلث تم ملئها شوارع	15.77
الغرب	بطول 95.85م تم 3.84م يحده طريق الأمير ماجد عرض 80م	5.50

المساحات وعدد الوحدات ومواقف السيارات								احداثيات الكروكي	
محتويات المبنى		سكنى		تجارى		اخرى		إجمالي	
عدد	مساحة	عدد	مساحة	عدد	مساحة	عدد	مساحة	عدد	مساحة
0	0	0	0	0	0	0	3321.89	0	3321.89
0	0	0	0	0	0	0	3321.89	0	3321.89
0	0	0	0	0	0	0	3321.89	0	3321.89
0	0	3	261.46	0	1234.01	3	1495.47		
0	0	1	444.93	0	1235.86	1	1680.79		
0	0	27	1048.12	0	456.37	27	1504.49		
0	0	22	1048.12	0	456.37	22	1504.49		
0	0	22	1048.12	0	456.37	22	1504.49		
0	0	102	4286.72	0	3370.4	102	7657.12		
عدد المواقف		204		عدد غرف الكهرباء		3			

الكروكى الارشادي



طول السور	268
عدد الوحدات	177
عدد الأدوار	10



ختم الامانة

المصدق الإداري

سلطان ابراهيم خاتم القنامي

مهندس الدراسة

طارق ابراهيم مجد اسماعيل عبدالجليل

المعمبد

صلاح عبدالرحمن المالكي

مدير ادارة رخص البناء والمشاريع الريادية

م . عمرو أحمد نشار الرشيدى

قيمة رسوم الرخصة

151686.20

تعتبر الشروط العامة المدونة خلف نموذج رخصة البناء جزءاً لا يتجزأ من هذه الرخصة وعلى المالك التقيد بما نصت عليه هذه الشروط وتقع تحت مسئوليتهم

5.2 | Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 | Valuation Standards

5.3.1 Valuation Standards

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

5.3.2 Valuation Basis

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

5.3.3 Assumptions and Special Assumptions

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

5.3.4 Disposal Costs Taxation and Other Liabilities

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

5.3.5 Sources of Information

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

5.3.6 Title and Tenancy Information

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

5.3 | Valuation Standards

5.3.7 City Planning, Zoning and Regulations

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

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

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

5.3.8 Surveys

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

5.3.9 Site Conditions

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

5.3.10 Environmental Contamination

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

5.3.11 Insurance

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

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

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

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

5.3.12 Outstanding Debts

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

5.3.13 Confidentiality and Third-Party Liability

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

5.3.14 Plans and Maps

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

5.4 | Cash flow analysis

Explicit Forecast Period	2034												
Cash Flow Analysis	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Revenue													
Rooms	195,972,228.66	15,295,140.00	17,114,258.70	19,043,502.41	19,424,372.46	19,867,141.71	20,209,117.10	20,613,299.45	21,025,565.43	21,504,833.12	21,874,998.28	0.00	
Food & Beverage	55,992,065.33	4,370,040.00	4,889,788.20	5,441,000.69	5,549,820.70	5,676,326.20	5,774,033.46	5,889,514.13	6,007,304.41	6,144,238.03	6,249,999.51	0.00	
Other Operating Departments	6,999,008.17	546,255.00	611,223.53	680,125.09	693,727.59	709,540.78	721,754.18	736,189.27	750,913.05	768,029.75	781,249.94	0.00	
Miscellaneous	685,902.80	53,532.99	59,899.91	66,652.26	67,985.30	69,535.00	70,731.91	72,146.55	73,589.48	75,266.92	76,562.49	0.00	
Total Revenue	259,649,204.95	20,264,967.99	22,675,170.33	25,231,280.44	25,735,906.05	26,322,543.69	26,776,636.65	27,311,149.39	27,857,372.37	28,492,367.82	28,982,810.22	0.00	
Departmental Expenses													
Food cost	13,998,016.33	1,092,510.00	1,222,447.05	1,360,250.17	1,387,455.18	1,419,081.55	1,443,508.36	1,472,378.53	1,501,826.10	1,536,059.51	1,562,499.88	0.00	
Payroll & Related Expenses	18,477,381.56	1,442,113.20	1,613,630.11	1,795,530.23	1,831,440.83	1,873,187.65	1,905,431.04	1,943,539.66	1,982,410.46	2,027,598.55	2,062,499.84	0.00	
Other Expenses	13,788,046.09	1,076,122.35	1,204,110.34	1,339,846.42	1,366,643.35	1,397,795.33	1,421,855.74	1,450,292.85	1,479,298.71	1,513,018.62	1,539,062.38	0.00	
Total Departmental Expenses	46,263,443.98	3,610,745.55	4,040,187.50	4,495,626.82	4,585,539.35	4,690,064.53	4,770,795.14	4,866,211.05	4,963,535.27	5,076,676.88	5,164,062.09	0.00	
Gross Operating Income	213,385,760.97	16,654,222.44	18,634,982.83	20,735,653.62	21,150,366.69	21,632,479.16	22,004,841.51	22,444,938.34	22,893,837.11	23,415,691.15	23,818,748.12	0.00	
Undistributed Expenses													
Admin & General	20,771,936.40	1,621,197.44	1,814,013.63	2,018,502.44	2,058,872.48	2,105,803.50	2,142,050.93	2,184,891.95	2,228,589.79	2,279,389.43	2,318,624.82	0.00	
IT and Internet	8,308,774.56	648,478.98	725,605.45	807,400.97	823,548.99	842,321.40	856,820.37	873,956.78	891,435.92	911,755.77	927,449.93	0.00	
Marketing & Sales	5,452,633.30	425,564.33	476,178.58	529,856.89	540,454.03	552,773.42	562,288.37	573,534.14	585,004.82	598,339.72	608,639.01	0.00	
Utilities & Energy	6,491,230.12	506,824.20	566,879.26	630,782.01	643,397.65	658,063.59	669,390.92	682,778.73	696,434.31	712,309.20	724,570.26	0.00	
Repairs & Maintenance	9,087,722.17	709,273.88	793,630.96	883,094.82	900,756.71	921,289.03	937,147.28	955,890.23	975,008.03	997,232.87	1,014,398.36	0.00	
Total Undistributed Expenses	50,112,296.56	3,911,138.82	4,376,307.87	4,869,637.13	4,967,029.87	5,080,250.93	5,167,697.87	5,271,051.83	5,376,472.87	5,499,026.99	5,593,682.37	0.00	
Gross Operating Profit	163,273,464.42	12,743,083.62	14,258,674.96	15,866,016.50	16,183,336.83	16,552,228.23	16,837,143.63	17,173,886.51	17,517,364.24	17,916,664.16	18,225,065.75	0.00	
Replacement Reserve - 3.0%	7,789,476.15	607,949.04	680,255.11	756,938.41	772,077.18	789,676.31	803,269.10	819,334.48	835,721.17	854,771.03	869,484.31	0.00	
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Incentive Fee	9,838,784.15	536,357.58	1,979,642.85	3,510,301.08	3,812,482.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
EBITDA	145,645,204.12	11,598,777.00	11,598,777.00	11,598,777.00	11,598,777.00	15,762,551.92	16,033,874.54	16,354,552.03	16,681,643.07	17,061,893.12	17,355,581.45	0.00	
Cap Rate Analysis													
Property	Location	Value (SAR)	NOI (SAR)	Yield	Year								
SEDCO Capital REIT Fund	Riyadh	20,393,000.00	1,500,000.00	%7.36	2023								
Jadwa REIT Saudi Fund	Riyadh	45,270,079.00	3,269,150.00	%7.22	2023								
Mulkia Gulf Real Estate REIT	Riyadh	341,028,000.0	24,558,349.00	%7.20	2023								
Average Cap Rate				%7.26									
Adjustment to Average				%1.00									
Approved Cap Rate				%8.26									
Cap rate	%8.26												
Terminal Value	210,131,497.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	210,131,497.9	
FCFF	355,776,702.11	11,598,777.00	11,598,777.00	11,598,777.00	11,598,777.00	15,762,551.92	16,033,874.54	16,354,552.03	16,681,643.07	17,061,893.12	17,355,581.45	210,131,497.9	
Discount Rate		1.00	0.90	0.81	0.73	0.65	0.59	0.53	0.47	0.42	0.38	0.34	
Present Value	161,844,711.35	11,598,777.00	10,421,183.29	9,363,147.61	8,412,531.54	10,271,783.87	9,387,774.72	8,603,351.50	7,884,473.07	7,245,458.99	6,621,901.08	72,034,328.69	
Discount Rate Analysis		Source	Value										
Risk-free rate		Saudi Exchange	%3.32										
Inflation Rate		General Authority for Statistics	%2.76										
Market Risk		Imaema Platform Data	%1.22										
Property Risk		Valuer's estimate	%4.00										
Discount Rate			%11.30										
NPV at Discount Rate - 11.3%													
Income Approach Value													

Rounded to the nearest 1000

5.4 | Cash flow analysis

Explicit Forecast Period	2034												
Cash Flow Analysis	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Revenue													
Rooms	195,972,228.66	15,295,140.00	17,114,258.70	19,043,502.41	19,424,372.46	19,867,141.71	20,209,117.10	20,613,299.45	21,025,565.43	21,504,833.12	21,874,998.28	0.00	
Food & Beverage	55,992,065.33	4,370,040.00	4,889,788.20	5,441,000.69	5,549,820.70	5,676,326.20	5,774,033.46	5,889,514.13	6,007,304.41	6,144,238.03	6,249,999.51	0.00	
Other Operating Departments	6,999,008.17	546,255.00	611,223.53	680,125.09	693,727.59	709,540.78	721,754.18	736,189.27	750,913.05	768,029.75	781,249.94	0.00	
Miscellaneous	685,902.80	53,532.99	59,899.91	66,652.26	67,985.30	69,535.00	70,731.91	72,146.55	73,589.48	75,266.92	76,562.49	0.00	
Total Revenue	259,649,204.95	20,264,967.99	22,675,170.33	25,231,280.44	25,735,906.05	26,322,543.69	26,776,636.65	27,311,149.39	27,857,372.37	28,492,367.82	28,982,810.22	0.00	
Departmental Expenses													
Food cost	13,998,016.33	1,092,510.00	1,222,447.05	1,360,250.17	1,387,455.18	1,419,081.55	1,443,508.36	1,472,378.53	1,501,826.10	1,536,059.51	1,562,499.88	0.00	
Payroll & Related Expenses	18,477,381.56	1,442,113.20	1,613,630.11	1,795,530.23	1,831,440.83	1,873,187.65	1,905,431.04	1,943,539.66	1,982,410.46	2,027,598.55	2,062,499.84	0.00	
Other Expenses	13,788,046.09	1,076,122.35	1,204,110.34	1,339,846.42	1,366,643.35	1,397,795.33	1,421,855.74	1,450,292.85	1,479,298.71	1,513,018.62	1,539,062.38	0.00	
Total Departmental Expenses	46,263,443.98	3,610,745.55	4,040,187.50	4,495,626.82	4,585,539.35	4,690,064.53	4,770,795.14	4,866,211.05	4,963,535.27	5,076,676.68	5,164,062.09	0.00	
Gross Operating Income	213,385,760.97	16,654,222.44	18,634,982.83	20,735,653.62	21,150,366.69	21,632,479.16	22,004,841.51	22,444,938.34	22,893,837.11	23,415,691.15	23,818,748.12	0.00	
Undistributed Expenses													
Admin & General	20,771,936.40	1,621,197.44	1,814,013.63	2,018,502.44	2,058,872.48	2,105,803.50	2,142,050.93	2,184,891.95	2,228,589.79	2,279,389.43	2,318,624.82	0.00	
IT and Internet	8,308,774.56	648,478.98	725,605.45	807,400.97	823,548.99	842,321.40	856,820.37	873,956.78	891,435.92	911,755.77	927,449.93	0.00	
Marketing & Sales	5,452,633.30	425,564.33	476,178.58	529,856.89	540,454.03	552,773.42	562,288.37	573,534.14	585,004.82	598,339.72	608,639.01	0.00	
Utilities & Energy	6,491,230.12	506,824.20	566,879.26	630,782.01	643,397.65	658,063.59	669,390.92	682,778.73	696,434.31	712,309.20	724,570.26	0.00	
Repairs & Maintenance	9,087,722.17	709,273.88	793,630.96	883,094.82	900,756.71	921,289.03	937,147.28	955,890.23	975,008.03	997,232.87	1,014,398.36	0.00	
Total Undistributed Expenses	50,112,296.56	3,911,138.82	4,376,307.87	4,869,637.13	4,967,029.87	5,080,250.93	5,167,697.87	5,271,051.83	5,376,472.87	5,499,026.99	5,593,682.37	0.00	
Gross Operating Profit	163,273,464.42	12,743,083.62	14,258,674.96	15,866,016.50	16,183,336.83	16,552,228.23	16,837,143.63	17,173,886.51	17,517,364.24	17,916,664.16	18,225,065.75	0.00	
Replacement Reserve - 3.0%	7,789,476.15	607,949.04	680,255.11	756,938.41	772,077.18	789,676.31	803,269.10	819,334.48	835,721.17	854,771.03	869,484.31	0.00	
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Incentive Fee	9,838,784.15	536,357.58	1,979,642.85	3,510,301.08	3,812,482.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
EBITDA	145,645,204.12	11,598,777.00	11,598,777.00	11,598,777.00	11,598,777.00	15,762,551.92	16,033,874.54	16,354,552.03	16,681,643.07	17,061,893.12	17,355,581.45	0.00	
Cap Rate Analysis													
Property	Location	Value (SAR)	NOI (SAR)	Yield	Year								
SEDCO Capital REIT Fund	Riyadh	20,393,000.00	1,500,000.00	%7.36	2023								
Jadwa REIT Saudi Fund	Riyadh	45,270,079.00	3,269,150.00	%7.22	2023								
Mulkia Gulf Real Estate REIT	Riyadh	341,028,000.0	24,558,349.00	%7.20	2023								
Average Cap Rate				%7.26									
Adjustment to Average				%1.00									
Approved Cap Rate				%8.26									
Cap rate	%8.26												
Terminal Value	210,131,497.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	210,131,497.9	
FCFF	355,776,702.11	11,598,777.00	11,598,777.00	11,598,777.00	11,598,777.00	15,762,551.92	16,033,874.54	16,354,552.03	16,681,643.07	17,061,893.12	17,355,581.45	210,131,497.9	
Discount Rate		1.00	0.90	0.81	0.73	0.65	0.59	0.53	0.47	0.42	0.38	0.34	
Present Value	161,844,711.35	11,598,777.00	10,421,183.29	9,363,147.61	8,412,531.54	10,271,783.87	9,387,774.72	8,603,351.50	7,884,473.07	7,245,458.99	6,621,901.08	72,034,328.69	
Discount Rate Analysis	Source	Value											
Risk-free rate	Saudi Exchange	%3.32											
Inflation Rate	General Authority for Statistics	%2.76											
Market Risk	Ismaera Platform Data	%1.22											
Property Risk	Valuer's estimate	%4.00											
Discount Rate		%11.30											
NPV at Discount Rate - 11.3%													161,844,711.3
Income Approach Value													161,845,000.0

Rounded to the nearest 1000

Thank you

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

نحن لك سند
We support you

Comfort Inn Hotel Valuation Report

Al Zahra District - Jeddah

25 march 2024



Deposit code to the platform qima

Submitted to: Alinma Hospitality REIT Fund

نحن لك سند
We support you

Table of Content

	Title	Page
1	Part 1: Executive Summary	03
	Salient fact and assumptions and IVS 2022 and regulatory compliance	04
	Valuers	07
2	Part 2: Reporting Methodology	08
3	Part 3: Asset to be valued	10
3.1	Property Location Analysis	11
3.2	Property description and ownership	13
3.3	Property boundaries	14
3.4	Source of information	14
3.5	Structure description	15
3.6	Property photos	16
3.7	Analysis summary	20
4	Part 4: Valuation	21
4.1	Valuation approaches	22
4.2	Valuation Analysis	24
4.3	Opinion of Value	29
4.4	Validity of review and clarification	29
5	Part 5: Appendices	30
5.1	Documents	31
5.2	Assumptions and Limiting Conditions	33
5.3	Valuation Standards	34
5.4	Cash flow analysis	36



Part 1

Executive Summary

1 Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance

Identity of the client	Addressee (to whom the report is addressed)	Alinma Hospitality REIT Fund	Other users	Unit holders of Alinma Hospitality REIT Fund
	Contact person	-	Contact information	-
Assets being valued	Assets name	Comfort Inn Jeddah Hotel	Interest to be valued	freehold interest
	Location	https://maps.app.goo.gl/Xo71jAKGg3UBt3j8A		
Valuation standards	International Valuation Standards 2022	Unless otherwise noted, the Valuation assignment is undertaken in accordance with the TAQEEM Regulations (Saudi Authority for Accredited Valuers) and in conformity with the International Valuation Standards (2022 Edition).		
Valuation	Purpose of valuation	Semi-annual periodic valuation of a real estate investment fund according to the requirements of the CMA	valuation date	31/12/2023
	Inspection date	06/11/2023	Approved valuation approach and method	Income Approach - Cashflow method
	Basis of value	Market Value	Premise of value	Current Use/Existing Use
		Market value : a Standard of Value considered to represent the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing , and where the parties had each acted knowledgeably , prudently , and without compulsion		International Valuation Standards 2022 defines Current Use/Existing Use premise of value as "Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use."

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance

Report	Reference Number	231060886	Report type	Detailed report
	Report date	25/03/2024	Report version	Final
	Use, publication and distribution restrictions	The valuations and reports are confidential to the intended entity and to those referred to it for a specific purpose, without any liability of any kind to any third party. This report may not be published in whole or in part in any document, statement, periodical publication or any means of communication with any third party without prior written consent in the form and context in which it appears, with the exception of in accordance with the purpose of the valuation, this report is allowed to be traded on the CMA (Tadawul) website and the fund manager's website or in such ways as the fund manager deems appropriate.		
	Status of Valuers	We shall be acting with "Subjectivity" as an External Valuer for the purposes of this instruction. "Subjectivity" is defined in the International Valuation Standards (IVS) as: "The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions".		

1 Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Investigations and Compliance	Limits on investigations	—	
	Limits on analysis	—	
	Limits on inspection	—	
Nature and sources of information upon which the valuer relies	<ul style="list-style-type: none">• We have accepted the following documents to be used as input in our valuation assuming they are correct and up to date:• These documents -may be referred to in the appendices- are:<ul style="list-style-type: none">◦ <u>Title deed</u>◦ <u>Building permit</u>◦ <u>Lease contract</u>• Market research and analysis have been undertaken by the valuer.• Disclosures of the manager of the Alinma Hospitality REIT Fund on the Saudi Tadawul website.		
Assumptions and special assumptions	Assumptions	IVS's instructions	<ul style="list-style-type: none">• International Valuation Standards define it as "the presumed facts that are consistent with, or could be consistent with, those at the valuation date."• Assumptions related to facts that are consistent with, or could be consistent with, those existing at the date of valuation may be the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.• All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	None (except as indicated in the terms and conditions)
Assumptions and special assumptions	Special assumptions	IVS's instructions	<ul style="list-style-type: none">• International Valuation Standards define it as "assumed facts that differ from those existing at the date of valuation."• Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset.• They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date• All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	None (except as indicated in the terms and conditions)

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Opinion of Value	89,096,000			
	Written	Only eighty-nine million ninety-six thousand SAR		
	Currency	Saudi Riyal		
Valuers	Inspector	Information	Commercial Valuation Manager	Signed for and on behalf of Esnad Real Estate Valuation Company
Name	Abdullah Ibrahim Al-Ghamdi	Ahmed Hamdy Elsehamy	Omar Babahr	Eng. Almuhammad Alhussami
Signature				
TAQEEM membership	1210002671	1220003393	1220001954	1210000934
	Associate	Associate	Fellow	Fellow
	Real Estate Sector			
Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -				
Membership Number			11000054	
Valuation Sector			Real Estate	
Professional Company Registration Number			323/18/784	
Professional Company Registration Date			02/ 03/ 1439H	
Company Stamp				

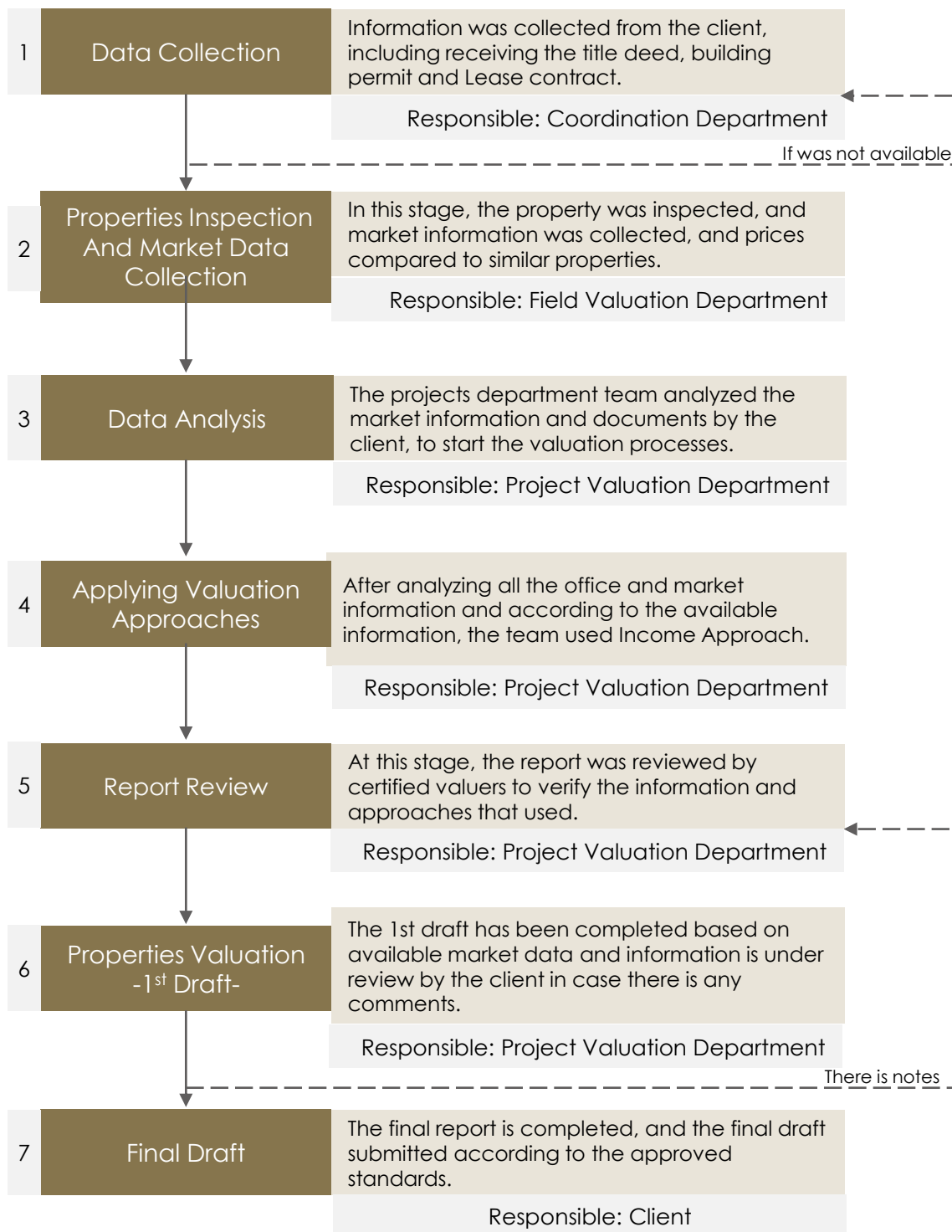


Part 2

Reporting Methodology

2 | Reporting Methodology

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





Part 3

Asset to be valued

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

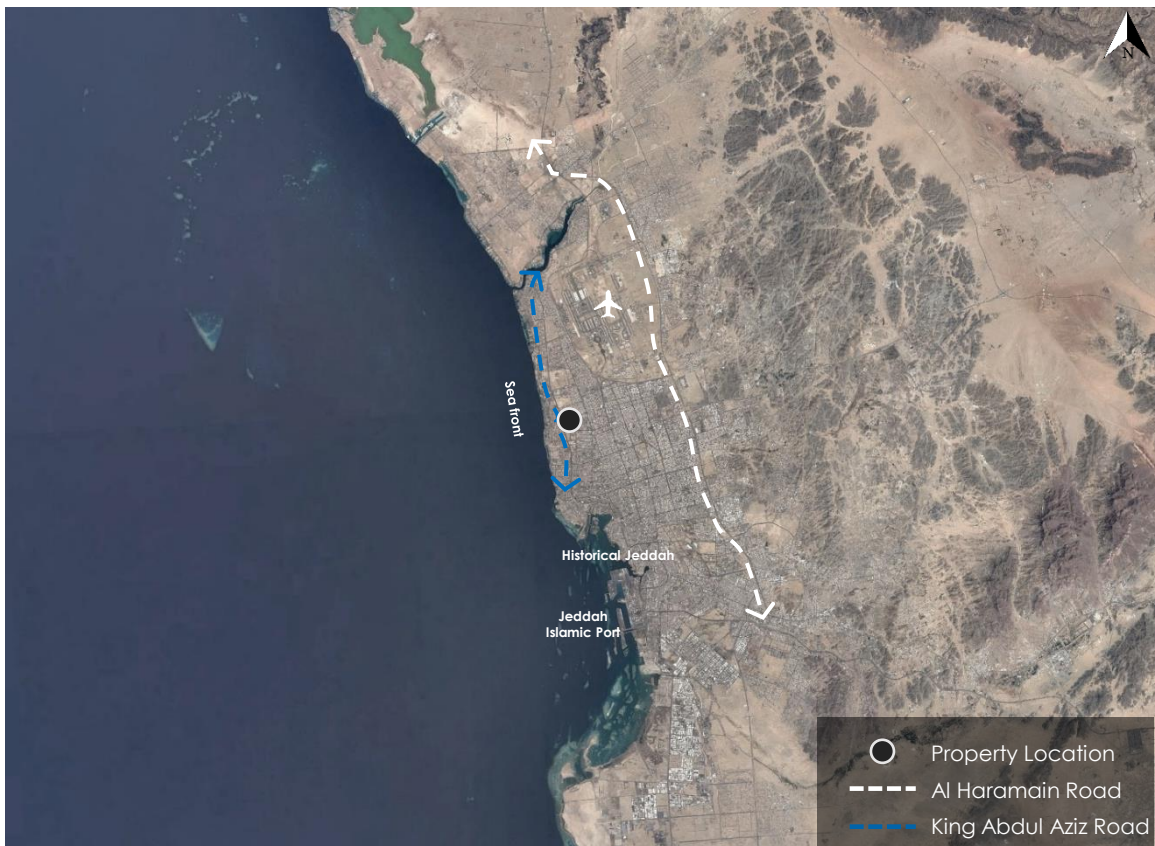
3.1 | Property Location Analysis

Description of the property at the city level

About Jeddah

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

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

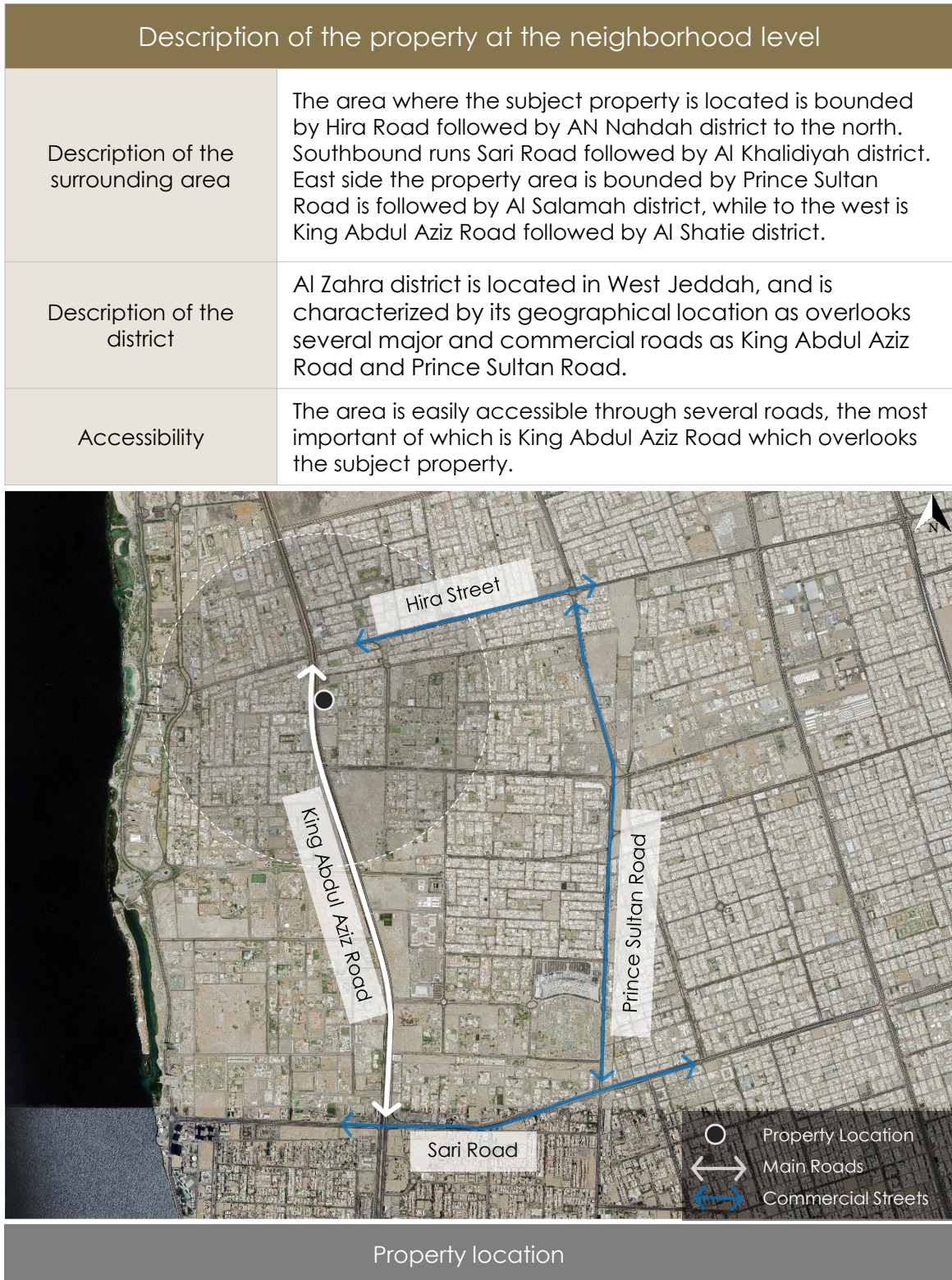


Property location

Surrounding attractions

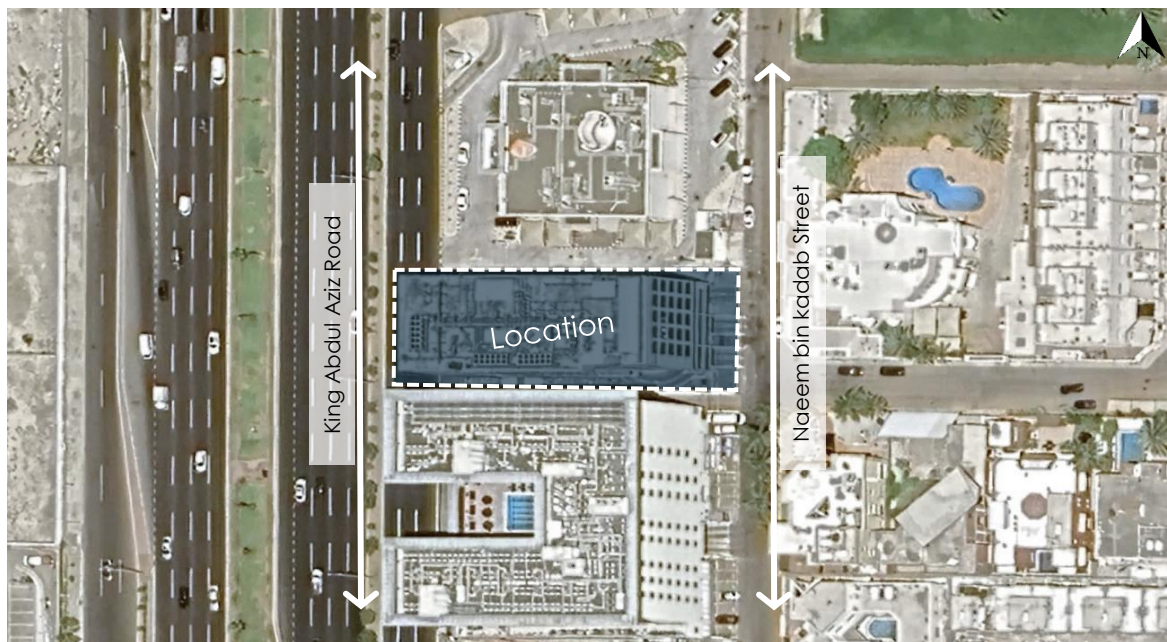
Attraction	Distance	Attraction	Distance
King Abdulaziz International Airport	10 km	King Abdullah Sports City	22 km
Historical Jeddah	18 km	Sea front	8 km

3.1 | Property Location Analysis



3.2 | Property description and ownership

Ownership information (based on title deed)			
Client's name	Alinma Hospitality REIT Fund	Owner's name	Hotel Development Real Estate Company
Title deed number	399074003354	Title deed date	28/05/1444 H
building permit Number	4000027343	building permit Date	05/04/1440 H
Property Information			
Province	Makkah	City	Jeddah
District	Al Zahra	Street	King Abdul Aziz Road
No. of Plot	150	No. of Plan	ع/488/3
Property Type	Hotel	Notes	-
21.603444° 39.121722°			
https://maps.app.goo.gl/b6snc343fNNjNkNM9			
Property specifications			
Land area according to the Title Deed	1,560 m ²	Land Topography	Flat
Land area according to nature	- m ²	Land shape	Regular
Notes	-		



Satellite photo shows subject property location

3.3 Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	60	neighbor	-	-	-
South	60	neighbor	-	-	-
East	26	Naeem bin kadab Street	Internal	12	2
West	26	King Abdul Aziz Road	commercial	75.60	1
Property specifications					
Structure	Basement	1,560 m² (According to the building permit)			
	BUA	8,095.67 m²(According to the building permit)			
	Height (floors)	Basement + Ground floor + Mezzanine 6 Typical floors			
	Age	2 years			
	Num. of buildings	1			
	Conditioning	Center			
	Finishing	Excellent			
	Facilities	Fire extinguishing system + Surveillance by cameras + Parking			
	Elevators	available			
Zoning	Use	Commercial			
	Maximum footprint	60%			
	FAR	4.8			
	Maximum height	8 floor			
	Notes	The subject property is a Hotel 3 stars and consists of 125 rooms.			
Services and Facilities					
Boys School	Mosque	Sewerage	Water	Electricity	
✓	✓	✓	✓	✓	
Phone	Civil defense	police station	Health center	Girls school	
✓	✓	✓	✓	✓	
Municipal works	Post Mail	Commercial	Park	Storm water drainage	
✓	✓	✓	✓	✓	

3.4 Source of information

- The data was drawn up based on the documents received by the client dated 03/10/2023.
- The location of the property was determined based on title deed and the property was inspected on the date 06/11/2023.
- The effects were analyzed based on the current market situation.
- Disclosures of the manager of the Alinma Hospitality REIT Fund on the Saudi Tadawul website.

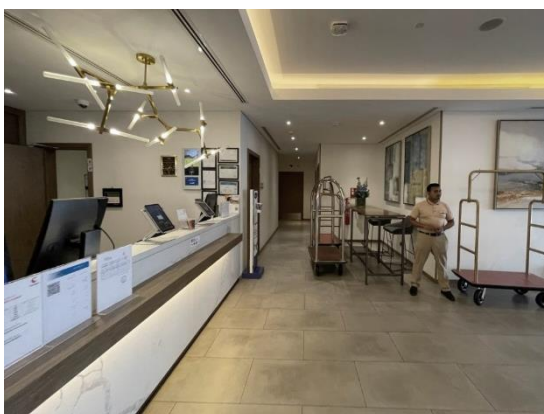
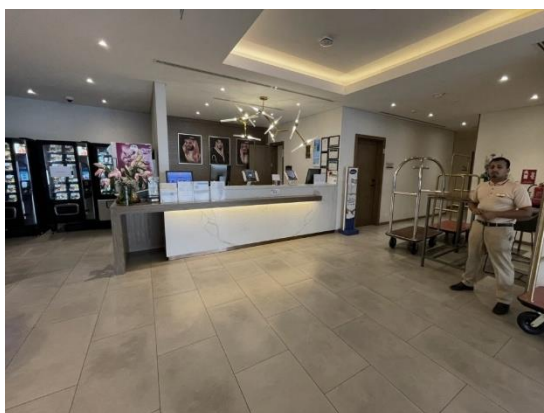
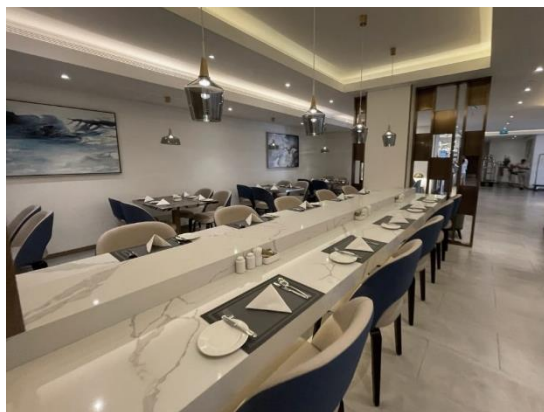
3.5 | Structure description

Structure specifications				
Building specifications	External property specifications	Structure type	<input checked="" type="checkbox"/> Reinforced concrete <input type="checkbox"/> Steel	<input type="checkbox"/> Wood
		Plumbing	<input checked="" type="checkbox"/> Interior plumbing works	<input checked="" type="checkbox"/> Exterior plumbing works
		Water tank	<input checked="" type="checkbox"/> Interior	<input type="checkbox"/> Exterior
		fence	<input type="checkbox"/> Not applicable <input type="checkbox"/> Stone	<input type="checkbox"/> Paint <input type="checkbox"/> steel
		facades	<input type="checkbox"/> Stone <input type="checkbox"/> Paint	<input checked="" type="checkbox"/> Glass and Paint
		windows	<input type="checkbox"/> Aluminum windows <input checked="" type="checkbox"/> Glass windows	
		exterior doors	<input type="checkbox"/> Wooden doors	<input type="checkbox"/> Aluminum doors
			<input checked="" type="checkbox"/> Glass doors	<input type="checkbox"/> Electronic door
			<input type="checkbox"/> Decorative steel door	
	Internal property specifications	Corridors and stairs	<input checked="" type="checkbox"/> marble <input type="checkbox"/> Ceramic, porcelain or mosaic	
		interior doors	<input checked="" type="checkbox"/> wood <input type="checkbox"/> steel	<input type="checkbox"/> aluminium
		Interior ceilings	<input checked="" type="checkbox"/> concrete roof <input type="checkbox"/> Gypsum ceiling	<input type="checkbox"/> Suspended ceiling <input type="checkbox"/> Metal roof
		interior walls	<input checked="" type="checkbox"/> paint <input type="checkbox"/> wallpaper	<input type="checkbox"/> softening <input type="checkbox"/> Bricks
		interior flooring	<input checked="" type="checkbox"/> Ceramic <input type="checkbox"/> Mosaico <input type="checkbox"/> marble	<input type="checkbox"/> Wood parquet <input type="checkbox"/> Carpet <input checked="" type="checkbox"/> Porcelain
		lightings system	<input checked="" type="checkbox"/> Manual control	<input type="checkbox"/> Automatic Control
		furnishing	<input checked="" type="checkbox"/> furnished	<input type="checkbox"/> Unfurnished
		Other virtual notes	- Fire extinguishing system and Surveillance by cameras	

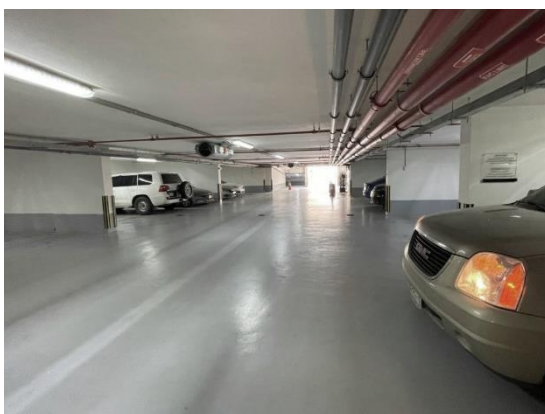
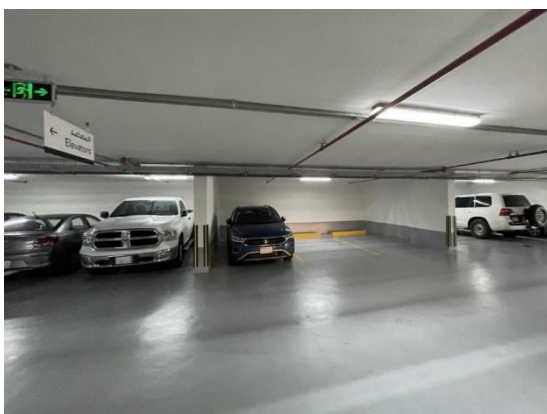
3.6 Property photos



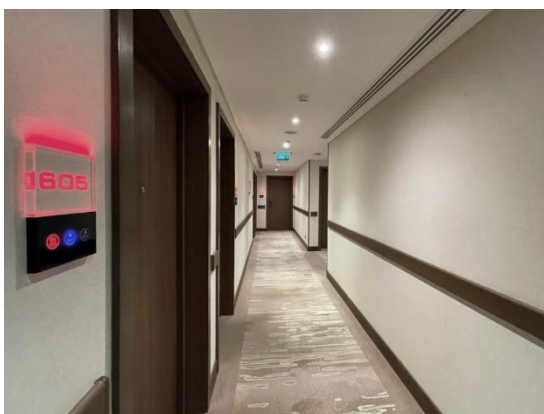
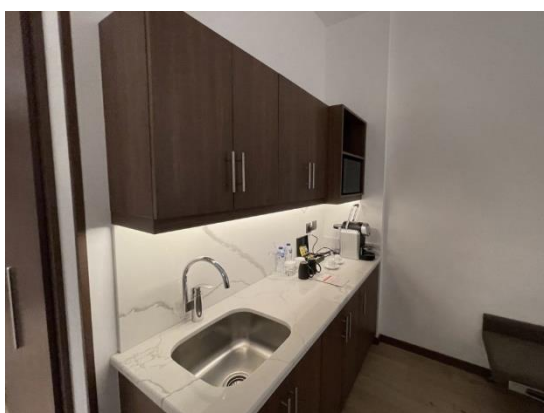
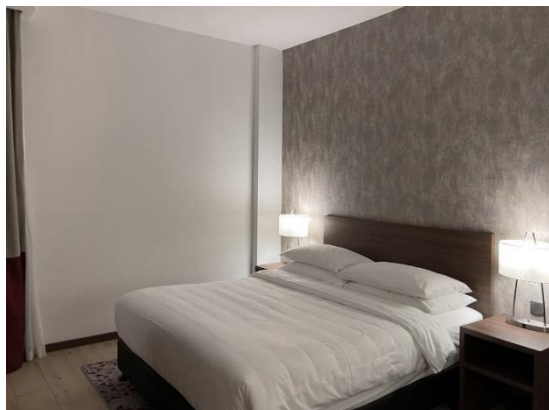
3.6 | Property photos



3.6 | Property photos



3.6 Property photos



3.7 | Analysis summary

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



Part 4

Valuation

4.1 Valuation Approaches

4.2 Valuation Analysis

4.3 Opinion of Value

4.4 Validity of review and clarification

4.1 Valuation Approaches

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

4.1 | Valuation Approaches

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

4.2 | Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

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

Due to the expected change in the income of the property under valuation and its failure to reach the full maturity stage at current revenue levels, the cash flow method was chosen to evaluate the property using the income method and determine the explicit forecast period in accordance with these inputs.

4.2.1.1 Contractual lease data

- Tenant: Seera Group.
- Hotel rating: 3 stars.
- Contract period : 5 years
- Start Date: 27/03/2022
- End Date: 22/12/2022
- The Valuation property consists of 125 hotel rooms
- Annual rental value: 6,239,451 SAR
- Management and operating fees: 10,000 SAR

4.2.1.1 Terms and conditions of the contract:

- ☐ The parties have agreed that the operator shall have the exclusive right to undertake the hotel's operational activities and supervise its operation and maintenance, provided that the net operational value of the hotel shall not be less than the amount of SAR 6,239,451 per operational year, which is the minimum threshold for operational performance.
- ☐ The parties agree that in all circumstances, if the operator fails to achieve the minimum operational performance in any operational year for any reason, the operator is obligated to compensate the owner from their own funds for the difference between the net operational value of the hotel in that year and the minimum operational performance threshold.
- ☐ The parties have agreed that if the net operational value of the hotel exceeds the minimum operational performance threshold – that is, if the net operational value of the hotel is more than SAR 6,239,451 – in any operational year during the original contract duration, the entire increase shall be in favor of the operator.
- ☐ The two parties agreed that the tenant, upon signing this contract, shall undertake to provide twenty (20) promissory notes payable to the owner, each equivalent to the rental value for every quarter of the contract's duration, as a guarantee for the rental amount.
- ☐ The parties have agreed that the annual management and operational fees shall be inclusive of all fees and taxes, in the amount of (10,000) Saudi Riyals, in addition to any amount exceeding the minimum operational performance threshold.

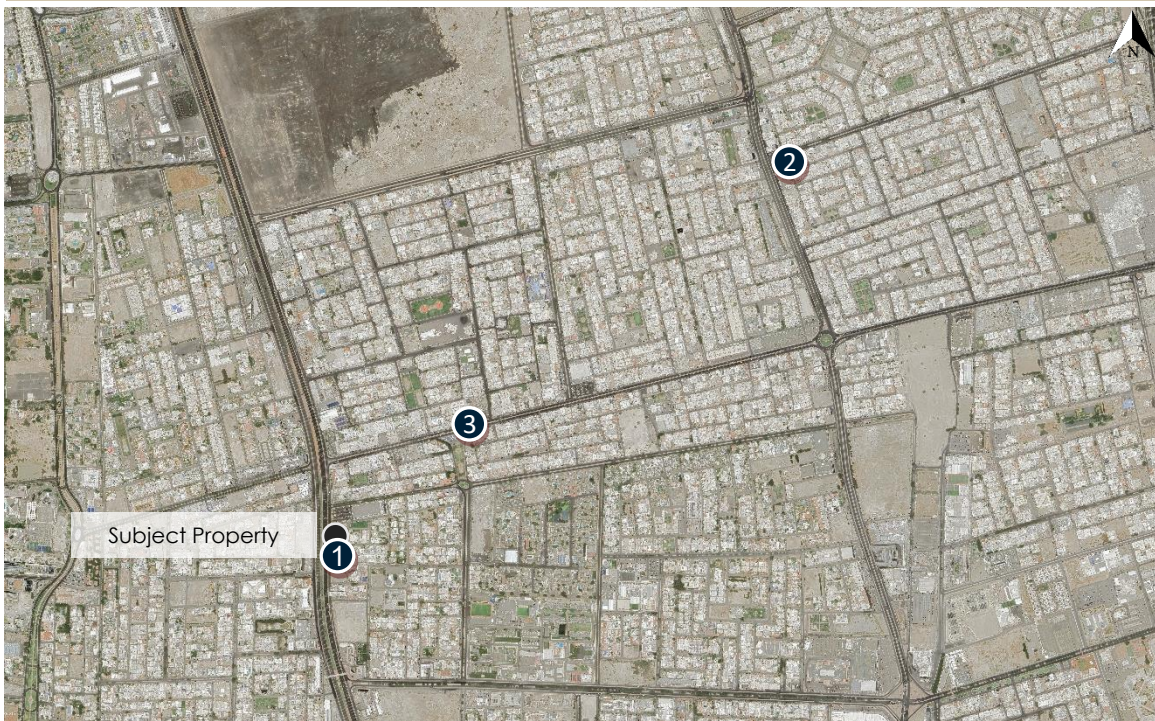
4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.2 Property Income- Assumed Market Income – Hotel Rooms

- The international evaluation standards of 2022 classify the comparative approach to transactions under the market method, known as "comparative transactions method" or also referred to as the guideline transactions method. This method uses information about transactions of assets that are identical or similar to the asset being evaluated in order to arrive at a value indicator.

Comparables List -Hotel Rooms			
Hotel name	Transaction Year	Hotel rating	Room value/night
Ibis Jeddah Hotel	2023	3 Stars	SAR 330
Maskan Diwan Hotel – Al Naim	2023	3 Stars	SAR 366
Boudl Suites Hira Hotel	2023	3 Stars	SAR 370



Satellite photo showing subject property and comparables

The average room rate was reached to be estimated at 375 SAR/m2

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

Projected Profit and Loss Statement (Stabilized in 2024)		
Revenue		
Rooms		10,680,356.25
Food & Beverage		2,848,095.00
Other Operating Departments		284,809.50
Miscellaneous		37,381.25
Total Revenue		13,850,642.00
Departmental Expenses		
Food cost		(712,023.75)
Payroll & Related Expenses		(946,991.59)
Other Expenses		(719,143.99)
Total Departmental Expenses	-17.17%	(2,378,159.33)
Gross Operating Income	82.83%	11,472,482.67
Undistributed Expenses		
Admin & General		(1,108,051.36)
IT and Internet		(443,220.54)
Marketing & Sales		(290,863.48)
Utilities & Energy		(346,266.05)
Repairs & Maintenance		(484,772.47)
Total Undistributed Expenses	-19.30%	(2,673,173.91)
Gross Operating Profit	63.53%	8,799,308.77
Replacement Reserve - 3.0%		(415,519.26)
Basic Fee - 0.0%		0.00
Incentive Fee		(2,154,338.51)
EBITDA	44.98%	6,229,451.00

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.3 Income data approved in the valuation

The actual income data of the subject property was compared with the market Income and the following was found:

Element	Actual income data	Market data	The difference	
			SAR	%
Rental average value (SR/Night)	-	375 SR	-	-
Total occupancy ratio	-	-	-	-
Administrative costs	-	-	-	-
Marketing costs	-	-	-	-
Other costs	-	-	-	-
Property income	6,239,451 SR	-	-	-
Operation and maintenance	10,000	-	-	-
Net Income property	6,229,451 SR	6,733,595.09	504,144.09	8.09%
Result	<ul style="list-style-type: none"> The rental value mentioned in the contract provided by the client has been adopted for a duration of 4 years until the contract's expiration. Subsequently, the remaining cash flows were completed based on market income, taking into consideration discount rates and cap rates. 			

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.4 Assumptions

- The rental value mentioned in the contract was relied on for a period of 4 years until the end of the contract period. The rest of the period of flows was completed according to market income .

Cap rate analysis						
Name of the property/fund	Property	Sector	property value	Net income	Rate of Return	Year
SEDCO CAPITAL REIT	Al Hayat Tower Hotel Apartments	Hotel	20,393,000 SAR	1,500,000 SAR	7.36%	2023
JADWA REIT SAUDI	Abeer Jasmine hotel	Hotel	45,270,079 SAR	3,269,150 SAR	7.22%	2023
MULIKA REIT	Aljada complex	Hotel -Commercial - Office	341,028,000 SAR	24,558,349 SAR	7.20%	2023

- Cap Rate set at 8.26 % based on the averages of Cap Rates of funds and similar properties after excluding outliers.

Project Assumptions	
Project period	10 years

- Annex 1 :details the cash flows of the subject property, where a -11.3% discount rate has been approved to calculate the value of the property, accordingly the value of the property is estimated in the manner of cash flows by:

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	3.32%	Saudi Exchange
Inflation rate	2.76%	General Authority for Statistic
Market Risk	1.22%	knoema Patform Data
Property Risk	4.00%	Valuer's estimate of the market
Discount rate	11.30%	

Valuation Result :

Appendix No.(5.4) shows details the cash flows of the subject property, where the discount rate has been adopted -11.3 % to calculate the value of the property, based on this, the value of the property is estimated by the cash flow method at :

Property value (SAR)	89,096,480.99 SAR
----------------------	--------------------------

4.3 | Opinion of Value

Opinion of value	
Value	89,096,000
Written	Only eighty-nine million ninety-six thousand SAR
Currency	Saudi Riyal

4.4 | Validity of review and clarification

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



Part 5

Appendices

5.1 Documents

5.2 Assumptions and Limiting Conditions

5.3 Valuation Standards

5.4 Cash flow analysis

5.1 Documents

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٤٤٤/٥/٢٨ هـ
رقم الصك: ٣٩٩٠٧٤٠٠٣٣٥٤

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 الزهراء بمدينة جدة . وحدودها وأطوالها : شمالاً: قطعة رقم 148 بطول 60 ستون متر جنوباً: قطعة رقم 152 بطول 60 ستون متر شرقاً: شارع عرض 12 م بطول 26 ستة و عشرون متر غرباً: شارع عرض 75.60 م بطول 26 ستة و عشرون متر ومساحتها 1560 ألف و خمسمائة 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 بثمن وقدره: 79400000 فقط تسعة و سبعون مليوناً و أربعمائة ألف ريال سعودي لا غير. وعليه جرى التصديق تحريراً في 1444 / 05 / 28 لاعتماده ،وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل
مصلحة مطابع الحكومة - ٢٩٢١٥٩ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه) نموذج رقم (١٢-٠٣-١٠)

صفحة رقم 1 من 1

5.1 Documents



رخصة بناء

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
إمارة محافظة جدة
إدارة رخص البناء

إصدار رخصة بناء تجارية

رقم الرخصة	4000027343	التاريخ	5/ربيع الثاني/1440	صلاحيتها	4/ربيع الثاني/1443
الاسم	اسم صاحب الرخصة	رقم السجل	رقم الصك	تاريخ الصك	
رخصة بناء فندق	شركة الطيار للتطوير والاستثمار السياحي والعقاري جوال رقم 0505431535	1010256065	320214010640	14/جمادى الأولى/1434	
البلدية	رقم الكروكي	رقم المخطط	رقم القطعة	الحاي	اسم الشارع
جدة الجديدة الفرعية	3900154725	ع/488/3	150	الرهراء	غير مسمى
مساحة الأرض					1560

جميع التعهدات الواردة بالمعاملة الالكترونية تعتبر ملزمة على المكتب الهندسي والمالك كل فيما يخصه وعلى جميع المكاتب الهندسية ضرورة إطلاع المالك على جميع التعهدات وتعتبر من مسئوليتهم. يجب الالتزام بتنفيذ العزل الحراري وفق قيم العزل الحراري المحددة بمخطط العزل الحراري للمبنى. في حال تركيب ألواح الألمنيوم المستخدمة في تكسية واجهات المباني تكون من النوع المقاوم للحريق

الجهة	الحدود	الارتفاع
الشمال	بطول 60.00م يحدّها قطعة رقم 148	0
الشرق	بطول 26.00م يحدّها شارع عرض 3.79م	12.00
الجنوب	بطول 60.00م يحدّها قطعة رقم 152	0
الغرب	بطول 26.00م يحدّها طريق الملك متوسط عرض 83.50م	5.05

المساحات وعدد الوحدات ومواقف السيارات								إجمالي	
سكني				تجاري				أخرى	
عدد	مساحة	عدد	مساحة	عدد	مساحة	عدد	مساحة	عدد	مساحة
0	0	0	0	0	0	0	1560	0	1560
0	0	1	327.62	0	0	0	686.66	1	1014.28
0	0	0	0	0	0	0	1014.01	0	1014.01
0	0	11	266.54	0	730.79	11	997.33	25	1014.01
25	796.01	0	0	0	218	25	1014.01	0	2028.02
25	796.01	0	0	0	218	50	436	0	0
50	1592.02	0	0	0	0	0	0	0	0
عدد المواقف 90								عدد غرف الكهرباء 2	

المصدق الإداري	عمرو أحمد نشار الرشيد
مهندس الدراسة	بندر عبدالستار حسين الصغاني
اعتماد مدير التجاري/إداري	فارس أحمد حامد رجب
مدير إدارة رخص البناء والمشاريع الرائدة	م. عمرو أحمد نشار الرشيد
طول السور	0
عدد الوحدات	137
عدد الأدوار	7
ختم الأمانة	
الكروكي الإرشادي	

تعتبر الشروط العامة المدونة خلف نموذج رخصة البناء جزءاً لا يتجزأ من هذه الرخصة وعلى المالك التقيّد بما نصت عليه هذه الشروط وتوقع تحت مسؤوليته

5.2 | Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 | Valuation Standards

5.3.1 Valuation Standards

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

5.3.2 Valuation Basis

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

5.3.3 Assumptions and Special Assumptions

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

5.3.4 Disposal Costs Taxation and Other Liabilities

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

5.3.5 Sources of Information

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

5.3.6 Title and Tenancy Information

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

5.3 | Valuation Standards

5.3.7 City Planning, Zoning and Regulations

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

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

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

5.3.8 Surveys

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

5.3.9 Site Conditions

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

5.3.10 Environmental Contamination

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

5.3.11 Insurance

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

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

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

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

5.3.12 Outstanding Debts

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

5.3.13 Confidentiality and Third-Party Liability

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

5.3.14 Plans and Maps

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

5.4 | Cash flow analysis

Comfort Inn Hotel- Income Approach Valuation												
Profit and Loss Statement Projections												
Keys	125.00	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Inflation		%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00
Rooms Available		45,750.00	45,625.00	45,625.00	45,625.00	45,750.00	45,625.00	45,625.00	45,625.00	45,750.00	45,625.00	45,625.00
Occupancy		%60.00	%60.00	%60.00	%60.00	%60.00	%60.00	%60.00	%60.00	%60.00	%60.00	%60.00
ADR		375.00	382.50	390.15	397.95	405.91	414.03	422.31	430.76	439.37	448.16	457.12
Rooms Sold		22,875.00	25,093.75	27,375.00	27,375.00	27,375.00	27,375.00	27,375.00	27,375.00	27,450.00	27,375.00	27,375.00
Rev/PAR		187.50	210.38	234.09	238.77	243.55	248.42	253.39	258.45	263.62	268.90	274.27
Rooms Payroll & Related Expenses		%3.00	%3.00	%3.00	%3.00	%3.00	%3.00	%3.00	%3.00	%3.00	%3.00	%3.00
Rooms Other Expenses		%5.00	%5.00	%5.00	%5.00	%5.00	%5.00	%5.00	%5.00	%5.00	%5.00	%5.00
Rooms Department												
Revenue	109,909,047.84	8,578,125.00	9,598,359.38	10,680,356.25	10,893,963.38	11,142,286.05	11,334,079.50	11,560,761.09	11,791,976.31	12,060,768.75	12,288,372.15	0.00
Payroll & Related Expenses	3,297,271.44	257,543.75	287,950.78	320,410.68	326,818.90	334,268.56	340,022.38	346,822.83	353,759.29	361,823.06	368,051.16	0.00
Other Expenses	5,495,452.39	428,906.25	479,917.97	534,017.81	544,698.17	557,114.30	566,703.97	578,038.05	589,598.82	603,038.44	613,418.61	0.00
Room Department Profit	101,116,324.01	7,891,875.00	8,830,490.63	9,825,927.75	10,022,446.31	10,250,903.16	10,427,353.14	10,635,900.20	10,848,618.20	11,095,907.25	11,286,902.38	0.00
Food and Beverage / POR												
Food cost		%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00
Food and Beverage Payroll & Related Expenses		%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00
Food and Beverage Other Expenses		%4.00	%4.00	%4.00	%4.00	%4.00	%4.00	%4.00	%4.00	%4.00	%4.00	%4.00
Food and Beverage Department												
Revenue	29,309,079.42	2,287,500.00	2,559,562.50	2,848,095.00	2,905,056.90	2,971,276.28	3,022,421.20	3,082,869.62	3,144,527.02	3,216,205.00	3,271,565.91	0.00
Food cost	7,327,269.86	571,875.00	639,890.63	712,023.75	726,264.23	742,819.07	755,605.30	770,717.41	786,131.75	804,051.25	817,891.48	0.00
Payroll & Related Expenses	5,861,815.88	457,500.00	511,912.50	569,619.00	581,011.38	594,255.26	604,484.24	616,573.92	628,905.40	643,241.00	654,313.18	0.00
Other Expenses	1,172,363.18	91,500.00	102,382.50	113,923.80	116,202.28	118,851.05	120,896.85	123,314.78	125,781.08	128,648.20	130,862.64	0.00
Food and Beverage Department Profit	14,947,630.51	1,166,625.00	1,305,376.88	1,452,828.45	1,487,579.02	1,515,350.90	1,541,434.81	1,572,263.51	1,603,708.78	1,640,264.55	1,668,498.61	0.00
Other Operated Deptly / POR												
Other Operated Departments Payroll & Related Expenses		%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00	%20.00
Other Operated Departments Other Expenses		%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00	%25.00
Miscellaneous		%0.35	%0.35	%0.35	%0.35	%0.35	%0.35	%0.35	%0.35	%0.35	%0.35	%0.35
Other Operated Departments												
Revenue	2,930,907.94	228,750.00	255,956.25	284,809.50	290,505.69	297,127.63	302,242.12	308,286.96	314,452.70	321,620.50	327,156.59	0.00
Miscellaneous	384,681.67	30,023.44	33,594.26	37,381.25	38,128.87	38,998.00	39,669.28	40,462.66	41,271.92	42,112.69	42,939.30	0.00
Payroll & Related Expenses	586,181.59	45,750.00	51,191.25	56,961.90	58,101.14	59,425.53	60,448.42	61,657.39	62,890.54	64,324.10	65,431.32	0.00
Other Expenses	732,726.99	57,187.50	63,989.06	71,202.38	72,626.42	74,281.91	75,560.53	77,071.74	78,613.18	80,405.13	81,789.15	0.00
Other Operated Department Profit	1,996,681.04	155,835.94	174,370.20	194,026.47	197,907.00	202,418.20	205,902.44	210,020.49	214,220.90	219,103.97	222,875.43	0.00
Gross Operating Income												
	118,060,635.55	9,214,335.94	10,310,237.70	11,472,482.67	11,701,932.33	11,968,672.26	12,174,690.39	12,418,184.20	12,666,547.88	12,955,275.77	13,178,276.42	0.00
Admin & General												
IT and Internet		%0.70	%0.70	%0.70	%0.70	%0.70	%0.70	%0.70	%0.70	%0.70	%0.70	%0.70
Marketing & Sales		%0.60	%0.60	%0.60	%0.60	%0.60	%0.60	%0.60	%0.60	%0.60	%0.60	%0.60
Repairs & Maintenance		%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00	%2.00
Overhead Payroll												
Admin & General	5,701,348.67	444,975.94	497,898.90	554,025.68	565,106.19	577,987.52	587,936.48	599,695.21	611,689.12	625,632.28	636,401.36	0.00
IT and Internet	997,736.02	77,870.79	87,132.31	96,954.49	98,893.58	101,147.82	102,888.88	104,946.66	107,045.60	109,485.65	111,370.24	0.00
Marketing & Sales	855,202.30	66,746.39	74,684.83	83,103.85	84,765.93	86,698.13	88,190.47	89,954.28	91,753.37	93,844.84	95,460.20	0.00
Repairs & Maintenance	2,850,674.34	222,487.97	248,949.45	277,012.84	282,553.10	288,993.76	293,988.24	299,847.61	305,844.56	312,816.14	318,200.68	0.00
Total Overhead Payroll	10,404,961.33	812,081.09	908,665.48	1,011,096.87	1,031,318.80	1,054,827.22	1,072,984.08	1,094,443.76	1,116,332.64	1,141,778.91	1,161,432.48	0.00
Admin & General												
IT and Internet		%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50
Marketing & Sales		%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50
Utilities & Energy		%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50	%2.50
Repairs & Maintenance		%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50	%1.50
Overhead Expenses												
Admin & General	5,701,348.67	444,975.94	497,898.90	554,025.68	565,106.19	577,987.52	587,936.48	599,695.21	611,689.12	625,632.28	636,401.36	0.00
IT and Internet	3,563,342.92	278,109.96	311,186.81	346,266.05	353,191.37	361,242.20	367,460.30	374,809.51	382,305.70	391,020.17	397,750.85	0.00
Marketing & Sales	2,138,005.75	166,865.98	186,712.09	207,759.63	211,914.82	216,745.32	220,476.18	224,885.71	229,383.42	234,612.10	238,650.51	0.00
Utilities & Energy	3,563,342.92	278,109.96	311,186.81	346,266.05	353,191.37	361,242.20	367,460.30	374,809.51	382,305.70	391,020.17	397,750.85	0.00
Repairs & Maintenance	2,138,005.75	166,865.98	186,712.09	207,759.63	211,914.82	216,745.32	220,476.18	224,885.71	229,383.42	234,612.10	238,650.51	0.00
Total Overhead Expenses	17,104,046.02	1,334,927.81	1,493,696.69	1,662,077.04	1,695,318.58	1,733,962.55	1,763,809.45	1,799,085.64	1,835,067.35	1,876,896.83	1,909,204.07	0.00
Gross Operating Profit												
	90,551,628.20	7,067,327.04	7,907,875.53	8,799,308.77	8,975,294.94	9,179,882.49	9,337,896.86	9,524,654.79	9,715,147.89	9,936,600.03	10,107,639.87	0.00
Replacement Reserve - 3.0%	4,276,011.51	333,731.95	373,424.17	415,519.26	423,829.65	433,490.64	440,952.36	449,771.41	458,766.84	469,224.21	477,301.02	0.00
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGOP	86,275,616.69	6,733,595.09	7,534,451.35	8,383,789.51	8,551,465.30	8,746,391.85	8,896,944.49	9,074,883.38	9,256,381.05	9,467,375.82	9,630,338.85	0.00
Minimum Performance Income												
Lease Contract Expiration	6,229,451.00											
AGOP %		%60.53	%60.53	%60.53	%60.53	%60.53	%60.53	%60.53	%60.53	%60.53	%60.53	%60.00
Incentive Fee (dynamic % of AGOP)												
Incentive Fee	504,144.09	1,305,000.35	2,154,338.51	2,322,014.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	79,990,119.45	6,229,451.00	6,229,451.00	6,229,451.00	6,229,451.00	8,746,391.85	8,896,944.49	9,074,883.38	9,256,381.05	9,467,375.82	9,630,338.85	0.00

5.4 | Cash flow analysis

Explicit Forecast Period		2034											
Cash Flow Analysis		Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Revenue													
Rooms		109,909,047.84	8,578,125.00	9,598,359.38	10,680,356.25	10,893,963.38	11,142,286.05	11,334,079.50	11,560,761.09	11,791,976.31	12,060,768.75	12,268,372.15	0.00
Food & Beverage		29,309,079.42	2,287,500.00	2,559,562.50	2,848,095.00	2,905,056.90	2,971,276.28	3,022,421.20	3,082,869.62	3,144,527.02	3,216,205.00	3,271,585.91	0.00
Other Operating Departments		2,930,907.94	228,750.00	255,956.25	284,809.50	290,505.69	297,127.63	302,242.12	308,286.96	314,452.70	321,620.50	327,156.59	0.00
Miscellaneous		384,681.67	30,023.44	33,594.26	37,381.25	38,128.87	38,908.00	39,669.28	40,462.66	41,271.92	42,212.69	42,939.30	0.00
Total Revenue		142,533,716.87	11,124,398.44	12,447,472.38	13,850,642.00	14,127,654.84	14,449,687.96	14,698,412.09	14,992,380.33	15,292,227.94	15,640,806.94	15,910,033.95	0.00
Departmental Expenses													
Food cost		7,327,269.86	571,875.00	639,890.63	712,023.75	726,264.23	742,819.07	755,605.30	770,771.41	786,131.75	804,051.25	817,891.48	0.00
Payroll & Related Expenses		9,745,268.91	760,593.75	851,054.53	946,991.59	965,931.42	987,949.36	1,004,955.05	1,025,054.15	1,045,555.23	1,069,388.16	1,087,795.66	0.00
Other Expenses		7,400,542.55	577,593.75	646,289.53	719,143.99	733,526.87	750,247.26	763,161.35	778,424.58	793,993.07	812,091.76	826,070.39	0.00
Total Departmental Expenses		24,473,081.32	1,910,062.50	2,137,234.69	2,378,159.33	2,425,722.51	2,481,015.69	2,523,721.70	2,574,196.13	2,625,680.06	2,685,531.18	2,731,757.53	0.00
Gross Operating Income		118,060,635.55	9,214,335.94	10,310,237.70	11,472,482.67	11,701,932.33	11,968,672.26	12,174,690.39	12,418,184.20	12,666,547.88	12,955,275.77	13,178,276.42	0.00
Undistributed Expenses													
Admin & General		11,402,697.35	889,951.88	995,797.79	1,108,051.36	1,130,212.39	1,155,975.04	1,175,872.97	1,199,390.43	1,223,378.24	1,251,264.56	1,272,802.72	0.00
IT and Internet		4,561,078.94	355,980.75	398,319.12	443,220.54	452,084.95	462,390.01	470,349.19	479,756.17	489,351.29	500,505.82	509,121.09	0.00
Marketing & Sales		2,993,208.05	233,612.37	261,396.92	290,863.48	296,680.75	303,443.45	308,666.65	314,839.99	321,136.79	328,456.95	334,110.71	0.00
Utilities & Energy		3,563,342.92	278,109.96	311,186.81	346,266.05	353,191.37	361,242.20	367,460.30	374,809.51	382,305.70	391,020.17	397,750.85	0.00
Repairs & Maintenance		4,988,680.09	389,353.95	435,661.53	484,772.47	494,467.92	505,739.08	514,444.42	524,733.31	535,227.98	547,428.24	556,851.19	0.00
Total Undistributed Expenses		27,509,007.36	2,147,008.90	2,402,362.17	2,673,173.91	2,726,637.38	2,788,789.78	2,836,793.53	2,893,529.40	2,951,399.99	3,018,675.74	3,070,636.55	0.00
Gross Operating Profit		90,551,628.20	7,067,327.04	7,907,875.53	8,799,308.77	8,975,294.94	9,179,882.49	9,337,896.86	9,524,654.79	9,715,147.89	9,936,600.03	10,107,639.87	0.00
Replacement Reserve - 3.0%													
Basic Fee - 0.0%		4,276,011.51	333,731.95	373,424.17	415,519.26	423,829.65	433,490.64	440,952.36	449,771.41	458,766.84	469,224.21	477,301.02	0.00
Incentive Fee		6,285,497.24	504,144.09	1,305,000.35	2,154,338.51	2,322,014.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA		79,990,119.45	6,229,451.00	6,229,451.00	6,229,451.00	6,229,451.00	8,746,391.85	8,896,944.49	9,074,883.38	9,256,381.05	9,467,375.82	9,630,338.85	0.00
Cap Rate Analysis													
Property	Location	Value (SAR)	NOI (SAR)	Yield	Year								
SEDCO Capital REIT Fund	Riyadh	20,393,000.00	1,500,000.00	%7.36	2023								
Jadwa REIT Saudi Fund	Riyadh	45,270,079.00	3,269,150.00	%7.22	2023								
Mulkiya Gulf Real Estate REIT	Riyadh	341,028,000.0	24,558,349.00	%7.20	2023								
Average Cap Rate				%7.26									
Adjustment to Average				%1.00									
Approved Cap Rate				%8.26									
Cap rate													
Terminal Value		116,598,659.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116,598,659.3
years													
FCFF		196,588,778.75	6,229,451.00	6,229,451.00	6,229,451.00	6,229,451.00	8,746,391.85	8,896,944.49	9,074,883.38	9,256,381.05	9,467,375.82	9,630,338.85	116,598,659.3
Discount Rate			1.00	0.90	0.81	0.73	0.65	0.59	0.53	0.47	0.42	0.38	0.34
Present Value		89,096,480.99	6,229,451.00	5,596,991.02	5,028,743.05	4,518,187.83	5,699,651.12	5,209,128.36	4,773,864.27	4,374,969.95	4,020,391.10	3,674,388.64	39,970,714.67
Discount Rate Analysis													
Risk-free rate	Source	Value											
	Saudi Exchange			%3.32									
Inflation Rate	General Authority for Statistics			%2.76									
Market Risk	Knomo Platform Data			%1.22									
Property Risk	Valuer's estimate			%4.00									
Discount Rate				%11.30									
NPV at Discount Rate - 11.3%													
Income Approach Value												89,096,480.99	
Rounded to the nearest 1000													

Thank you

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

نحن لك سند
We support you

Comfort Inn Al Olaya Hotel Valuation Report

Al Olaya district - Riyadh

25 march 2024



Deposit code to the platform qima

نحن لك سند
We support you

Table of Content

	Title	Page
1	Part 1: Executive Summary	03
	Salient fact and assumptions and IVS 2022 and regulatory compliance	04
	Valuers	08
2	Part 2: Reporting Methodology	09
3	Part 3: Asset to be valued	11
3.1	Property Location Analysis	12
3.2	Property description and ownership	14
3.3	Property boundaries	15
3.4	Source of information	15
3.5	Structure description	16
3.6	Property photos	17
3.7	Analysis summary	21
4	Part 4: Valuation	23
4.1	Valuation approaches	24
4.2	Valuation Analysis	26
4.3	Opinion of Value	31
4.4	Validity of review and clarification	31
5	Part 5: Appendices	32
5.1	Documents	33
5.2	Assumptions and Limiting Conditions	35
5.3	Valuation Standards	36
5.4	Cash Flow Analysis	38



Part 1

Executive Summary

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Identity of the client	Addressee (to whom the report is addressed)	Alinma Hospitality REIT Fund	Other users	Unit holders of Alinma Hospitality REIT Fund
	Contact person	-	Contact information	-
Assets being valued	Assets name	Comfort Inn Al Olaya Hotel	Interest to be valued	Freehold interest
	Location	https://maps.app.goo.gl/jUxNnvJvMGRo9yQ9A		
Valuation standards	International Valuation Standards 2022	Unless otherwise noted, the Valuation assignment is undertaken in accordance with the TAQEEM Regulations (Saudi Authority for Accredited Valuers) and in conformity with the International Valuation Standards (2022 Edition).		
Valuation	Purpose of valuation	Semi-annual periodic valuation of a real estate investment fund according to the requirements of the Capital Market Authority	valuation date	31/12/2023
	Inspection date	06/11/2023	Approved valuation approach and method	Income Approach – Discounted Cashflow method
	Basis of value	Market Value	Premise of value	Current Use/Existing Use
		Market value : a Standard of Value considered to represent the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing , and where the parties had each acted knowledgeably , prudently , and without compulsion		International Valuation Standards 2022 defines Current Use/Existing Use premise of value as "Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use."

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Report	Reference Number	23106088601	Report type	Detailed report
	Report date	25/03/2024	Report version	Final
	Use, publication and distribution restrictions	The valuations and reports are confidential to the intended entity and to those referred to it for a specific purpose, without any liability of any kind to any third party. This report may not be published in whole or in part in any document, statement, periodical publication or any means of communication with any third party without prior written consent in the form and context in which it appears, with the exception of in accordance with the purpose of the valuation, this report is allowed to be traded on the CMA (Tadawul) website and the fund manager's website or in such ways as the fund manager deems appropriate.		
	Status of Valuers	We shall be acting with "Subjectivity" as an External Valuer for the purposes of this instruction. "Subjectivity" is defined in the International Valuation Standards (IVS) as: "The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions".		






1 | Executive Summary

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

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance			
Assumptions and special assumptions	Special assumptions	IVS's instructions	<ul style="list-style-type: none"> International Valuation Standards define it as "assumed facts that differ from those existing at the date of valuation." Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.
		Applications in this report	None (except as indicated in the terms and conditions).

1 | Executive Summary

Salient fact and assumptions and IVS 2022 and regulatory compliance				
Opinion of Value	68,068,000			
	Written	Only sixty-eight million sixty-eight thousand SAR		
	Currency	Saudi Riyal		
Valuers	Inspector	Information	Commercial Valuation Manager	Signed for and on behalf of Esnad Real Estate Valuation Company
Name	Ayad Mabrouk Al Mutairi	Muhammad Nasser Meleek	Omar Mohammed Babhar	Eng. Al muhannad Abdul Latif Al hussami
Signature				
TAQEEM membership	1210001726	1220003380	1220001954	1210000934
	Associate	Associate	Fellow	Fellow
	Rea Estate Sector			
Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -				
Membership Number			11000054	
Valuation Sector			Real Estate	
Professional Company Registration Number			323/18/784	
Professional Company Registration Date			02/ 03/ 1439H	
Company Stamp				

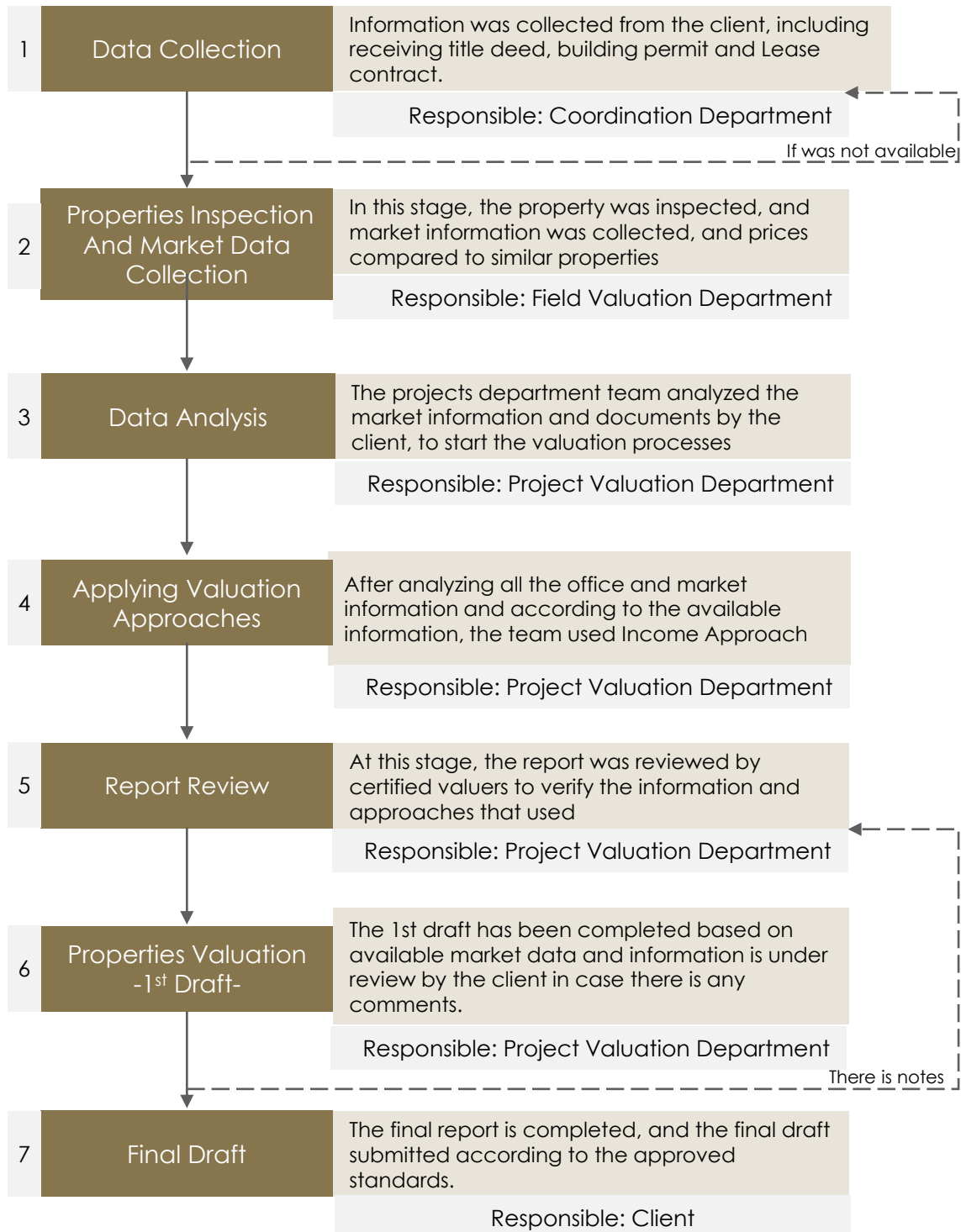


Part 2

Reporting Methodology

2 | Reporting Methodology

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





Part 3

Asset to be valued

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

3.1 | Property Location Analysis

Description of the property at the city level

About Riyadh

Riyadh is the capital of the Kingdom of Saudi Arabia, its largest city and the third largest Arab capital by population. Riyadh is located in the middle of the Arabian Peninsula in the Najd Plateau, at an altitude of 600 meters above sea level. It is the headquarters of the Emirate of Riyadh region, according to the administrative division of the Saudi regions.



Property location

Surrounding attractions

Attraction	Distance	Attraction	Distance
King Khalid International Airport	30.4 km	National Museum	8.6 km
King Abdullah Financial Center	7.8 km	Kingdom Shopping Centre	550 m

3.1 | Property Location Analysis

Description of the property at the neighborhood level	
Description of the surrounding area	<p>The property area is characterized by its geographical location in Riyadh, where it is located on king Fahd Road and Al-Olaya Street.</p> <p>The area where the subject property located is bounded by Al Urubah Road, followed by parts of Al Wurud district and parts of Al Rahmaniyyah district to the north, and on the south side is bounded by Prince Mohammed bin Abdulaziz Road, followed by parts of Al Olaya district, East side the property area is bounded by Al Olaya Street followed by parts of Al Olaya district, while to the west is King Fahd Road followed by parts of Al Olaya district.</p>
Description of the district	<p>Al Olaya district is located in the centre of Riyadh and is characterized by its geographical location overlooking several main roads and commercial streets such as King Fahd Road, Makkah Al Mukarramah Road and Al Olaya Street.</p>
Accessibility	<p>The area is easily accessible through several roads, the most important of which is Al Olaya Street which is located near the subject property.</p>

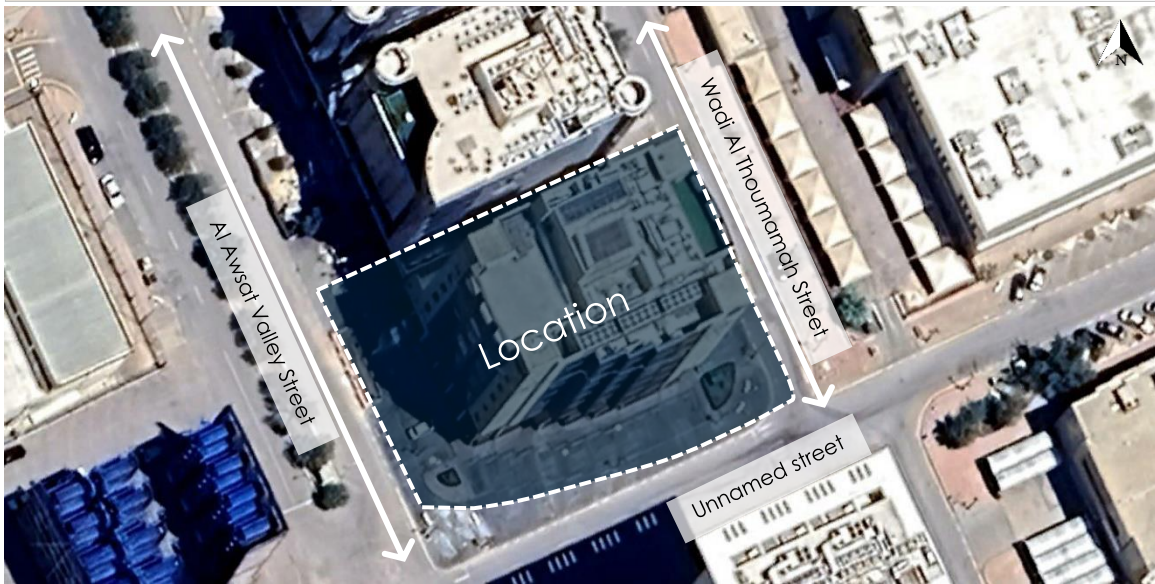


Satellite photo shows property location

3.2 | Property description and ownership

The subject property is Comfort Inn Al Olaya Hotel located in Al Olaya district, Riyadh

Ownership information (based on title deed)					
Client's name	Alinma Hospitality REIT Fund			Owner's name	Hotel Development Real Estate Company
Title deed number	299074003353			Title deed date	28/05/1444 H
building permit number	1824 / 1424			building permit date	01/02/1441 H
Property Information					
Province	Riyadh			City	Riyadh
District	Al Olaya			Street	Al Awsat Valley Street
No. of Plot	4/6	No. of Block	6	No. of Plan	1184 / I
Property Type	Hotel			Notes	-
24.707003° N 46.677162° E					
https://maps.app.goo.gl/kqBh5VB1C8iE6Rw46					
Property specifications					
Land area according to the Title Deed	1,512.36 m²		Land Topography	Flat	
Land area according to nature	- m²		Land shape	Semi-regular	
Notes	-				



Satellite photo shows subject property location

3.3 Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	45	Neighbor	-	-	-
South	45.53	Unnamed street	Internal	20	3
East	35.2	Wadi Al Thoumamah Street	Internal	20	2
West	29.15	Al Awsat Valley Street	Commercial	30	1
Property specifications					
Structure	Basement	1,512 m² (According to the building permit)			
	BUA	5,166.54 m² (According to the building permit)			
	Height (floors)	Basement + Mezanine + Ground floor + 5 typical floors + roof floor			
	Age	Approximately 15 years (According to Google Earth)			
	Num. of buildings	1			
	Conditioning type	Central			
	Finishing	Excellent			
	Facilities	Fire extinguishing systems + Camera surveillance systems + Parking areas + Gym			
Zoning	Use	Commercial – Residential - Office		Commercial – Residential - Office	
	Maximum footprint	35%		75%	
	FAR	-		4.8	
	Maximum height	-		6.5	
	Notes	- The subject property is a hotel consists of 88 rooms			

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

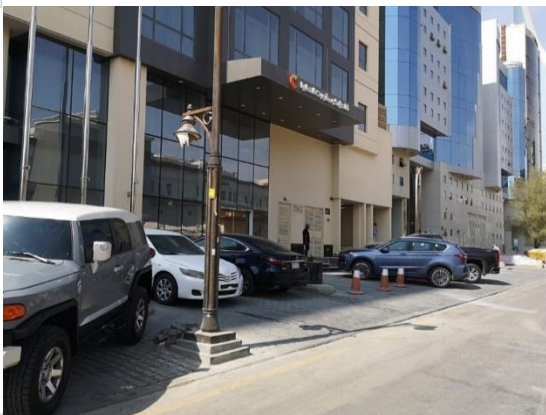
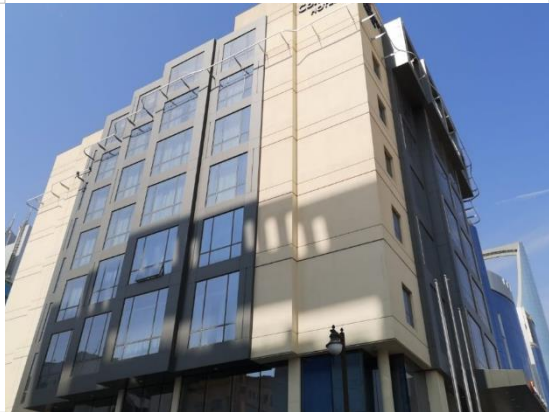
3.4 Source of information

- The data was drawn up based on the documents received by the client dated 03 / 10 / 2023.
- The location of the property was determined based on title deed and the property was inspected on the date 06 / 11 / 2023.
- The effects were analyzed based on the current market situation.
- Disclosure of the Alinma Hospitality REIT Fund manager on the Saudi Tadawul website

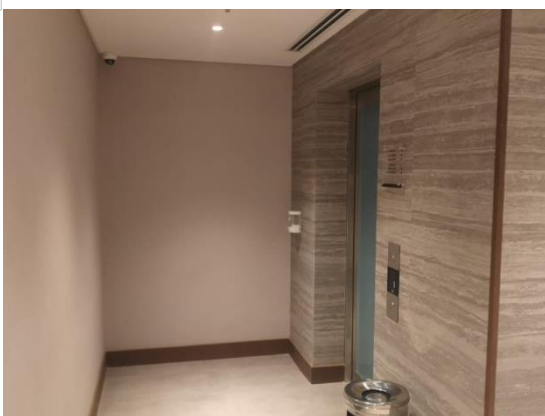
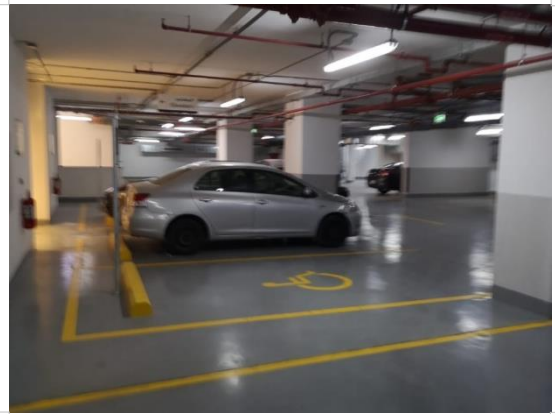
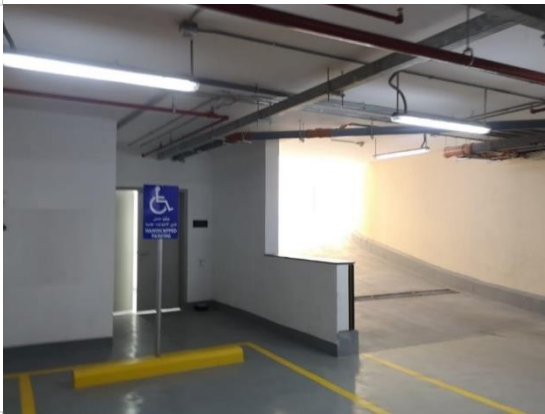
3.5 | Structure description

Structure specifications				
Building specifications	External property specifications	Structure type	<input checked="" type="checkbox"/> Reinforced concrete <input type="checkbox"/> Wood <input type="checkbox"/> Steel <input type="checkbox"/> Stone and clay	
		Plumbing	<input checked="" type="checkbox"/> Interior plumbing works <input type="checkbox"/> Exterior plumbing works	
		Water tank	<input checked="" type="checkbox"/> Interior <input type="checkbox"/> Exterior	
		fence	<input type="checkbox"/> profil <input type="checkbox"/> Paint <input type="checkbox"/> Stone <input type="checkbox"/> steel	
		facades	<input type="checkbox"/> Paint <input checked="" type="checkbox"/> Glass panels <input checked="" type="checkbox"/> profil	
		windows	<input type="checkbox"/> Aluminum windows <input checked="" type="checkbox"/> Glass windows	
		exterior doors	<input type="checkbox"/> Wooden doors <input type="checkbox"/> Aluminum doors <input checked="" type="checkbox"/> Glass doors <input type="checkbox"/> Electronic door <input type="checkbox"/> Decorative steel door	
	Internal property specifications	Corridors and stairs	<input checked="" type="checkbox"/> marble <input type="checkbox"/> Ceramic, porcelain or mosaic	
		interior doors	<input checked="" type="checkbox"/> wood <input type="checkbox"/> aluminium <input type="checkbox"/> steel	
		Interior ceilings	<input checked="" type="checkbox"/> concrete roof <input type="checkbox"/> Suspended ceiling <input checked="" type="checkbox"/> Gypsum ceiling <input type="checkbox"/> Metal roof	
		interior walls	<input checked="" type="checkbox"/> paint <input type="checkbox"/> softening <input type="checkbox"/> wallpaper <input type="checkbox"/> Bricks	
		interior flooring	<input checked="" type="checkbox"/> Ceramic <input type="checkbox"/> Wood parquet <input type="checkbox"/> Mosaico <input type="checkbox"/> Carpet <input type="checkbox"/> marble <input checked="" type="checkbox"/> Porcelain	
		lightings system	<input type="checkbox"/> Manual control <input checked="" type="checkbox"/> Automatic Control	
		furnishing	<input checked="" type="checkbox"/> furnished <input type="checkbox"/> Unfurnished	
		Other virtual notes	-	

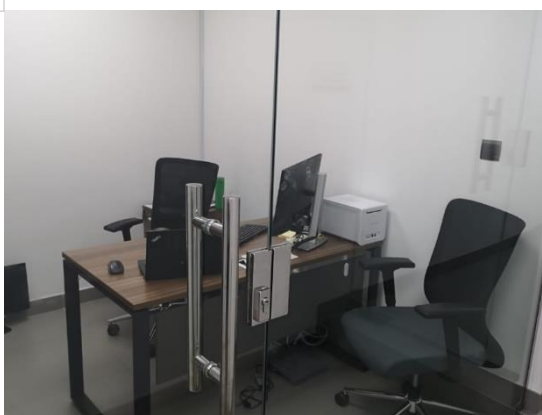
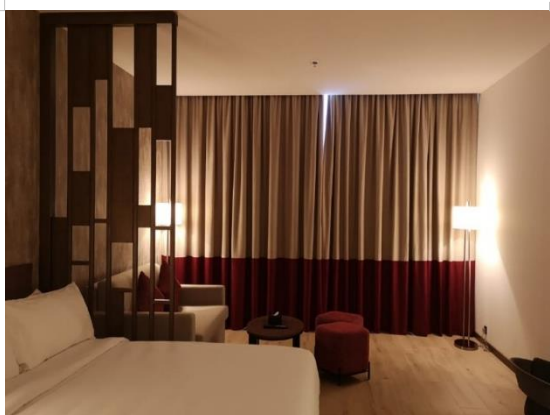
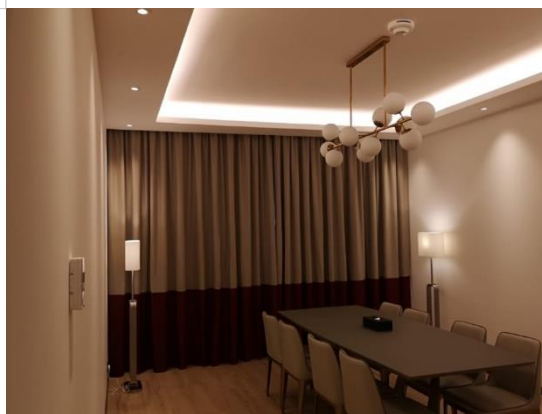
3.6 External property photos



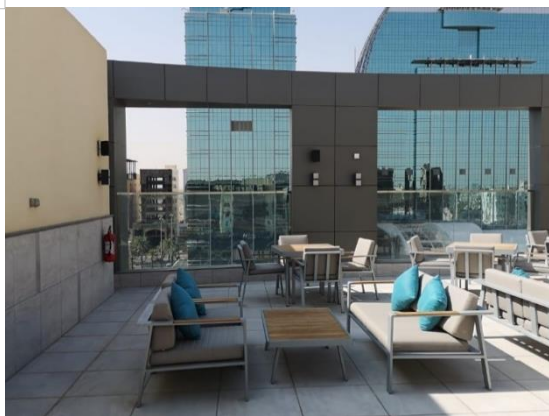
3.6 Internal property photos



3.6 Internal property photos



3.6 Internal property photos



3.7 | Analysis summary

Analysis summary	
Advantages	<ul style="list-style-type: none"> The Subject property is distinguished by its proximity to Al Olaya Street one of the important streets, which facilitates access to the subject property. The Subject property is distinguished by its location in Al Olaya district, which is one of the vital districts in the Riyadh. The Subject property is close to famous landmarks in Riyadh such as King Abdullah Financial Center and Kingdom Centre.
Disadvantages	<ul style="list-style-type: none"> No defects were observed in the area around the property.
Opportunities	<ul style="list-style-type: none"> The green Riyadh project: the program is afforestation of more than 120 residential neighborhoods in the city of Riyadh and also includes the construction of 3,331 new parks, the afforestation of streets, the perimeter of mosques and schools, the afforestation of parking lots and the construction of sidewalks to provide shaded walking paths that stimulate the practice of healthy mobility patterns among the residents of the city, and enhance connectivity between the elements of the neighborhood. The Sidra project in Riyadh, which is the first integrated Rushen neighborhoods in Riyadh, which will create a new urban core in the real estate area.

3.7 | Analysis summary

Analysis summary	
Overall Risks	<ul style="list-style-type: none"> • Overall risks related to the real estate market. • Financial, economic and natural disaster risks. • Risks related to foreign exchange. • Political and security risks. • Risks related to VAT application. • Risks related to real estate transaction tax application. • Risks related to White Land fees. • Risks related to the impact of the demand for residential and commercial real estate properties in the Kingdom of Saudi Arabia. • Risks related to electricity, water and other services prices. • Risks related to competition. • Risks related to real estate development. • Risks related to the nature of the realization or liquidation of real estate assets. • Risks related to the devaluation of real estate assets. • Risks related to regulatory requirements and regulatory oversight. • Risks related to changes in the applicable laws and regulations.
Property Risks	<ul style="list-style-type: none"> • The availability of multiple alternatives in the market, which affects the income generated by the property.



Part 4

Valuation

4.1 Valuation Approaches

4.2 Valuation Analysis

4.3 Opinion of Value

4.4 Validity of review and clarification

4.1 Valuation Approaches

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

4.1 | Valuation Approaches

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

4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

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

4.2.1.1 Contract Data

Tenant's name: Seera Group.

Hotel rating : 3 Stars.

Contract term : 5 years.

Contract conclusion date : 01/02/2023

Contract start date : 22/12/2022

Contract end date : 21/12/2027

The subject property consists of hotel rooms as follows :

- Number of hotel rooms : 88 rooms.

Contract rental value : 4,769,960 SAR/year.

4.2.1.2 Terms and conditions of the contract

- ☐ The contract's parties agreed that the hotel's total rental value, exclusive of VAT, would be (23,849,790) Saudi riyals (twenty-three million eight hundred forty-nine thousand seven hundred ninety) for the duration of the agreement.
- ☐ The contract's parties agreed that the rental value would be paid in four equal installments for each year the agreement is in effect.
- ☐ The parties to the agreement stipulated that, in order to guarantee the rental value, the tenant would have to sign this contract and submit twenty (20) bonds for an order in the owner's favor, each bond being equal to the rental value for one quarter of the agreement's duration ("bonds for an order").

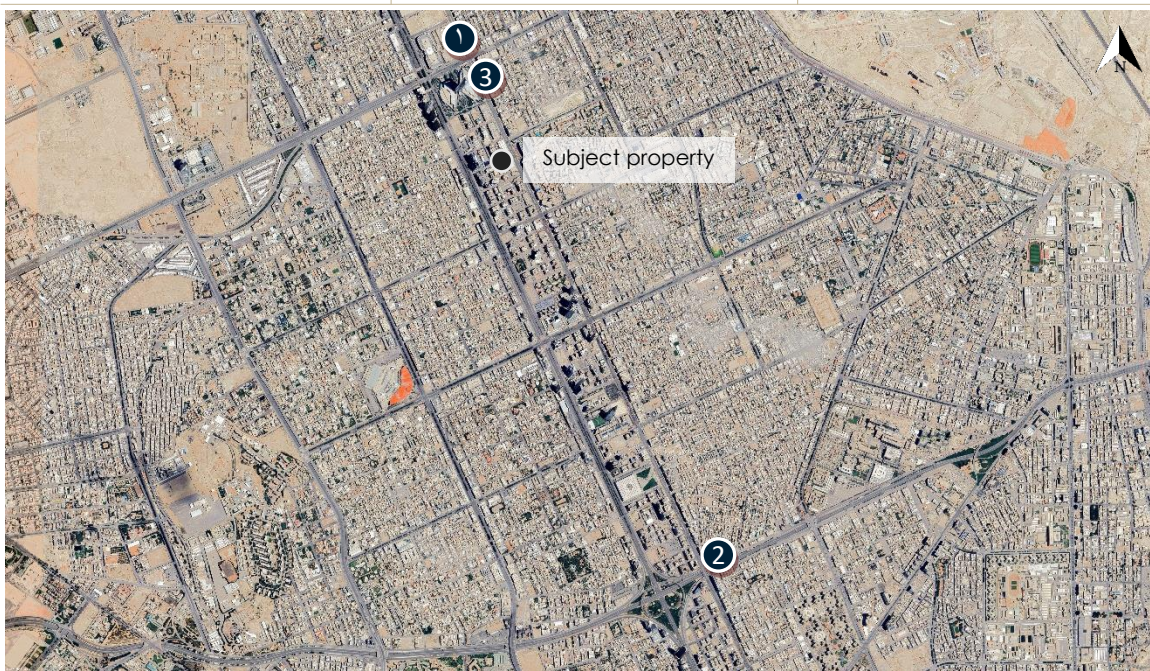
4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

4.2.1.3 Market Approach- Comparable Transactions Method (Hotel rooms)

Comparable Transactions Method is categorized under Market Approach in the International Valuation Standards 2022 and is defined as "The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value"

Comparables List-Hotel rooms		
Hotel name	Transaction Year	Value/night
Ashbona Hotel Suites	2023	456 SAR
Sanam Hotel Suites	2023	410 SAR
Ibis - Al Olaya Hotel	2023	342 SAR



Satellite photo showing subject property and comparables

The average room value was estimated to be 400 SAR / night.

4.2 Valuation Analysis

4.2.1 Income Approach - Discounted Cash Flow Method

Projected Profit and Loss Statement (Stabilized in 2024)

Revenue		
Rooms		8,688,588.48
Food & Beverage		2,172,147.12
Other Operating Departments		217,214.71
Miscellaneous		30,410.06
Total Revenue		11,108,360.37
Departmental Expenses		
Food cost		(434,429.42)
Payroll & Related Expenses		(738,530.02)
Other Expenses		(575,618.99)
Total Departmental Expenses	-15.74%	(1,748,578.43)
Gross Operating Income	84.26%	9,359,781.94
Undistributed Expenses		
Admin & General		(1,110,836.04)
IT and Internet		(355,467.53)
Marketing & Sales		(233,275.57)
Utilities & Energy		(277,709.01)
Repairs & Maintenance		(388,792.61)
Total Undistributed Expenses	-21.30%	(2,366,080.76)
Gross Operating Profit	62.96%	6,993,701.18
Replacement Reserve - 3.0%		(333,250.81)
Basic Fee - 0.0%		0.00
Incentive Fee		(1,890,490.37)
EBITDA	42.94%	4,769,960.00

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.4 Income data approved in the valuation

The actual income data of the subject property was compared with the market Income and the following was found:

Element	Actual income data	Market data	The difference	
			SAR	%
Rental average value (SAR/Night)	-	400 SR	-	-
Total occupancy ratio	-	-	-	-
Operation and maintenance	-	-	-	-
Administrative costs	-	-	-	-
Marketing costs	-	-	-	-
Other costs	-	-	-	-
Net Income property	4,769,960 SAR	6,913,152.82 SAR	2,143,192.82 SAR	44.93%
Result	<ul style="list-style-type: none"> The rental value mentioned in the contract that was provided to us by the client was relied on for a period of 4 years until the expiration of the contract, and then the rest of the cash flow period was completed according to market income, taking into account discount rates and capitalization. 			

4.2 Valuation Analysis

4.2.1 Income Approach Approach- Discounted Cash Flow Method

4.2.1.5 Assumptions

- The rental value mentioned in the contract was relied on for a period of 4 years until the expiration of the contract period. The rest of the period of flows was completed according to market income .

Cap rate analysis						
Name of the property/fund	Property	Sector	property value	Net income	Rate of Return	Year
SEDCO CAPITAL REIT	Al Hayat Tower Hotel Apartments	Hotel	20,393,000.00 SAR	1,500,000.00 SAR	7.36%	2023
JADWA REIT SAUDI	Abeer Jasmine hotel	Hotel	45,270,079.00 SAR	3,269,150.00 SAR	7.22%	2023
MULIKA REIT	Aljada complex	Hotel -Commercial - Office	341,028,000.00 SAR	24,558,349.00 SAR	7.20%	2023

- An analysis of the rate of return was carried out and an estimated rate of return of 8.26% was reached based on the average rates of return for real estate funds and similar properties after excluding abnormal values .

Project Assumptions	
Project period	10 years

- Annex 1 :details the cash flows of the subject property, where a -11.8% discount rate has been approved to calculate the value of the property, accordingly the value of the property is estimated in the manner of cash flows by:

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	3.32%	Saudi Exchange
Inflation rate	2.76%	General Authority for Statistics
Market Risk	1.22%	knoema Patform Data
Property Risk	4.50%	Valuer's estimate of the market
Discount rate	11.80%	

Valuation Result :

Appendix No. 5.4 details the cash flows of the property under valuation, where the discount rate has been adopted-11.8% to calculate the value of the property, based on this, the value of the property is estimated by the cash flow method at :

Property value (SAR)	68,068,303.48 SAR
----------------------	-------------------

4.3 | Opinion of Value

Opinion of value	
Value	68,068,000
Written	Only sixty-eight million sixty-eight thousand SAR
Currency	Saudi Riyal

4.4 | Validity of review and clarification

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



Part 5

Appendices

5.1 Documents


5.2 Assumptions and Limiting Conditions

5.3 Valuation Standards


5.4 Cash flow analysis

5.1 Documents

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



المملكة العربية السعودية
وزارة العدل
[٢٧٧]



تاريخ الصك: ١٤٤٤/٥/٢٨ هـ
رقم الصك: ٢٩٩٠٧٤٠٠٣٣٥٣

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 4 / 6 من البلك رقم 6 من المخطط رقم 1184 / أ الواقع في حي العليا بمدينة الرياض . وحدودها وأطوالها : شمالاً: قطعة رقم 6/3 بطول 45 خمسة و اربعون متر جنوباً: شارع عرض 20 م بطول 45.53 خمسة و اربعون متر و ثلاثة و خمسون سنتمتر شرقاً: شارع عرض 20 م بطول 35.2 خمسة و ثلاثون متر و عشر ون سنتمتر غرباً: شارع عرض 30 م بطول 29.15 تسعة و عشر ون متر و خمسة عشر سنتمتر ومساحتها 1512.36 ألف و خمسمائة و إثني عشر متر مربعاً و ستة و ثلاثون سنتمتراً مربعاً بموجب الصك الصادر من الموثقين بالرياض 9 برقم 499684000716 في 21 / 12 / 1443 قد أصبحت في ملك/ شركة تنمية الفنادق العقارية (شركة شخص واحد) بموجب سجل تجاري رقم 7025392254 بضمن وقدره: 60700000 فقط ستون مليوناً و سبعمائة ألف ريال سعودي لا غير. وعليه جرى التصديق تحريراً في 1444 / 05 / 28 لاعتماده ،وصلى 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 (١٢-٠٢-١)

صفحة رقم 1 من 1

مستند مطبوع المكونة - ٢٩٢١١٩

(هذا النموذج مطبوع للاستخدام بالحاسب الآلي ويمنع تعديله)



5.1 Documents

رقم الرخصة : ١٤٢٦/١٨٢٤
تاريخ الرخصة : ١٤٢١-٠٩-٠١
تاريخ الانتهاء : ١٤٢٧-٠٩-٠١
نوع الرخصة : نقل ملكية



رخصة
بناء فندق (٣ نجوم)

نوع المعاملة : صغر
التاريخ : ١٤١١/٠٧/٠٤ هـ
المرفقات : بدون
الرقم الموحد : ٤١٠٠٠٧٧٠٣٨
www.alriyadh.gov.sa
إدارة عمله لرخص البناء

اسم العميل : شركة سيرا للضيافة		رقم الإيداع : ١٠١٠٢٥١٠٦٥	تاريخه : ١٤٢٩-٠٩-٠٨	مستقره :
رقم الحساب : ٧١٠١٤٠٤٧٢٢٤	تاريخه : ١٤٢٩-٠٩-٠٨	رقم المخطط التنظيمي : ١/١٨٢٤	رقم المخطط : ١٤٤-١٠-١٥	تاريخه : ١٤٢٩-٠٩-٠٨
رقم القطعة : ١/٤	رقم المخطط : ١٤٤-١٠-١٥	نوع البناء : صغر	النطاق العمراني : مرحلة ١	مساحة الأرض : ٢٠١٤٢,٣٦ م٢

الجهة	الحدود	الأبعاد	الإرتداد
شمال	قطعه رقم ١/٣	٤٤	٢
شرق	شارع عرض ٢٠	٣٥	٤
جنوب	شارع عرض ٢٠	٤٥	٤,٨
غرب	شارع عرض ٣٠	٢٩	٦,٦

مكونات البناء	عدد الوحدات	المساحة	الاستخدام
قبو	١	١٥١٧,٠٠	مواقف
ميزانين	١	١٥٣,٧٠	خدمات
بور أرضي	١	٥١٩,٧٦	استقبال
أرضي تجاري	١	١٦٣,٩٠	معارض
بور أول	١٨	٧٥٦,١٨	فندق
بور ثاني	١٨	٧٥٦,١٨	فندق
بور ثالث	١٨	٧٥٦,١٨	فندق
غرفة كهرباء	٠	٣٤,٠٠	غرفة كهرباء
ملاحق خلوية	١	٢٤٨,٢٨	خدمات
بور رابع	١٨	٧٥٦,١٨	فندق
بور خامس	١٨	٧٥٦,١٨	فندق
أسوار	١	٤٥,٠٠	خدمات

١- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٢- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٣- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٤- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٥- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٦- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٧- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٨- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
٩- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.
١٠- يجب على المالك المصمم والمقاول أن يلتزموا بالخطط والقرارات الصادرة عن الجهات المختصة في جميع مراحل البناء والتشييد والصيانة.

رقم الترخيص : ٧٥٥
سدد الرسوم مبلغ وقدره : ٢٧٨٨
رقم المشروع : ريال بموجب الإيصالات رقم : ٤١ / ١٨٨٨٧٨
رمز النظام : ١٤٢٤-٠٩-٠١ هـ
تاريخ : ١٤٢٤-٠٩-٠١ هـ

ملاحظات :
١- يجب التمسك بالخطط المعمول بها.
٢- يجب التمسك بالخطط المعمول بها.
٣- يجب التمسك بالخطط المعمول بها.
٤- يجب التمسك بالخطط المعمول بها.
٥- يجب التمسك بالخطط المعمول بها.
٦- يجب التمسك بالخطط المعمول بها.
٧- يجب التمسك بالخطط المعمول بها.
٨- يجب التمسك بالخطط المعمول بها.
٩- يجب التمسك بالخطط المعمول بها.
١٠- يجب التمسك بالخطط المعمول بها.

الختم الرسمي
إدارة رخص البناء
بلدية العليا

5.2 | Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 | Valuation Standards

5.3.1 Valuation Standards

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

5.3.2 Valuation Basis

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

5.3.3 Assumptions and Special Assumptions

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

5.3.4 Disposal Costs Taxation and Other Liabilities

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

5.3.5 Sources of Information

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

5.3.6 Title and Tenancy Information

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

5.3 | Valuation Standards

5.3.7 City Planning, Zoning and Regulations

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

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

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

5.3.8 Surveys

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

5.3.9 Site Conditions

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

5.3.10 Environmental Contamination

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

5.3.11 Insurance

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

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

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

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

5.3.12 Outstanding Debts

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

5.3.13 Confidentiality and Third-Party Liability

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

5.3.14 Plans and Maps

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

5.4 | Cash flow Analysis

Profit and Loss Statement Projections												
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Keys	88.00											
Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rooms Available		32,208.00	32,120.00	32,120.00	32,120.00	32,208.00	32,120.00	32,120.00	32,120.00	32,208.00	32,120.00	32,120.00
Occupancy		65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
ADR		400.00	408.00	416.16	424.48	432.97	441.63	450.46	459.47	468.66	478.04	487.60
Rooms Sold		20,935.20	20,878.00	20,878.00	20,878.00	20,935.20	20,878.00	20,878.00	20,878.00	20,935.20	20,878.00	20,878.00
RevPAR		260.00	265.20	270.50	275.91	281.43	287.06	292.80	298.66	304.63	310.72	316.94
Rooms Payroll & Related Expenses		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Rooms Other Expenses		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rooms Department												
Revenue	91,517,763.63	8,374,080.00	8,518,224.00	8,688,588.48	8,862,360.25	9,064,373.50	9,220,399.60	9,404,807.60	9,592,903.75	9,811,569.39	9,980,457.06	0.00
Payroll & Related Expenses	(2,745,532.91)	(251,222.40)	(255,546.72)	(260,657.65)	(265,870.81)	(271,931.21)	(276,611.99)	(282,144.23)	(287,787.11)	(294,347.08)	(299,413.71)	0.00
Other Expenses	(4,575,888.18)	(418,704.00)	(425,911.20)	(434,429.42)	(443,118.01)	(453,218.68)	(461,019.98)	(470,240.38)	(479,645.19)	(490,578.47)	(499,022.85)	0.00
Room Department Profit	84,196,342.54	7,704,153.60	7,836,766.08	7,993,501.40	8,153,371.43	8,339,223.62	8,482,767.64	8,652,422.99	8,825,471.45	9,026,643.84	9,182,020.49	0.00
Food and Beverage / POR												
Food cost		100.00	102.00	104.04	106.12	108.24	110.41	112.62	114.87	117.17	119.51	121.90
Food and Beverage Payroll & Related Expenses		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Food and Beverage Other Expenses		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Food and Beverage Department												
Revenue	22,879,440.91	2,093,520.00	2,129,556.00	2,172,147.12	2,215,590.06	2,266,093.38	2,305,099.90	2,351,201.90	2,398,225.94	2,452,892.35	2,495,114.26	0.00
Food cost	(4,575,888.18)	(418,704.00)	(425,911.20)	(434,429.42)	(443,118.01)	(453,218.68)	(461,019.98)	(470,240.38)	(479,645.19)	(490,578.47)	(499,022.85)	0.00
Payroll & Related Expenses	(4,575,888.18)	(418,704.00)	(425,911.20)	(434,429.42)	(443,118.01)	(453,218.68)	(461,019.98)	(470,240.38)	(479,645.19)	(490,578.47)	(499,022.85)	0.00
Other Expenses	(915,177.64)	(83,740.80)	(85,182.24)	(86,885.88)	(88,623.60)	(90,643.74)	(92,204.00)	(94,048.08)	(95,929.04)	(98,115.69)	(99,804.57)	0.00
Food and Beverage Department Profit	12,812,486.91	1,172,371.20	1,192,551.36	1,216,402.39	1,240,730.43	1,269,012.29	1,290,855.94	1,316,673.06	1,343,006.52	1,373,619.71	1,397,263.99	0.00
Other Operated Depts / POR												
Other Operated Departments Payroll & Related Expenses		10.00	10.20	10.40	10.61	10.82	11.04	11.26	11.49	11.72	11.95	12.19
Other Operated Departments Other Expenses		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Miscellaneous		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other Operated Departments		0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Other Operated Departments												
Revenue	2,287,944.09	209,352.00	212,955.60	217,214.71	221,559.01	226,609.34	230,509.99	235,120.19	239,822.59	245,289.23	249,511.43	0.00
Miscellaneous	320,312.17	29,309.28	29,813.78	30,410.06	31,018.26	31,725.31	32,271.40	32,916.83	33,575.16	34,340.49	34,931.60	0.00
Payroll & Related Expenses	(457,588.82)	(41,870.40)	(42,591.12)	(43,442.94)	(44,311.80)	(45,321.87)	(46,102.00)	(47,024.04)	(47,964.52)	(49,057.85)	(49,902.29)	0.00
Other Expenses	(571,986.02)	(52,338.00)	(53,238.90)	(54,303.68)	(55,389.75)	(56,652.33)	(57,627.50)	(58,780.05)	(59,955.65)	(61,322.31)	(62,377.86)	0.00
Other Operated Department Profit	1,578,681.42	144,452.88	146,939.36	149,878.15	152,875.71	156,360.44	159,051.89	162,232.93	165,477.59	169,249.57	172,162.88	0.00
Gross Operating Income	98,587,510.87	9,020,977.68	9,176,256.80	9,359,781.94	9,546,977.58	9,764,596.36	9,932,675.47	10,131,328.98	10,333,955.56	10,569,513.12	10,751,447.37	0.00
Admin & General												
IT and Internet		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Marketing & Sales		0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Repairs & Maintenance		0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Overhead Payroll		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Admin & General	(5,850,273.04)	(535,313.06)	(544,527.47)	(555,418.02)	(566,526.38)	(579,440.08)	(589,414.04)	(601,202.33)	(613,226.37)	(627,204.57)	(638,000.72)	0.00
IT and Internet	(819,038.23)	(74,943.83)	(76,233.85)	(77,758.52)	(79,313.69)	(81,121.61)	(82,517.97)	(84,168.33)	(85,851.69)	(87,808.64)	(89,320.10)	0.00
Marketing & Sales	(702,032.76)	(64,237.57)	(65,343.30)	(66,650.16)	(67,983.17)	(69,532.81)	(70,729.69)	(72,144.28)	(73,587.16)	(75,264.55)	(76,560.09)	0.00
Repairs & Maintenance	(2,340,109.22)	(214,125.23)	(217,810.99)	(222,167.21)	(226,610.55)	(231,776.03)	(235,765.62)	(240,480.93)	(245,290.55)	(250,881.83)	(255,200.29)	0.00
Total Overhead Payroll	(9,711,453.25)	(888,619.69)	(903,915.60)	(921,993.91)	(940,433.79)	(961,870.53)	(978,427.31)	(997,995.86)	(1,017,955.78)	(1,041,159.59)	(1,059,081.19)	0.00
Admin & General												
IT and Internet		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Marketing & Sales		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utilities & Energy		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Repairs & Maintenance		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Overhead Expenses		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Admin & General	(5,850,273.04)	(535,313.06)	(544,527.47)	(555,418.02)	(566,526.38)	(579,440.08)	(589,414.04)	(601,202.33)	(613,226.37)	(627,204.57)	(638,000.72)	0.00
IT and Internet	(2,925,136.52)	(267,656.53)	(272,263.73)	(277,709.01)	(283,263.19)	(289,720.04)	(294,707.02)	(300,601.16)	(306,613.19)	(313,602.29)	(319,000.36)	0.00
Marketing & Sales	(1,755,081.91)	(160,593.92)	(163,358.24)	(166,625.41)	(169,957.91)	(173,832.02)	(176,824.21)	(180,360.70)	(183,967.91)	(188,161.37)	(191,400.22)	0.00
Utilities & Energy	(2,925,136.52)	(267,656.53)	(272,263.73)	(277,709.01)	(283,263.19)	(289,720.04)	(294,707.02)	(300,601.16)	(306,613.19)	(313,602.29)	(319,000.36)	0.00
Repairs & Maintenance	(1,755,081.91)	(160,593.92)	(163,358.24)	(166,625.41)	(169,957.91)	(173,832.02)	(176,824.21)	(180,360.70)	(183,967.91)	(188,161.37)	(191,400.22)	0.00
Total Overhead Expenses	(15,210,709.90)	(1,391,813.97)	(1,415,771.42)	(1,444,086.85)	(1,472,968.59)	(1,506,544.20)	(1,532,476.52)	(1,563,126.05)	(1,594,388.57)	(1,630,731.89)	(1,658,801.87)	0.00
Gross Operating Profit	73,665,347.72	6,740,544.03	6,856,569.79	6,993,701.18	7,133,575.20	7,296,181.63	7,421,771.64	7,570,207.08	7,721,611.22	7,897,621.64	8,033,564.31	0.00
Replacement Reserve - 3.0%												
Basic Fee - 0.0%	(3,510,163.82)	(321,187.84)	(326,716.48)	(333,250.81)	(339,915.83)	(347,664.05)	(353,648.43)	(360,721.40)	(367,935.82)	(376,322.74)	(382,800.43)	0.00
AGOP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGOP	70,155,183.89	6,419,356.19	6,529,853.30	6,660,450.37	6,793,659.38	6,948,517.59	7,068,123.22	7,209,485.68	7,353,675.39	7,521,298.90	7,650,763.88	0.00
Minimum Performance Income												
Lease Contract Expiration	4,769,960.00											
AGOP %		59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	0.00%
Incentive Fee (dynamic %of AGOP)												
Incentive Fee		(1,649,396.19)	(1,759,893.30)	(1,890,490.37)	(2,023,699.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	62,831,704.65	4,769,960.00	4,769,960.00	4,769,960.00	4,769,960.00	6,948,517.59	7,068,123.22	7,209,485.68	7,353,675.39	7,521,298.90	7,650,763.88	0.00

5.4 | Cash flow Analysis

Cash Flow Analysis		Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034								
Revenue																					
Rooms	91,517,763.63	8,374,080.00	8,518,224.00	8,688,588.48	8,862,360.25	9,064,373.50	9,220,399.60	9,404,807.60	9,592,903.75	9,811,569.39	9,980,457.06	0.00									
Food & Beverage	22,879,440.91	2,093,520.00	2,129,556.00	2,172,147.12	2,215,590.06	2,266,093.38	2,305,099.90	2,351,201.90	2,398,225.94	2,452,892.35	2,495,114.26	0.00									
Other Operating Departments	2,287,944.09	209,352.00	212,955.60	217,214.71	221,559.01	226,609.34	230,509.99	235,120.19	239,822.59	245,289.23	249,511.43	0.00									
Miscellaneous	320,312.17	29,309.28	29,813.78	30,410.06	31,018.26	31,725.31	32,271.40	32,916.83	33,575.16	34,340.49	34,931.60	0.00									
Total Revenue	117,005,460.80	10,706,261.28	10,890,549.38	11,108,360.37	11,330,527.58	11,588,801.52	11,788,280.89	12,024,046.51	12,264,527.44	12,544,091.46	12,760,014.35	0.00									
Departmental Expenses																					
Food cost	(4,575,888.18)	(418,704.00)	(425,911.20)	(434,429.42)	(443,118.01)	(453,218.68)	(461,019.98)	(470,240.38)	(479,645.19)	(490,578.47)	(499,022.85)	0.00									
Payroll & Related Expenses	(7,779,009.91)	(711,796.80)	(724,049.04)	(738,530.02)	(753,300.62)	(770,471.75)	(783,733.97)	(799,408.65)	(815,396.82)	(833,983.40)	(848,338.85)	0.00									
Other Expenses	(6,063,051.84)	(554,782.80)	(564,332.34)	(575,618.99)	(587,131.37)	(600,514.74)	(610,851.47)	(623,068.50)	(635,529.87)	(650,016.47)	(661,205.28)	0.00									
Total Departmental Expenses	(18,417,949.93)	(1,685,283.60)	(1,714,292.58)	(1,748,578.43)	(1,783,550.00)	(1,824,205.17)	(1,855,605.42)	(1,892,717.53)	(1,930,571.88)	(1,974,578.34)	(2,008,566.98)	0.00									
Gross Operating Income	98,587,510.87	9,020,977.68	9,176,256.80	9,359,781.94	9,546,977.58	9,764,596.36	9,932,675.47	10,131,328.98	10,333,955.56	10,569,513.12	10,751,447.37	0.00									
Undistributed Expenses																					
Admin & General	(11,700,546.08)	(1,070,626.13)	(1,089,054.94)	(1,110,836.04)	(1,133,052.76)	(1,158,880.15)	(1,178,828.09)	(1,202,404.65)	(1,226,452.74)	(1,254,409.15)	(1,276,001.44)	0.00									
IT and Internet	(3,744,174.75)	(342,600.36)	(348,497.58)	(355,467.53)	(362,576.88)	(370,841.65)	(377,224.99)	(384,769.49)	(392,464.88)	(401,410.93)	(408,320.46)	0.00									
Marketing & Sales	(2,457,114.68)	(224,831.49)	(228,701.54)	(233,275.57)	(237,941.08)	(243,364.83)	(247,553.90)	(252,504.98)	(257,555.08)	(263,425.92)	(267,960.30)	0.00									
Utilities & Energy	(2,925,136.52)	(267,656.53)	(272,263.73)	(277,709.01)	(283,263.19)	(289,720.04)	(294,707.02)	(300,601.16)	(306,613.19)	(313,602.29)	(319,000.36)	0.00									
Repairs & Maintenance	(4,095,191.13)	(374,719.14)	(381,169.23)	(388,792.61)	(396,568.47)	(405,608.05)	(412,589.83)	(420,841.63)	(429,258.46)	(439,043.20)	(446,600.50)	0.00									
Total Undistributed Expenses	(24,922,163.15)	(2,280,433.65)	(2,319,687.02)	(2,366,080.76)	(2,413,402.37)	(2,468,414.72)	(2,510,903.83)	(2,561,121.91)	(2,612,344.35)	(2,671,891.48)	(2,717,883.06)	0.00									
Gross Operating Profit	73,665,347.72	6,740,544.03	6,856,569.79	6,993,701.18	7,133,575.20	7,296,181.63	7,421,771.64	7,570,207.08	7,721,611.22	7,897,621.64	8,033,564.31	0.00									
Replacement Reserve - 3.0%	(3,510,163.82)	(321,187.84)	(326,716.48)	(333,250.81)	(339,915.83)	(347,664.05)	(353,648.43)	(360,721.40)	(367,935.82)	(376,322.74)	(382,800.43)	0.00									
Basic Fee - 0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
Incentive Fee	(7,323,479.24)	(1,649,396.19)	(1,759,893.30)	(1,890,490.37)	(2,023,699.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
EBITDA	62,831,704.65	4,769,960.00	4,769,960.00	4,769,960.00	4,769,960.00	6,948,517.59	7,068,123.22	7,209,485.68	7,353,675.39	7,521,298.90	7,650,763.88	0.00									
Cap Rate Analysis																					
Property	City	Value (\$AR)	NOI (\$AR)	Yield	Year																
SEDCO REIT	Riydah	20,393,000.00	1,500,000.00	7.36%	2023																
Al-Ahli REIT	Riydah	45,270,079.00	3,269,150.00	7.22%	2023																
Al-Ahli REIT	Riydah	341,028,000.00	24,558,349.00	7.20%	2023																
Average Cap Rate				7.26%																	
Adjustment to Average				1.00%																	
Approved Cap Rate				8.26%																	
Cap rate						8.26%															
Terminal Value	92,631,092.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	92,631,092.76									
years		1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00									
FCFF	155,462,797.41	4,769,960.00	4,769,960.00	4,769,960.00	4,769,960.00	6,948,517.59	7,068,123.22	7,209,485.68	7,353,675.39	7,521,298.90	7,650,763.88	92,631,092.76									
Discount Rate		1.00	0.89	0.80	0.72	0.64	0.57	0.51	0.46	0.41	0.37	0.33									
Present Value	68,068,303.48	4,769,960.00	4,266,511.63	3,816,200.02	3,413,416.84	4,447,592.07	4,046,644.88	3,691,930.04	3,368,308.26	3,081,473.37	2,803,680.80	30,362,585.58									
Discount Rate Analysis																					
Discount Rate Analysis		Source	Value																		
Risk-free rate		Saudi Exchange	3.32%																		
Inflation Rate		General Authority for Statistics	2.76%																		
Market Risk		knoema Platform Data	1.22%																		
Property Risk		Valuer's estimate	4.50%																		
Discount Rate																					
NPV at Discount Rate - 11.8%																					
	68,068,303.48																				
Income Approach Value																					
	68,068,000.00																				

Thank you

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

نحن لك سند
We support you