



أبعد
للتقييم العقاري

Final Valuation Report

V220110

Verdun Tower in Al-Olaya District, Riyadh

Client / Musharaka Capital

07 August 2022

مشاركة
Musharaka



Introduction



Dear / Musharaka Capital

Verdun Tower in Al-Olaya District, Riyadh

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

- Terms and Conditions
- Report Summary

Executive Summary

Report Summary

- The property undervaluation is a commercial/office tower (Verdin Tower) located in Olaya district of Riyadh.
- The land area is 3,212 Sqm (as per title deed), the build-up area is 25,591.36 Sqm (as per building permit) and the leasable area is 14,935 Sqm (as per client).
- The tower consists of two floors basement, one ground floor, a mezzanine, and 8 floors of offices.
- The retail consist of 3 open retails with an area of 3,300 Sqm. The administrative offices consist of 34 offices, with areas ranging from 153 Sqm to 1,463 Sqm.
- The property has a frontage on 4 streets, including King Fahd Road with a frontage of 40.08 M and Prince Mohammad bin Abdulaziz Road with 43.81 M.

Valuation Summary

Site Details	Information
District	Olaya
Permitted Use	Commercial/Office
Tenure	Freehold
Deed Number	730205024123
Deed Date	24/09/1443H
Total Area (sqm)	3,212
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	258,260,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Riyadh, KSA**.

Interest

- Interested to be valued as of **Verdun Tower in Al-Olaya District, Riyadh**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out a visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) Title Deed.
 - 2) Building Permit.
 - 3) Income Information.
 - 4) Urban lift of the building.



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Disclaimers



Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad does not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular, or statement or disclosed in any way without Abaad's prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as a fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.
- 1) The property was valued using the Income Approach, and it was assumed that the expired contracts will be automatically renewed.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As of the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgment.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



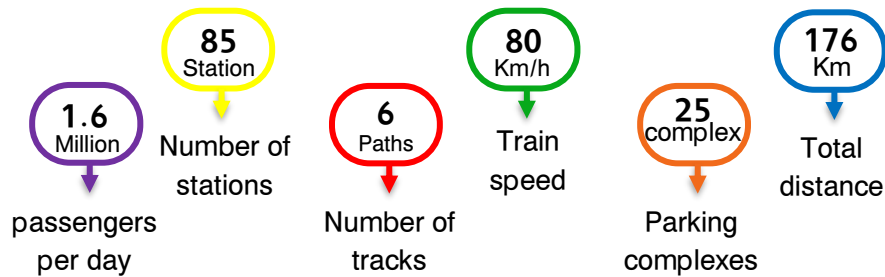
Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Property Description
- Subject Property Photos

Site Location Analysis

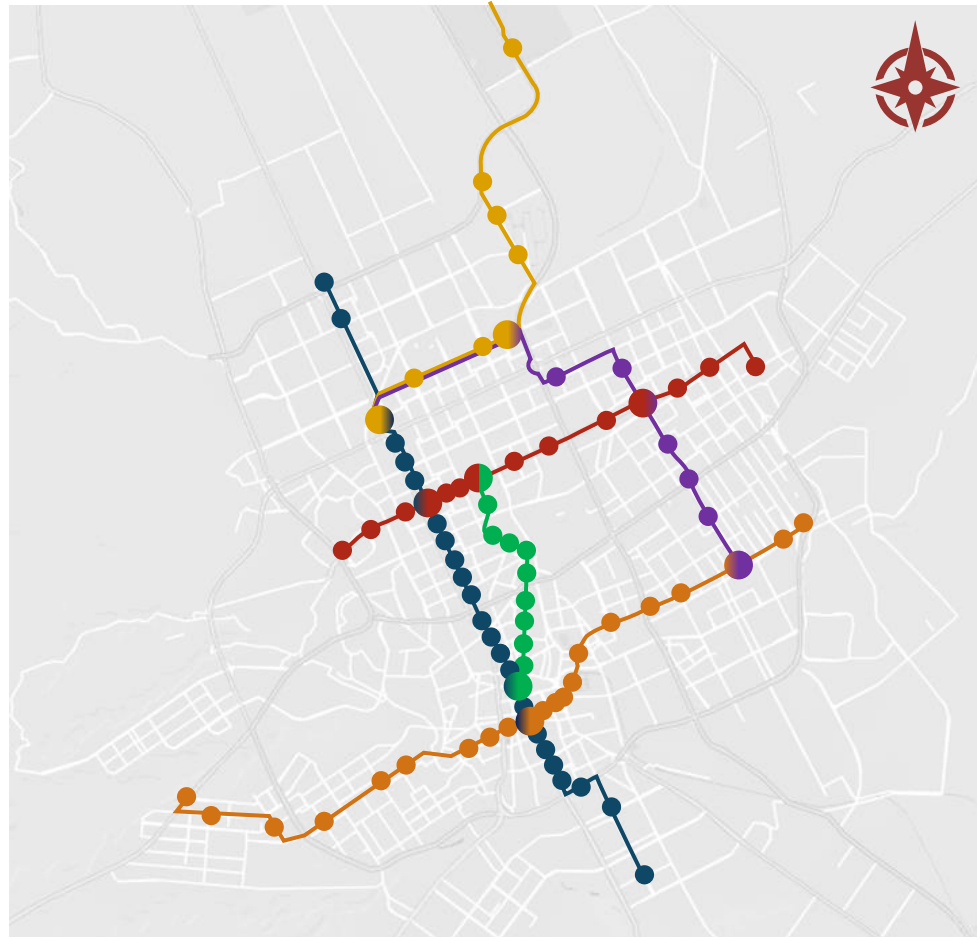
Infrastructure Projects - Al Riyadh Metro Project

- Riyadh Metro is a rapid transit system, currently bring under-construction and is as one of the largest infrastructure projects in the City.
- The metro is designed as a world-class transportation system, includes 756 metro cars, 85 stations, 6 metro lines, and a 176-km network.
- The construction of the metro system has led to a number of road closures that have affected traffic in different parts of the city.



Length of Riyadh Metro Lines

Line	Length (km)
Line 1 (Blue)	38.0
Line 2 (Red)	25.3
Line 3 (Orange)	40.7
Line 4 (Yellow)	29.6
Line 5 (Green)	12.9
Line 6 (Purple)	29.5



Site Location Analysis

Infrastructure Projects - RCRC Projects & Programs



The Royal Commission for Riyadh City (RCRC) carries out several strategic, comprehensive, long-term and multi-phase development programs and projects that require massive efforts and resources.

Historical Addir'iyah Development Program



Addir'iyah is the home of many historic sites and antiquities, as it hosts unique buildings, old quarters, oasis, palm gardens, farms and agricultural areas.

the program achieved integration between Addir'iyah and Riyadh by transforming Addir'iyah into a world-class cultural and tourist metropolitan suburb.

Riyadh Art Project



Within the project, more than 1000 artworks and landmarks, created by local and international artists, will be installed across the city of Riyadh according to a 10-program plan that covers residential neighborhoods, gardens, parks, squares, metro/bus stations, bridges, city entrances and tourism destinations.

Sports Boulevard



The Sports Boulevard extends for 135 kms, across the city of Riyadh, connecting Wadi Hanifah valley in the West with Wadi Al Sulai valley in the East through Prince Muhammad Bin Salman Bin Abdulaziz Road. The Sports Boulevard features green pedestrian pathways, special routes for professional and amateur cyclists (135 and 85 kms respectively), and horse riding routes (123 kms).

Green Riyadh



The Green Riyadh Project includes planting 7.5 million trees across the capital in gardens, parks, mosques, schools, healthcare facilities, King Khaled International Airport and most of the city's roads, streets, car parking spaces, and valleys

King Salman Park



Covering over 13 square kilometers, King Salman Park will be among the biggest city parks worldwide. It will combine a wide variety of environmental, cultural, recreational and sports activities that will significantly enhance the life quality of all Riyadh residents. The project will also host many facilities including a royal art complex, a national theater, an opera house, art academies, museums, and galleries. Furthermore, the park will feature extensive green areas, plazas, sports compounds, and an 18-hole royal golf course. To complement these amenities, great incentives would be offered to the private-sector investors to build recreational.

Site Location Analysis

Macro Location



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Riyadh City Borders

King Khalid international airport

Subject Site

White Lands Borders

The Subject Site is located in Riyadh, the capital of Saudi Arabia. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million in 2018.

Riyadh is considered one of the largest cities in the Gulf countries in terms of area, with a developed city area of about 1,913 square kilometers.

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

The subject property is located in the East of Riyadh, and it is 37 km away from King Khalid International Airport.

The Subject Site is located within the White Lands zone.

Site Location Analysis

Micro Location



The Subject Site is located in Olaya district and borders the property area to the north by Prince Muhammad bin Abdul-Aziz Road, to the west by King Fahd Road, to the east by Olaya Street, and from the south by Makkah Road.

It can be reached via King Fahd Road and Prince Muhammad bin Abdul-Aziz Road. The property is located to the south of King Khalid International Airport.

It borders from the north by Al-Wurud and Al-Rahmaniya districts, from the south by the Al-Mutamarat and Al-Murabba districts, and from the east by Al-Sulaymaniyah district, and from the west by Al-Ma'ather Al-Shamali district.

The property is located on flat terrain and in a densely populated area. All services are available in the area of the subject property.

Site Location Analysis

Subject Property Description



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Kingdom Tower



The Ministry of
Islamic Affairs, Call
and Guidance



Al-Faisaliyah Tower



Verdun Tower



King Faisal
Foundation



Prince Mohammad Bin Abdulaziz

Verdun Tower is located in Olaya District. The land area is 3,212 Sqm (as per Title deed) and the build-up area is 25,591.36 Sqm (as per building permit) and the leasable area is 14,935 Sqm (as per client information).

The tower consists of two floors basement, a ground floor, a mezzanine, and 8 floors.

The retail consist of 3 open retails with an area of 3,300 Sqm. The administrative offices consist of 34 administrative offices, with areas ranging from 153 Sqm to 1,463 Sqm.

The property has a frontage on 4 streets, including King Fahd Road with a frontage of 40.08 M and Prince Muhammad bin Abdul-Aziz Road with a frontage of 43.81 M.

برج التعاونية



Olaya St

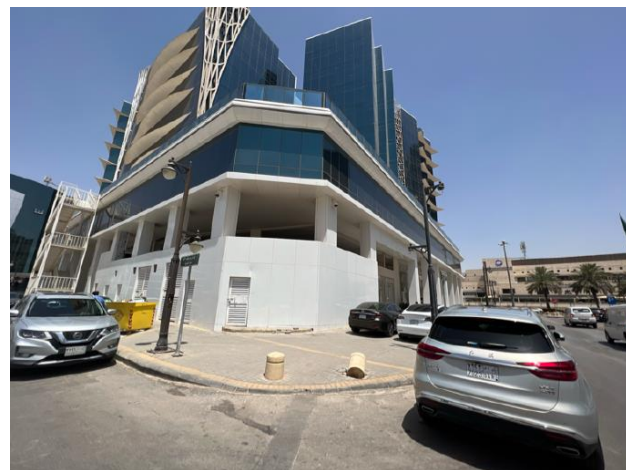
King Fahad Road

Site Location Analysis

Subject Property Photos



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Tenure

- Property Information
- Lease Contracts

Tenure

Property Information

Property Details (Freehold Details)

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
The Property	Verdun Tower in Al-Olaya District, Riyadh
Plot No.	14
Sub-Division	1184
District	Olaya District
Coordinates	24°41'41.6"N 46°40'53.2"E
City	Riyadh
Ownership Type	Freehold
Title Deed Info	Deed No. 730205024123
	Deed Date 24/09/1443H

No legal document has been verified for the property under valuation, which includes planning, ownership, or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights, or impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	43.81	Prince Muhammad bin Abdulaziz Road	60
South	70	Number 52	15
East	55	Wadi Al-Amariah	20
West	40.08	King Fahd Road	80

- Sources: "Title Deed"

Tenure

Lease Contracts

Retail Lease Contracts Summary

Retail	No. of Retails	Retail Area (Sqm)	Start Year	End Year
1	3	3,300	2022/06/01	2027/05/31

Offices Lease Contracts Summary

Office Area (Sqm)	Start Year	End Year
570	2021/01/12	2022/05/31
154	2021/01/10	2022/09/30
331	2022/03/01	2022/12/01
255	2022/10/01	2023/09/01
153	2021/01/12	2022/11/30
334	2021/01/09	2022/08/31
236	2021/01/06	2022/05/31
154	2021/01/01	2022/12/31
331	2021/01/06	2022/05/31
255	2020/01/11	2023/10/31
153	2020/01/21	2023/11/23
334	2021/01/03	2023/02/28
236	2021/01/07	2026/06/30
154	2021/01/11	2022/10/31
331	2021/01/03	2022/02/28

Source: Client Information.

Office Area (Sqm)	Start Year	End Year
255	2021/01/12	2022/11/30
153	2021/01/04	2022/03/31
334	2022/01/02	2022/07/31
236	2021/01/11	2022/10/31
154	2020/01/04	2023/01/04
166	2021/01/07	2022/06/30
166	2021/01/07	2022/06/30
255	2022/01/01	2023/12/31
153	2021/01/06	2023/05/31
334	2022/01/02	2023/01/31
2,187	2021/01/03	2022/02/28
255	2021/01/02	2022/01/31
153	2022/01/01	2022/12/31
344	2021/01/06	2022/05/31
236	2021/01/06	2022/05/31
154	2021/01/06	2022/05/31
3,786	2021/01/09	2022/05/31
153	2021/01/06	2022/05/31



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



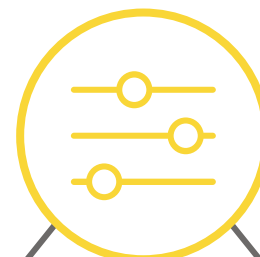
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



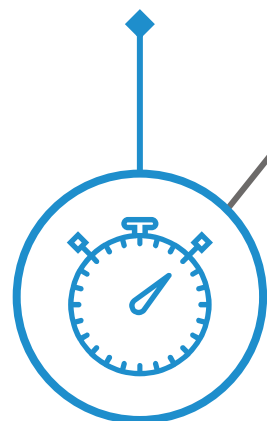
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



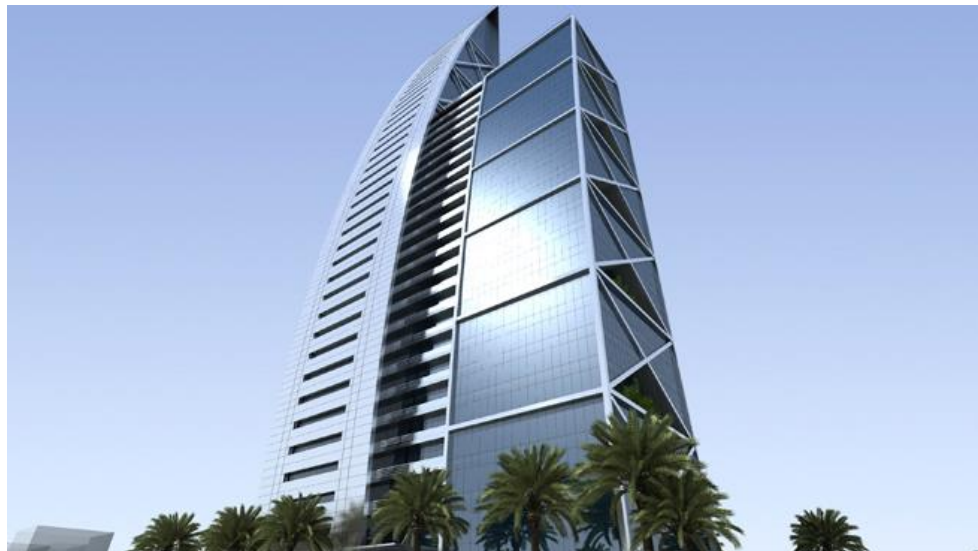
Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.










Valuation

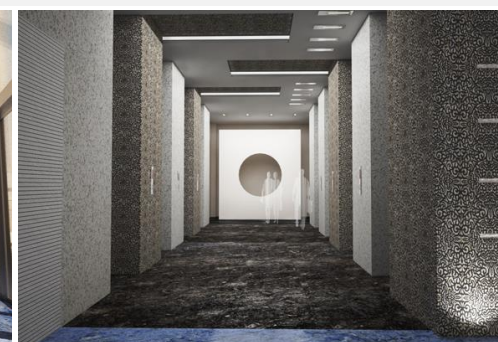
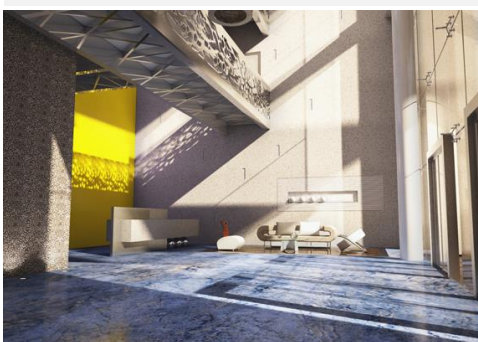
Comparable sites

Hamad Tower Project



Tower Information

				
3 roads within King Fahad	4 floors provides 500 parkings	Average 500 Sqm approx.	Average 400 Sqm approx.	
				
2016	Olaya district	35 floors	29,864 Sqm	38,000 Sqm



Valuation

Comparable sites

About Hamad Tower

- **Main entrance:** The main entrance to the towers, in general, is the main influencing element, and therefore the main entrance to the tower was designed with the latest designs and the finest materials.
- **Office floors:** The offices of the tower have been designed according to the highest engineering standards to allow the best use of space and to provide a practical atmosphere that supports focus and visit the efficiency of employees and includes all work requirements of modern information technology.

Tower Components

The tower consists of thirty-five floors, divided as follows:

Details	Description
Ground floor	The main entrance for the tower and offices
Offices floor	Starts from the first floor to the 35 th floor (with an area of 1,200 Sqm per floor)
25 th floor	Health care club that includes an outdoor swimming pool overlooking the city of Riyadh
Basement floor	Consists of four floors of parking
Average area for buildings	38,000 Sqm
Parking lot	500 cars in addition to front and side parking
Elevators	9 high-speed elevators + elevators for services

Rental Price

Details	Rent Price (SAR/Sqm)	Service (%)
Offices	1,600	10%

Location



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Valuation

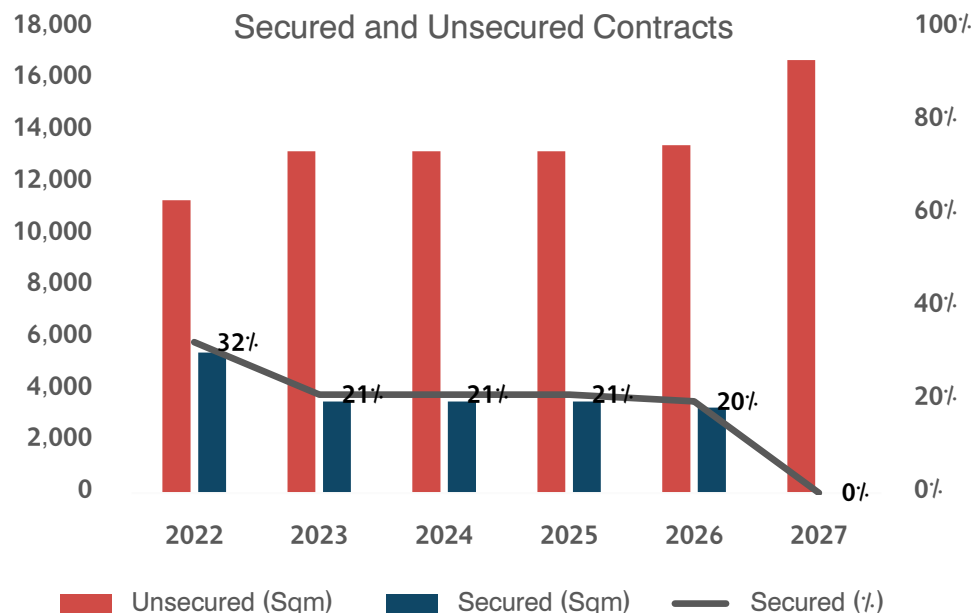
Income Analysis

Analysis of leasing prices and leasing contracts:

- Abaad team inspected the property, and we have analyzed the current occupancy levels and performance of the property, in addition to the income from the secured and unsecured units. The property contains a total of 35 lease contracts, including 11 secured contracts for 2022, and has two contracts with a lease period of 5 years, and the contracts are expected to expire by 2026, and one contract by 2027. According to the client information, the unsecured contracts may be renewed automatically after the expiry of the contract period.
- After analyzing the rental prices for the retail and offices of Hamad tower, it was concluded that the rental prices of the property undervaluation at an average of 1,104 SAR/Sqm are in the range of the market because the characteristics of Hamad tower are better than the property undervaluation.

Subject Details undervaluation:

Detail	Description
Retail GLA (Sqm)	3,300
Retail Occupancy rate (%)	٪100
Retail Average Lease Rate (SAR/Sqm)	1,333
Retail Revenue (SAR)	4,400,000
Offices GLA (Sqm)	13,454
Offices Occupancy rate (%)	٪100
Offices Average Lease Rate (SAR/Sqm)	1,104
Offices Revenue (SAR)	14,852,657
Blended Occupancy Rate (%)	٪100
Total Revenue (SAR)	19,252,657
Other Revenues (Advertising Screens) (SAR)	3,000,000



Year	GLA for Secured Contracts (Sqm)	GLA for Unsecured Contracts (Sqm)
2022	5,429	11,325
2023	3,536	13,218
2024	3,536	13,218
2025	3,536	13,218
2026	3,300	13,454
2027	0	16,754

Valuation

Income Approach

Discount Cash Flow

- The cash flows have been made over a period of 5 years, and the following assumptions have been relied on:
- Inflation Rate: 2.50%/. • Discount Rate: 10.00%/. • Yield Rate: 7.50%/. • Operation and Expenses Rate: 10.00%/. •

Property Income

- According to the client information, the total income of the property undervaluation is estimated at 19,252,657 SAR annually, with an occupancy rate of 100%/. The property's income was based on the client information in the cash flow table below.

Period	2022/12	2023	2024	2025	2026	2027
Total GLA (Sqm)	16,754.00	16,754.00	16,754.00	16,754.00	16,754.00	16,754.00
Average Lease Rate with Inflation (SAR/Sqm)	1,163.41	1,192.50	1,222.31	1,252.87	1,284.19	1,316.30
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Potential Income (SAR)	9,745,915	19,979,125	20,478,603	20,990,568	21,515,332	22,053,216
Vacancies (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vacancies (SAR)	0	0	0	0	0	0
Land Rent Cost with Inflation (SAR)	537,500	1,075,000	1,200,000	1,200,000	1,300,000	1,300,000
Operation and Expenses (SAR)	974,591	1,997,912	2,047,860	2,099,057	2,151,533	2,205,322
Screens Revenue with Inflation (SAR)	1,518,634	3,113,200	3,191,030	3,270,806	3,352,576	3,436,391
Net Operation Income (SA)	9,752,457	20,019,413	20,421,773	20,962,317	21,416,375	21,984,285
Exit (SAR)						293,123,794
Present Value (SAR)	9,298,603	17,352,510	16,092,063	15,016,368	13,946,938	186,551,940
Market Value (SAR)	258,260,000					

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 258,260,000 (Two Hundred Fifty-Eight Million Two Hundred Sixty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل
[٢٧٧]

صك

تاريخ الصك: ١٤٤٣/٩/٢٤ هـ
رقم الصك: ٧٣.٠٢.٥٠٢٤١٢٣

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

فإن البلك رقم 14 من المخطط رقم 1184 الواقع في حي العليا بمدينة الرياض . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض 60م بطول: (43.81) ثلاثة وأربعون متر و واحد و ثمانون سنتيمتر+21.70م

جنوبياً: شارع عرض 15م بطول: (70) سبعون متر

شرقاً: شارع عرض 20م بطول: (55) خمسة وخمسون متر

غرباً: شارع عرض 80م بطول: (40.08) أربعون متر و ثمانية سنتيمتر ومساحتها: (3212) ثلاثة آلاف و مئتين و إثني عشر متر مربعاً فقط والمستند في إفراجها على الصك الصادر من الموثقين بالرياض 8 برقم 399016000570 في 20 / 9 / 1443 هـ.

قد انتقلت ملكيتها لـ شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم 1010484834 وتكتفي في 14 / 1 / 1445 هـ .. بمن وقدره 235000000 مئتين و خمسة و ثلاثون مليون ريال وعليه جرى التصديق تحريراً في 24 / 9 / 1443 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

(١٢-٢٠٠-١٢) نموذج رقم
صفحة رقم 1 من 1



Abaad & Partner For Real Estate Valuation Co.

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Final Valuation Report

Pearl Residencial Compound, Khobar

Client / Musharaka Capital

07 August 2022

V220110



Introduction



Dear / Musharaka Capital

Pearl Residencial Compound, Khobar

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

- Terms and Conditions
- Report Summary

Executive Summary

Report Summary

- The Pearl Residential Compound is located on a plot of regular shape with flat topography, with an area of **22,500 Sqm**. The residential compound includes many residential apartments of various sizes and features (**233 units**), in addition to facilities and services such as swimming pools. The total built-up area is **39,909 Sqm**.
- The property area is characterized by the presence of all basic services such as electricity, water, lights, sewage, asphalt streets, and footpaths.
- The Pearl Residential Compound is located on the main street so that Prince Sultan Bin Fahd Road passes from the southern side of the property, and it is considered one of the main roads in Al Khobar because it connects the eastern side with the western side.

Property Details

Site Details	Information
District	Qurtubah
Permitted Use	Residential
Tenure	Freehold
Deed Number	430205013306
Deed Date	24/11/1438H
Total Area (sqm)	22,500 (title deed)
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	377,100,000 (SAR)

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **07 August 2021**, Abaad take pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Khobar, KSA**.

Interest

- Interested to be valued as of **Pearl Residence Compound, Khobar**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets Purposes**

Basis of Value

Our valuation will be provided on the basis as mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out a visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:

- 1) Title Deed.
- 2) Building Permit.
- 3) Income Data.
- 4) Subject Location.



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Disclaimers



Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Macro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Macro Location

Macro Site Analysis

- The Pearl Residential Compound is in the eastern part of Al-Khobar, one of the Eastern Province governorates in the Kingdom of Saudi Arabia.
- The total urban area of Al-Khobar is **750 Sqm**, with a population of **578,500** people.
- Khobar city has a good infrastructure that allows commercial and industrial hubs with seaports and residential areas that increase commercial activity in the region.
- The property undervaluation is in Al Rakah district near Prince Sattam bin Abdulaziz University. The surrounding area includes compounds, retail centers, under-construction developments, and residential buildings.

Accessibility

- The Pearl Residential Compound is characterized by its location on Tariq Bin Ziyad Street, and it connects two main roads, King Fahd Road and King Saud Road. Moreover, King Fahd Road passes from the eastern side of the Pearl Mall.
- As for the other frontage, they overlook internal streets and border from the north and west sides.
- The property undervaluation can be reached directly through Tariq Bin Ziyad Street, in addition to King Fahd Road and King Saud Road, which are secondary roads linked to Tariq Bin Ziyad Street leading to the property undervaluation.

Property Location



Site Location Analysis

Subject Property Description

- The Pearl Residential Compound is on a regular shaped parcel of land, with an area of **22,500 Sqm**.
- The residential compound includes **16** buildings with a total of **233** residential units, in addition to facilities and amenities such as swimming pools, health club, jacuzzi, sauna, banquet hall, mini market, nursery, mosque, cafe, and school buses. The total built-up area is **39,909 Sqm**.
- The surrounding area of the subject asset hosts proper infrastructure, that includes electricity, water, lights, sewage, asphalt streets, and footpaths.
- The surrounding area is characterized by a commercial building regulation that allows up to **15** floors, as indicated in the building regulations in the property area.
- Based on the information provided by the client, the coverage ratio (according to the current construction condition) is **56%**.

Property Details

Description	Values
Land Area (Sqm)	22,500
Build-up area (Sqm)	39.909
Occupancy %	%56
Number of Units	233
Property Age	8 Years

Property Location

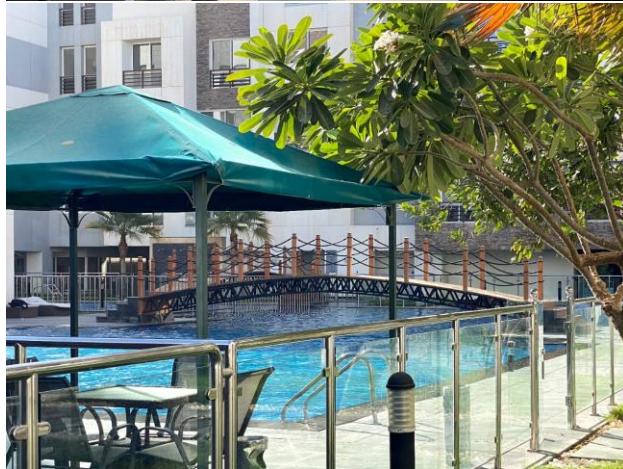


Site Location Analysis

Subject Property Photos



أبعاد
للتقييم العقاري



Site Location Analysis

Subject Property Photos



أبجد
للتقييم العقاري





Tenure

- Property Information

Tenure

Property Information

Property Details (Freehold Details)

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
Use	Residential
Plot No.	The Pearl Residential Compound
Sub-Division	2/38
District	Al Rakah
Coordinates	26°20'48.20"N 50°11'22.85"E
City	Khobar
Ownership Type	Freehold
Title Deed Info	Deed No. 430205013306
	Deed Date 24/11/1438 H

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	150	Steet 24	40
South	150	Tariq Bin Ziyad Street	40
East	150	Maakal Bin Snan Street	10
West	150	Nafeea Bin Atbah Street	8

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Residual Value
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modelling technique based on explicit assumptions regarding the prospective cashflow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cashflow has been calculated on an annual basis. With respect to the growth rate applied throughout our cashflow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cashflow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be as at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



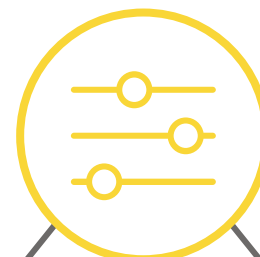
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of the property compared to Khobar market. The table on the left summarizes the results of the field research for residential units in the city of Al-Khobar.
- In addition, the field research deals with the appropriate Yield rate for the property undervaluation until the market value of the property undervaluation is reached through the income approach.
- Based on the field research, the Yield rates for residential compounds range from 8% to 10% according to the location, type, and quality of units and occupancy rate. According to the statement from the client.
- Pearl Compound enjoys lease contracts with several tenants, with total income of 32.0 million SAR/year as a net rental value.
- The table on the left shows the rental prices of the property undervaluation.

Rental Prices Summary

- Abaad team made field research for the rental prices of the apartments near the property undervaluation, we have made some adjustments to reach the rental prices for the property undervaluation as shown in the table below:

Name	Rooms	Annual Rent	Location Adj.	Price After Adj.
Retal Residence	1 Room	110,000	-10.00%	99,000
Retal Residence	2 Rooms	150,000	-10.00%	135,000
Retal Residence	3 Rooms	180,000	-10.00%	162,000
Retal Residence (Paint House)	3 Rooms	210,000	-10.00%	189,000

Estimating Income

Units	Rooms	Annual Rent	Total
30	1 Room	99,000	2,970,000
102	2 Rooms	135,000	13,770,000
69	3 Rooms	162,000	11,178,000
32	(Paint House)3 Rooms	189,000	6,048,000
Total Revenue			33,966,000

Valuation

Income Approach

Discount Cash Flow

The cash flows were made for the remaining period of the contract, which is due in Sep 2022, after this period the property income was based on the market and over 5 years, and the following assumptions were relied on:

- Inflation Rate: 2.50%.
- Discount Rate: 10.50%.
- Yield Rate: 8.00%.
- Other Income Rate: 1.00%.

Period	2022/09	2023/09	2024/09	2025/09	2026/09	2027/09
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Revenue with Inflation (SAR)	8,060,858	35,030,734	35,906,502	36,804,165	37,724,269	38,667,376
Vacancies (%)	0.0%	10.0%	5.0%	5.0%	5.0%	5.0%
Vacancies (SAR)	0	3,503,073	1,795,325	1,840,208	1,886,213	1,933,369
Other Income (SAR)	0	315,277	341,112	349,640	358,381	367,340
Gross Potential Income (GPI) (SAR)	8,060,858	31,842,937	34,452,289	35,313,596	36,196,436	37,101,347
Operation Expenses (%)	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operation Expenses (SAR)	0	2,547,435	2,756,183	2,825,088	2,895,715	2,968,108
Net Operation Income (SA)	8,060,858	29,295,502	31,696,106	32,488,509	33,300,721	34,133,239
Exit Value (SAR)						426,665,491
Present Value (SAR)	7,862,138	25,858,189	25,318,664	23,485,638	21,785,321	272,809,390
Market Value (SAR)	377,100,000					

Valuation

Opinion of Value

Abaad is of the opinion that the Market Value of the Subject Property, as of 30 July 2022, based upon assumptions and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 377,100,000 (Three Hundred Seventy-Seven Million One Hundred Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Subject Property Documents



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Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

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- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

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- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

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- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

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- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.



Abaad & Partner For Real Estate Valuation Co.

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Final Valuation Report

V220110

Seashore Residential Compound, Khobar

Client / Musharaka Capital

07 August 2022



Introduction



Dear / Musharaka Capital

Seashore Residential Compound, Khobar

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

- Terms and Conditions
- Report Summary

Executive Summary

Report Summary

- Seashore residential compound is located on a regular plot of land with flat topography, with an area of **38,103 Sqm.**
- The residential complex includes various residential villas in sizes and features (**112 units**), in addition to facilities and services such as swimming pools, health clubs, and green areas.
- The total built-up area is **24,760 Sqm.**
- The property area is characterized by the presence of all basic services such as electricity, water, lighting, sewage, asphalt streets, and a footpath.
- The compound is located near the corniche.

Property Details

Site Details	Information
District	Tahlia
Permitted Use	Residential Commercial
Tenure	Freehold
Deed Number	930205013309
Deed Date	24/11/1438H
Total Area (sqm)	38,103
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	157,900,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Khobar, KSA**.

Interest

- Interested to be valued as of **Seashore Residential Compound, Khobar**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Proximity to Demand Generators
- Property Description
- Subject Property Photos

Site Location Analysis

Macro Location - Introduction

- Seashore residential compound is located in the southern part of Khobar, which is one of the governorates of the Eastern Province in the Kingdom of Saudi Arabia.
- The total urban area of Al-Khobar is **750** square kilometers, with a population of about **578,500** people.
- The city of Al-Khobar is also characterized by the presence of a good infrastructure that allows it to be a commercial and industrial center, and the presence of seaports, and residential areas that increase commercial activity in the region.
- The property under appraisal is located in Tahlia district, close to many hotel resorts.
- The area surrounding the property includes developing spaces, in addition to many resorts and commercial centers, and places dedicated to fishing.

Accessibility

- Seashore residential compound is located near the open sea, sea resorts, and places to set up activities.
- As for the other frontages, they overlook internal streets and border the site on the south and west sides.
- The property can be reached directly through an internal road linked to King Fahd Street.

Macro Location of the Subject Property



Site Location Analysis

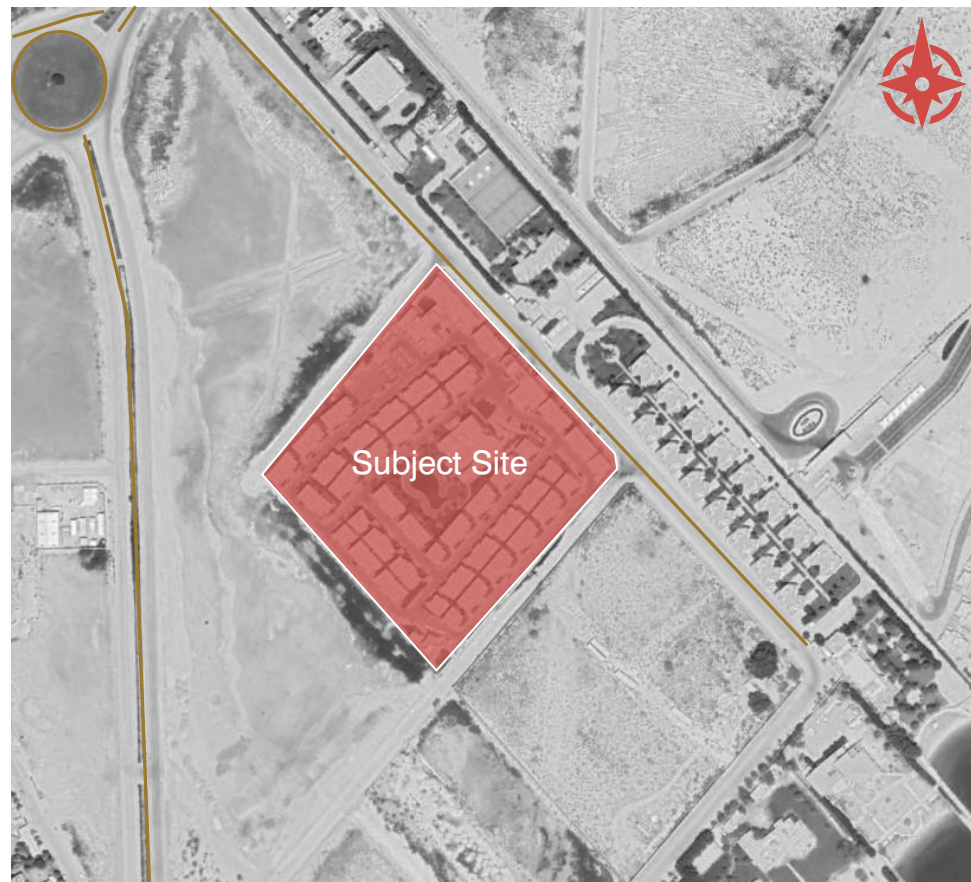
Subject Property Description

- Seashore residential compound is located on a regular plot of land with flat topography, with an area of **38,103 Sqm**.
- The compound includes **112** residential units, in addition to services and facilities such as swimming pools, health club, catering, cafe, and other services. The total built-up area is **24,760 Sqm**.
- The property location is characterized by the presence of basic services such as electricity, water, lighting, sewage, asphalt streets, and footpaths.
- The property location is characterized by a commercial zone with a total number of **2** floors, as indicated in the building regulations in the area.
- Based on the information provided by the client, the coverage rate (according to the current construction condition) is **57%**.

Property Details

Details	Description
Land Area (Sqm)	38,103
Build-up Area (Sqm)	24,760
Coverage Ratio (%)	57
Number of Units	112
Building Age	5 Years

Property Location



Site Location Analysis

Subject Property Photos



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Tenure

- Property Information

Tenure

Property Information

Property Details (Freehold Details)

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
The Property	Seashore Residential Compound, Khobar
Plot No.	-
Sub-Division	-
District	Tahlia District
Coordinates	26° 9'58.68"N 50°11'44.52"E
City	Khobar
Ownership Type	Freehold
Title Deed Info	Deed No. 930205013309
	Deed Date 24/11/1438H

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	192.43	Unnamed	20
South	192.43	Neighbor	-
East	200	Unnamed	15
West	200	Unnamed	15

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



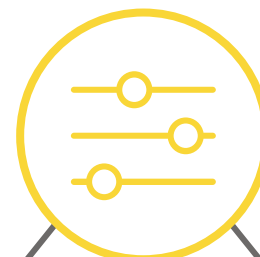
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Valuation

Valuation Basis & Methodology

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of the Seashore compound compared to the Khobar market. The table on the left summarizes the results of the field research for the residential compound.
- In addition, we have made some research on the Yield rate for the property undervaluation.
- Based on the results of the research, the Yield rates for residential compounds range from **8.0%** to **10.0%** and it is dependent according to the location, type, quality of units, and occupancy rate.
- According to the client information, the compound enjoys lease contracts with a Net Operating Income of **13.05** million SAR per year.
- Moreover, the information provided by the client and the experience of Abaad in the real estate market, the Yield rate of the property was estimated as **9.0%**.
- The table on the left shows the rental prices in the Subject Site area.

Rental Prices Summary

Compound Name	Unit Area (Sqm)	Rent Price (SAR)	Unit Type
Black Pearl Compound	272	150,000	Villa
An Nahda Compound	220	150,000	Villa
Ar Rawabi Pearl Compound	180	72,500	Apartment
Black Pearl Compound	107	65,000	Apartment

Income Estimation

- After completing the field research, we have adjusted **10%** to the average rental price for each type of unit. According to the inspection of the property under valuation, there are some villas has a view of the pool that has a price premium. The table below shows the rental prices and the total income of the units.

Unit Type	Number of Units	Rent Price (SAR)	Total Income (SAR)
Apartment	36	75,625	2,722,500
Villas with View	17	175,000	2,975,000
Villas without View	59	165,000	9,735,000
Total	112		15,432,500

Valuation

Valuation Basis & Methodology

Discount Cash Flow

The cash flows were made for the remaining period of the contract, which is due in Sep 2022, after that the property income was based on the market and over 5 years, and the following assumptions are based on our knowledge of the Property, the local market characteristics, and performance:

- Inflation Rate: 2.50%.
- Additional Income Rate: 1.00%.
- Yield Rate: 8.50%.
- Discount Rate: 11.00%.

Period	2022/09	2023/09	2024/09	2025/09	2026/09	2027/09
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Revenue with Inflation (SAR)	3,282,702	15,916,263	16,314,170	16,722,024	17,140,075	17,568,577
Vacancies (%)	0.0%	20.0%	15.0%	10.0%	5.0%	5.0%
Vacancies (SAR)	0	3,183,253	2,447,125	1,672,202	857,004	878,429
Additional Income (SAR)		127,330	138,670	150,498	162,831	166,901
Gross Potential Income (GPI) (SAR)	3,282,702	12,860,341	14,005,715	15,200,320	16,445,902	16,857,049
Operation Expenses Rate (%)	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operation Expenses (SAR)	0	1,028,827	1,120,457	1,216,026	1,315,672	1,348,564
Net Operation Income (SA)	3,282,702	11,831,514	12,885,258	13,984,294	15,130,230	15,508,485
Exit (SAR)						182,452,769
Present Value (SAR)	3,198,164	10,384,524	10,188,644	9,961,870	9,710,081	114,454,945
Market Value (SAR)	157,900,000					

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 157,900,000 (One Hundred Fifty-Seven Million Nine Hundred Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

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- See “Purpose”.

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Subject Property Documents



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للتقييم العقاري



صك

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

إن قطعة الأرض رقم بدون من المخطط رقم ٢٣٨ / بمدينة الخبر،

وحدها وأصولها كالتالي:

شمالاً: شارع عرض ٢٠ م.

جنوباً: أرض مملوكة لمدينة مختطمة

شرقاً: شارع عرض ٥ م.

غرباً: شارع عرض ٢٠ م.

بطول: (٩٦.٤٣) مائة واثنين وتسعون متر وثلاثة أرباع سنتيمتر

عرض: (١٩.٤٣) مائة واثنين وتسعون متر وثلاثة أرباع سنتيمتر

مساحتها: (٣٨١.٣٦) عمانية ولاتلون ألفاً ومائة وثلاثة متراً مربعاً فقط توجد شطحة بالريksen الشمال الشرقي والشمالي الغربي بمقدار ٤٠٤ كلمتها وكذلك توجد غرقه كبيراً بالريksen الجنوبي الشرقي ومساحة ٢.٥٠٠ م.

والمتسند إلى إفراغه على السك الصادر من هذه الإدارة برقم ١٢٧.٢٠٠٩١٢٧-٢٣ في ١٤ / ٦ / ١٤٢٨ هـ.

قد انتقلت ملكيتها: لدرسة خندق المشاركة العمالية بموجب سجل تجاري رقم ١٠١٠٤٨٨٣٤ في ١٢ / ١٠ / ١٤٢٧ وتنتهي في ١٢ / ١٠ / ١٤٢٨ هـ وبشرق ركنه ١٥٠٠٠٠٠ حصة وأربع وخمسة وأربعون مليون ريال وعليه جاز التأسيس تحريراً في ١٢ / ١٢ / ١٤٢٨ هـ، وضمن الله علي عبداً محمد بن أحمد وصحبه وسلم.

کاتب العدل

عبدالله بن محمد بن عبدالله الشهري

الختم الرسمي

وزارة العدل
كتابة العدل الأولى بمحكمة الجبل
كتب العدل مكتب رقم ١٥٠

مصلحة مطابع الحكومة - ٢٨٢,٢٢ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمكن تكثيره)
نموذج رقم (١٢-١٠-١)

[illegible]

Subject Property Documents



أبجد
للتقييم العقاري

[illegible]



Abaad & Partner For Real Estate Valuation Co.

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Al-Salama District
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Final Valuation Report

V220110

Radisson Blue Hotel Apartments, Khobar

Client / Musharaka Capital

07 August 2022



Introduction



Dear / Musharaka Capital

Radisson Blue Hotel Apartments, Khobar

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

- Terms and Conditions
- Report Summary

Executive Summary

Report Summary

- Radisson Blu Hotel Apartments is located on a regular shape plot with flat topography, with an area of **3,798.08 Sqm.**
- The hotel includes various apartments in sizes and features (**92** apartments), in addition to facilities and services such as swimming pools and a health club. The total built-up area is **8,964 Sqm.**
- The property area is characterized by the presence of all basic services such as electricity, water, lighting, sewage, asphalt streets, and a footpath.
- The Hotel is located close to many important hubs of Al Khobar.

Valuation Summary

Site Details	Information
District	Olaya
Permitted Use	Residential Commercial
Tenure	Freehold
Deed Number	330207005613 - 930207005612 - 330207005611
Deed Date	29/11/1438H
Total Area (sqm)	3,798.08
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	85,960,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Khobar, KSA**.

Interest

- Interested to be valued as of **Radisson Blue Hotel Apartments, Khobar**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Disclaimers



Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Proximity to Demand Generators
- Property Description
- Subject Property Photos

Site Location Analysis

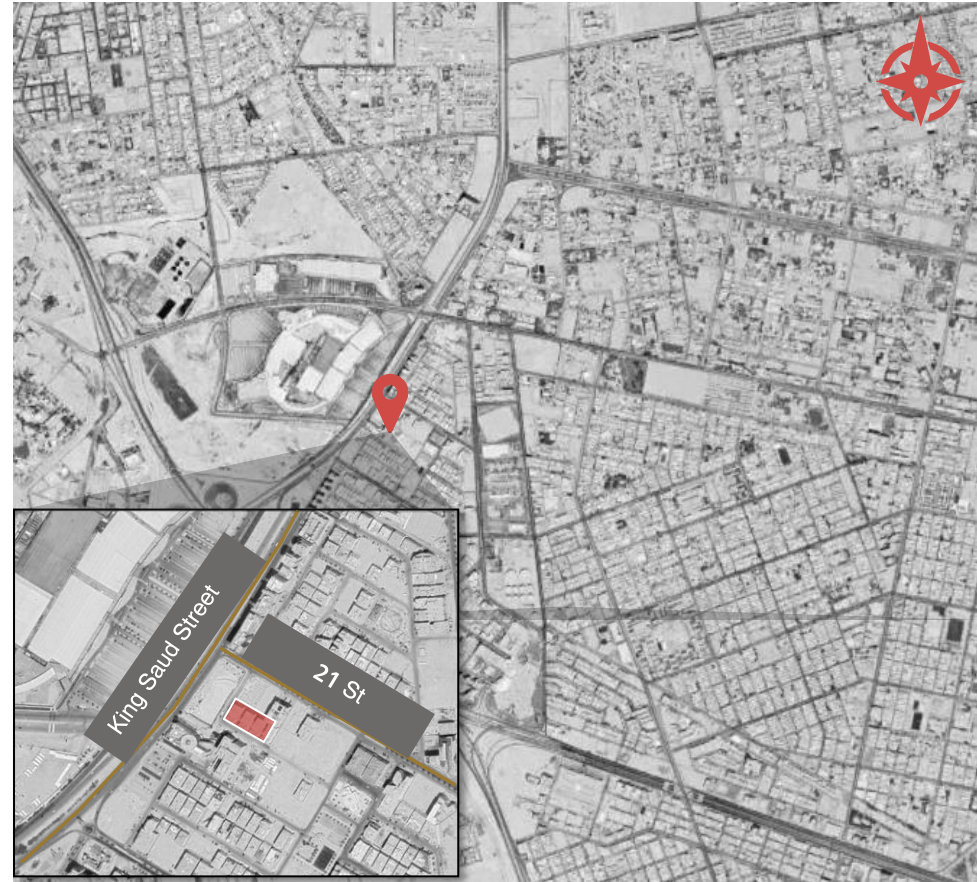
Macro Location - Introduction

- The Radisson Blue Hotel Apartments is located in the western part of Al-Khobar, which is one of the governorates of the Eastern Province in the Kingdom of Saudi Arabia.
- The total urban area of Al-Khobar is **750** square kilometers, with a population of about **578,500** people.
- The city of Al-Khobar is also characterized by the presence of a good infrastructure that allows it to be a commercial and industrial center, and the presence of seaports, and residential areas that increase commercial and hospitality activity in the region.
- The property undervaluation is located in Olaya district, close to many important hubs of Al Khobar.
- The area surrounding the property includes many hotels, commercial centers, restaurants, and cafes.

Accessibility

- The property is located near Dhahran Mall.
- As for the frontages, they overlook internal streets and border the site from the south and east.
- The property undervaluation can be reached directly through an internal road linked to King Saud Street.

Macro Location of the Subject Property



Site Location Analysis

Subject Property Description

- The Radisson Blue Hotel Apartments is located on a regular plot of land with flat topography, with an area of 3,798.08 Sqm.
- The property includes 92 residential units, in addition to services and facilities such as swimming pools, health club, catering, cafe, and other services. The total built-up area is 8,964 Sqm.
- The property location is characterized by the presence of basic services such as electricity, water, lighting, sewage, asphalt streets, and footpaths.
- The property location is characterized by a commercial zone with a total number of 3 floors, as indicated in the building regulations in the area.
- Based on the information provided by the client, the coverage rate (according to the current construction condition) is 60%.

Property Details

Details	Description
Land Area (Sqm)	3,798.08
Build-up Area (Sqm)	8,964
Coverage Ratio (%)	~60
Number of Units	92
Building Age	6 Years

Property Location



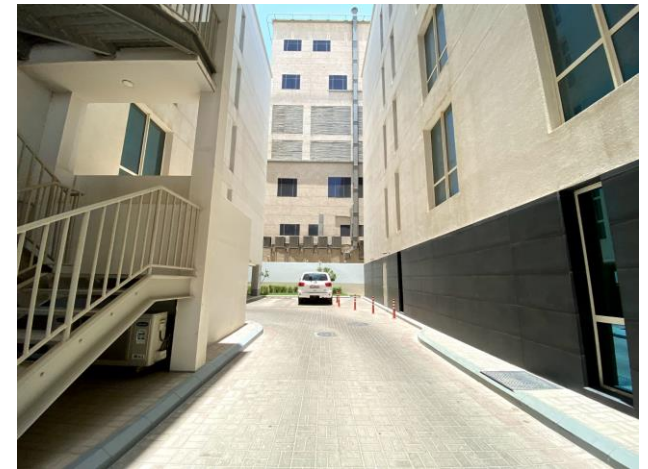
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Site Location Analysis

Subject Property Photos



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Site Location Analysis

Subject Property Photos



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Tenure

- Property Information

Tenure

Property Information



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Property Details for plot no. 112

ID	Description	
Owner	Hifth AlMusharaka Real Estate Company	
The Property	Radisson Blue Hotel Apartments, Khobar	
Plot No.	112	
Sub-Division	2/345	
District	Olaya District	
Coordinates	26°18'11.11"N	50°10'26.80"E
City	Khobar	
Ownership Type	Freehold	
Title Deed Info	Deed No.	930207005612
	Deed Date	29/11/1438H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	35.08	Neighbor	-
South	35	Jamal Al Deen Afghani	16
East	40	Neighbor	-
West	40	Unnamed	16

- Sources: "Title Deed"

Property Details for plot no. 114

ID	Description	
Owner	Hifth AlMusharaka Real Estate Company	
The Property	Radisson Blue Hotel Apartments, Khobar	
Plot No.	114	
Sub-Division	2/345	
District	Olaya District	
Coordinates	26°18'11.11"N	50°10'26.80"E
City	Khobar	
Ownership Type	Freehold	
Title Deed Info	Deed No.	330207005611
	Deed Date	29/11/1438H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	192.43	Neighbor	-
South	192.43	Jamal Al Deen Afghani	16
East	200	Neighbor	-
West	200	Neighbor	-

- Sources: "Title Deed"

Tenure

Property Information

Property Details for plot no. 116

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
The Property	Radisson Blue Hotel Apartments, Khobar
Plot No.	116
Sub-Division	2/345
District	Olaya District
Coordinates	26°18'11.11"N 50°10'26.80"E
City	Khobar
Ownership Type	Freehold
Title Deed Info	Deed No. 330207005613
	Deed Date 29/11/1438H

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	30	Neighbor	-
South	30	Jamal Al Deen Afghani	16
East	40	Neighbor	-
West	40	Unnamed	16

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



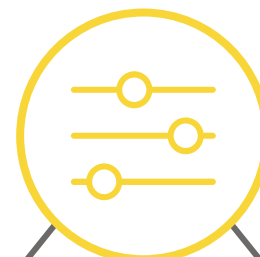
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



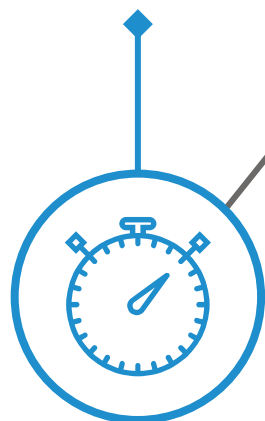
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Valuation

Projected Trading Performance

Projected Trading Performance Summary (with inflation) (KPI)

- Our calculations were made over **10** years, the table below shows a summary of the first **5** years as a **percentage (%)**.

Period	2022	2023	2024	2025	2026
No. of Rooms	91	91	91	91	91
Occupancy (%)	72.4%	72.4%	72.4%	72.4%	72.4%
ADR (%)	431	431	431	431	431
RevPAR (SAR)	312	312	312	312	312
(Departmental Revenue)					
Room Revenue	87.0%	87.0%	87.0%	87.0%	87.0%
Food & Beverage	10.0%	10.0%	10.0%	10.0%	10.0%
Other Revenue	3.0%	3.0%	3.0%	3.0%	3.0%
(Departmental Expenses)					
Room Expenses	18.0%	18.0%	18.0%	18.0%	18.0%
Food & Beverage Expenses	48.0%	48.0%	48.0%	48.0%	48.0%
Other Expenses	50.0%	50.0%	50.0%	50.0%	50.0%
(Undistributed Expenses)					
Administrative & General	6.0%	6.0%	6.0%	6.0%	6.0%
Sales & Marketing	2.0%	2.0%	2.0%	2.0%	2.0%
Operations and Maintenance	3.0%	3.0%	3.0%	3.0%	3.0%
Utilities	5.0%	5.0%	5.0%	5.0%	5.0%

Period	2022	2023	2024	2025	2026
(Management Fees)					
Base Management Fee	2.0%	2.0%	2.0%	2.0%	2.0%
Incentive Management Fee	4.3%	4.3%	4.3%	4.3%	4.3%
(Fixed Charges)					
Staff Accommodation	1.0%	1.0%	1.0%	1.0%	1.0%
Building Insurance	0.3%	0.3%	0.3%	0.3%	0.3%
(NOI)					
Net Operating Income	54.4%	54.4%	54.4%	54.4%	54.4%
Reserve for Renewals (FF&E)	1.0%	1.0%	1.0%	1.0%	1.0%
EBITDA					
EBITDA (SAR)	6,365	6,365	6,365	6,365	6,365
EBITDA (%)	53.4%	53.4%	53.4%	53.4%	53.4%

Valuation

Projected Trading Performance

Projected Trading Performance Summary (with inflation) (KPI)

- Our calculations were made over **10** years, the table below shows a summary of the first **5** years as a **(000 SAR)**.

Period	2022	2023	2024	2025	2026
No. of Rooms	91	91	91	91	91
Occupancy (%)	72.4%	72.4%	72.4%	72.4%	72.4%
ADR (%)	431	431	431	431	431
RevPAR (SAR)	312	312	312	312	312
(Departmental Revenue)					
Room Revenue	10,361	10,361	10,361	10,361	10,361
Food & Beverage	1,191	1,191	1,191	1,191	1,191
Other Revenue	357	357	357	357	357
(Departmental Expenses)					
Room Expenses	1,865	1,865	1,865	1,865	1,865
Food & Beverage Expenses	572	572	572	572	572
Other Expenses	179	179	179	179	179
(Undistributed Expenses)					
Administrative & General	715	715	715	715	715
Sales & Marketing	238	238	238	238	238
Operations and Maintenance	357	357	357	357	357
Utilities	595	595	595	595	595

Period	2022	2023	2024	2025	2026
(Management Fees)					
Base Management Fee	238	238	238	238	238
Incentive Management Fee	517	517	517	517	517
(Fixed Charges)					
Staff Accommodation	119	119	119	119	119
Building Insurance	30	30	30	30	30
(NOI)					
Net Operating Income	6,484	6,484	6,484	6,484	6,484
Reserve for Renewals (FF&E)	119	119	119	119	119
EBITDA					
EBITDA (SAR)	6,365	6,365	6,365	6,365	6,365
EBITDA (%)	53.4%	53.4%	53.4%	53.4%	53.4%

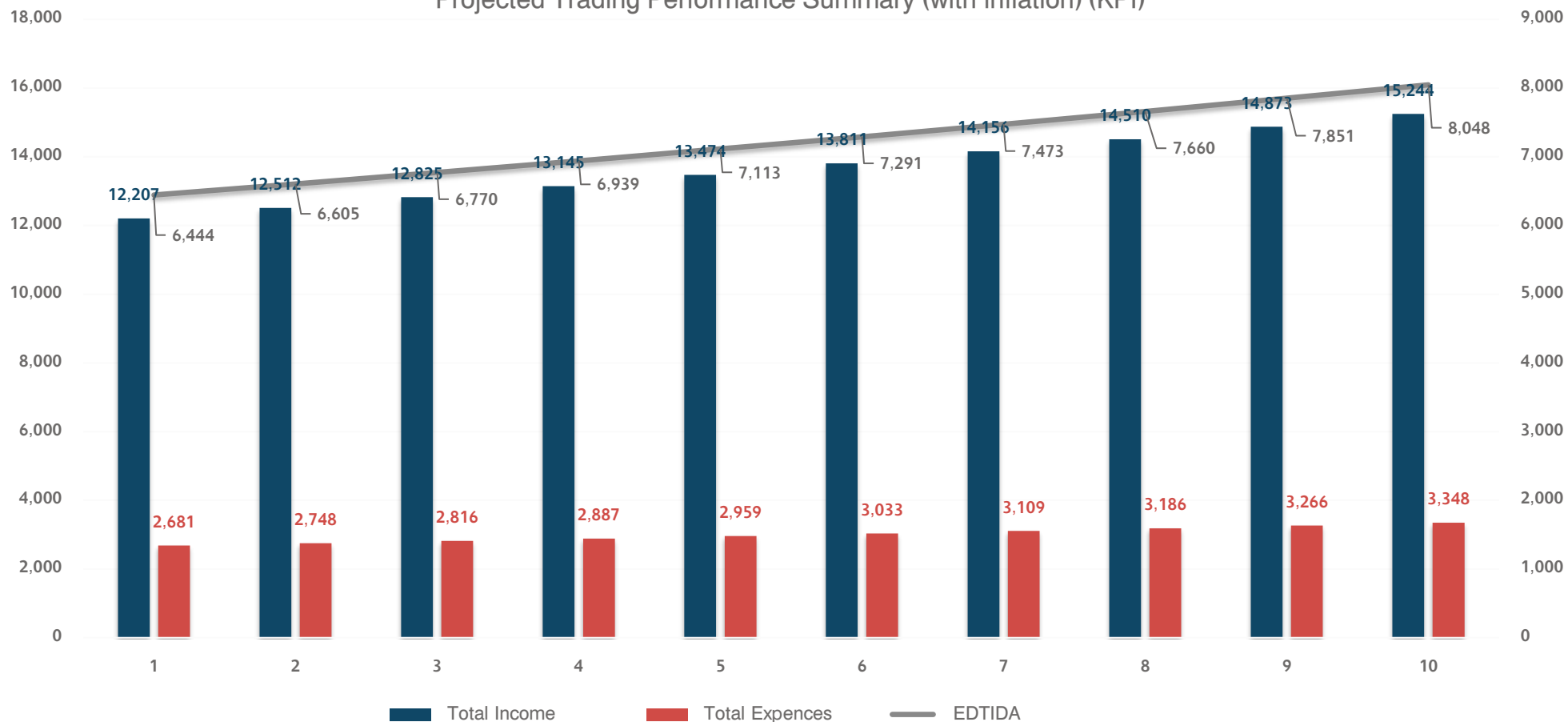
Valuation

Projected Trading Performance



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Projected Trading Performance Summary (with inflation) (KPI)



Valuation

Valuation Basis & Methodology



Discount Cash Flow

- The cash flows were made over **10** years, and the following assumptions are based on our knowledge of the Property, the local market characteristics, and performance:
- Inflation Rate: **2.50%**.
- Yield Rate: **7.50%**.
- Discount Rate: **10.00%**.

Period	2022/12	2023/12	2024/12	2025/12	2026/12	2027/12	2028/12	2029/12	2030/12	2031/12
Net Operation Income (000 SAR)	3,222	6,605	6,770	6,939	7,113	7,291	7,473	7,660	7,851	8,048
Exit (000 SAR)										107,303
Present Value (000 SAR)	3,072	5,725	5,335	4,971	4,632	4,316	4,022	3,748	3,492	46,643
Market Value (SAR)	85,960,000									

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 85,960,000 (Eighty-Five Million Nine Hundred Sixty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

Appendix

Subject Property Documents



أبعداد
للتقييم العقاري

بسم الله الرحمن الرحيم
الجمهورية العربية السعودية
وزارة العدل
كافة العدل الأولى بمحافظة الخبر
[٢٧٧]

الرقم: ٢٣٠٢٠٧٠٠٩٦١٢
التاريخ: ١١ / ٢٩ / ١٤٣٨ هـ

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وبعد:
فإن قطعة الأرض رقم ١١٢ من البك رقم ١٠ من المخطط رقم ٢٤٥ / ٢ الواقع في حي العليا بمدينة الخبر -
وحدودها وأطوالها كالتالي:
شمالاً: قطعة رقم ١١٥ بطول: (٣٠) ثلاثون متر
جنوباً: شارع عرض ١٦ متر بطول: (٣٠) ثلاثون متر
شرقاً: قطعة رقم ١١٦ بطول: (٤٠) أربعون متر
غرباً: قطعة رقم ١١٢ بطول: (٤٠) أربعون متر
ومساحتها: (١٢٠٠) ألف و مئتين متر مربعاً فقط بموجب خطاب الأمين برقم ١٩٣٦٤ / ١٢ في ١٣ / ٤ / ١٤٣٤ ولتقليد برقم ١٩٣٦٤ / ٤ / ١٧ في ١٧ / ٤ / ١٤٣٤
والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٧٣٠٢٠٧٠٠٩٦١٢ في ٢٢ / ٨ / ١٤٣٦ هـ
قد انتقلت ملكيتها لـ شركة حلف المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤١٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ ونشئ
في ١٢ / ١٠ / ١٤٤١ هـ بمقتضى وقدره ٢٦٣٥٠٠٠٠ ستة وعشرون مليوناً وثلاثمائة وخمسون ألف ريال ضمن شيك وعليه جرى
التسديد تحريراً في ٢٩ / ١١ / ١٤٣٨ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل
مكتب العدل بمكتب رقم (٧)

عبد العزيز بن ناصر بن عبد الرحمن آل توييم
مكتب العدل

هذا المستند وحدة مستطابقة - وصديق أو تكاف مستطابقة منه يؤدي إلى عدم صلاحية المستند
مصلحة مطابع الحكومة - ٢٢٢٨٦١ (هذا النموذج مخصص للاستخدام بالحساب الآلي ويمنع تعديله)
صفحة ١ من ١
نموذج رقم (١٠٠-١١٧)

بسم الله الرحمن الرحيم
الجمهورية العربية السعودية
وزارة العدل
كافة العدل الأولى بمحافظة الخبر
[٢٧٧]

الرقم: ٢٣٠٢٠٧٠٠٩٦١٢
التاريخ: ١١ / ٢٩ / ١٤٣٨ هـ

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وبعد:
فإن قطعة الأرض رقم ١١٢ من البك رقم ١٠ من المخطط رقم ٢٤٥ / ٢ الواقع في حي العليا بمدينة الخبر -
وحدودها وأطوالها كالتالي:
شمالاً: قطعة رقم ١١٣ بطول: (٣٥,٠٨) خمسة وثلاثون متر و ثمانية سنتيمتر
جنوباً: شارع عرض ١٦ متر بطول: (٣٥) خمسة وثلاثون متر
شرقاً: قطعة رقم ١١٤ بطول: (٤٠) أربعون متر
غرباً: شارع عرض ١٦ متر بطول: (٤٠) أربعون متر
ومساحتها: (١,٣٩٨,٠٨) ألف و ثلاثمائة و ثمانية و تسعون متر مربعاً و ثمانية سنتيمتر مربعاً فقط بموجب خطاب الأمين برقم ١٩٣٦٤ / ٤ / ١٧ في ١٧ / ٤ / ١٤٣٤ ولتقليد برقم ١٩٣٦٤ / ٤ / ١٧ في ١٧ / ٤ / ١٤٣٤
والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٧٣٠٢٠٧٠٠٩٦١٢ في ٢٢ / ٨ / ١٤٣٦ هـ
قد انتقلت ملكيتها لـ شركة حلف المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤١٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ ونشئ
في ١٢ / ١٠ / ١٤٤١ هـ بمقتضى وقدره ٢٦٣٥٠٠٠٠ ستة وعشرون مليوناً وثلاثمائة ألف ريال ضمن شيك وعليه جرى التسديد
تحريراً في ٢٩ / ١١ / ١٤٣٨ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل
مكتب العدل بمكتب رقم (٧)

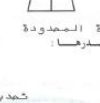
عبد العزيز بن ناصر بن عبد الرحمن آل توييم
مكتب العدل

هذا المستند وحدة مستطابقة - وصديق أو تكاف مستطابقة منه يؤدي إلى عدم صلاحية المستند
مصلحة مطابع الحكومة - ٢٢٢٨٦١ (هذا النموذج مخصص للاستخدام بالحساب الآلي ويمنع تعديله)
صفحة ١ من ١
نموذج رقم (١٠٠-١١٧)

رقم الرخصة : ٤٣٤/١١٣٩٠
 تاريخه : ٤٣٤/١٢/١٧
 صلاحيتها : ثلاث سنوات
 نوعها : بناء جديد

العقد : سالك
 تاريخها : ٠١/٠١/٠٠

المساحة الكلية : ٣٧٩٦,٤٣ متر مربع
 تحديد البلك :



المملكة العربية السعودية
 وزارة الشؤون البلدية والقروية
 أمانة المنطقة الشرقية
 بلدية البكير
 رخصة إنشاء

رقم المخطط : ٣٥٠٠٥٤٥
 المخطط : ٣٥٠/٢
 المخطط : ٣٥٠/٢
 تحديد الارض :

رقم مسند المالك

٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠

نوع مسند المالك

ضيق
 ضيق
 ضيق
 ضيق

رمز الاستخدام

(من اب)
 (من اب)
 (من اب)
 (من اب)

رقم البلك

٠٠٠٠
 ٠٠٠٠
 ٠٠٠٠
 ٠٠٠٠

رقم القطعة

٠٠٠١٢
 ٠٠٠١٤
 ٠٠٠١٤
 ٠٠٠١٤

تكون الاجهات
باللون الابيض فقط

محددات المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)

الجهة		الجهة		الجهة		الجهة	
شمال	جنوب	شمال	جنوب	شمال	جنوب	شمال	جنوب
٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠
٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠

رقم مسند المالك

٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠

نوع مسند المالك

ضيق
 ضيق
 ضيق
 ضيق

رمز الاستخدام

(من اب)
 (من اب)
 (من اب)
 (من اب)

رقم البلك

٠٠٠٠
 ٠٠٠٠
 ٠٠٠٠
 ٠٠٠٠

رقم القطعة

٠٠٠١٢
 ٠٠٠١٤
 ٠٠٠١٤
 ٠٠٠١٤

تكون الاجهات
باللون الابيض فقط

محددات المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)

الجهة		الجهة		الجهة		الجهة	
شمال	جنوب	شمال	جنوب	شمال	جنوب	شمال	جنوب
٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠
٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠

رقم مسند المالك

٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠

نوع مسند المالك

ضيق
 ضيق
 ضيق
 ضيق

رمز الاستخدام

(من اب)
 (من اب)
 (من اب)
 (من اب)

رقم البلك

٠٠٠٠
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 ٠٠٠٠

رقم القطعة

٠٠٠١٢
 ٠٠٠١٤
 ٠٠٠١٤
 ٠٠٠١٤

تكون الاجهات
باللون الابيض فقط

محددات المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)

الجهة		الجهة		الجهة		الجهة	
شمال	جنوب	شمال	جنوب	شمال	جنوب	شمال	جنوب
٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠
٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠	٣٠,٢٠

رقم مسند المالك

٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠
 ٦٣٢٠٢٠٠٤٧٠

نوع مسند المالك

ضيق
 ضيق
 ضيق
 ضيق

رمز الاستخدام

(من اب)
 (من اب)
 (من اب)
 (من اب)

رقم البلك

٠٠٠٠
 ٠٠٠٠
 ٠٠٠٠
 ٠٠٠٠

رقم القطعة

٠٠٠١٢
 ٠٠٠١٤
 ٠٠٠١٤
 ٠٠٠١٤

تكون الاجهات
باللون الابيض فقط

محددات المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)
 تحديد المساحة (١٠٠ م)

الجهة		الجهة		الجهة		الجهة	
شمال	جنوب	شمال	جنوب	شمال	جنوب	شمال	جنوب
٣٠,٢٠	٣٠,٢٠	٣٠					

الرقم: ٢٣٧٠٠٠٠١٣٧
 التاريخ: ١١ / ٢٩ / ١٤٣٨ هـ

بسم الله الرحمن الرحيم

المحكمة الشرعية العليا
 كتابة العدل والإفتاء بمحافظة الخبر
 [٢٣٧]

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وبعد:
 فإن قطعة الأرض رقم ١١٦ من البلاك رقم ١٠٠ من المخطط رقم ٢٥٥ / ٢ الواقع في حي العليا بمدينة الخبر
 ومعدومها وأطرافها محتلتها
 شمالاً: قطعة رقم ١١٧ بطول (٤٣٠) ثلاثون متر
 جنوباً: شارع عرض ١٦ متر بطول ١٢ ثلاثون متر
 شرقاً: قطعة رقم ١١٨ بطول (٤٠) أربعون متر
 غرباً: قطعة رقم ١١٤ بطول (٤٠) أربعون متر
 ومساحتها: (١٢٠٠) ألف و مئتين متر مربعاً فقط بموجب خطاب التأمين برقمه ١٩٣٦٤ / ١٣٢٤ / ٤ والتقدير برقمه ٣٩٥٥٤٧٠ / ١٢ / ٢٩
 والسند في إقرارها على السكك الصادر من هذه الإدارة برقمه ٦٨٠١٠٠٢٠٢٠٠٢٣٠٩ / ٢٩ / ١٤٣٦ هـ
 قد انتهت ملكيتها لـ شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٠٤٨١٣٤٤ / ١٢ / ٢٩ / ١٤٣٧ هـ وتنتهي
 في ١٢ / ١٠ / ١٤٤١ هـ بشهر وقدره ٦٦٣٠٠٠٠ سنة و عشرون شهرا وثلاثة ايام وخمسون ألف ريال ضمن شيك وعليه جرى
 التصفين تحريراً في ٢٩ / ١١ / ١٤٣٨ هـ، وعلى الله عى ليها محمد وآله وصحبه وسلّم.

شائب العدل

عبد العزيز بن ناصر بن عبد الرحمن آل نويير

المحكمة الشرعية بمحافظة وشايع أو كلف شخصاً من ذوي الإيداع صلاحية المستند

(هذا النموذج مخصص للاستخدام بالخاص (لاي يوضع كخلفية)

نسخة من ٦ من ٩
 نموذج رقم (١٦-١٠٠٣)

المحكمة الشرعية بمحافظة
 ١٤٣٨ هـ

المحكمة الشرعية
 وزارة العدل
 الإدارة العامة
 كتابة العدل
 محافظة الخبر
 كتاب العدل مكتب رقم (٧)



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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

Riyadh Branch:

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

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Manager

Mobile: +966 (55) 556 2500

Email: ammarq@sa-abaad.com



أبعد
للتقييم العقاري

Final Valuation Report

Jubail Commercial Center, Jubail

Client / Musharaka Capital

07 August 2022

V220110

مشاركة
Musharaka



Introduction



Dear / Musharaka Capital

Jubail Commercial Center, Jubail

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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أبعاد
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Executive Summary

Report Summary

- Jubail Commercial Center is located on a regular plot of land with flat topography, with an area of **39,750 Sqm.**
- The Commercial Center includes various retail sizes (**27** retails), The total built-up area is **15,636.7 Sqm.**
- The property area is characterized by the presence of all basic services such as electricity, water, lighting, sewage, asphalt streets, and a footpath.
- The commercial center is located on the main road, King Fahd Road passes from the northern side of the property, and it is considered one of the main roads in Jubail because it connects the eastern side with the western side.

Valuation Summary

Site Details	Information
District	Altawyh
Permitted Use	Commercial
Tenure	Leasehold
Deed Number	765
Deed Date	05/02/1414H
Total Area (sqm)	39,750
Owner	Khonaini International Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	68,440,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
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- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Leasehold interest for the Subject Property located in **Jubail, KSA**.

Interest

- Interested to be valued as of **Jubail Commercial Center, Jubail**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**
 - 5) **Land Costs.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Disclaimers



Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Proximity to Demand Generators
- Property Description
- Subject Property Photos

Site Location Analysis

Macro Location - Introduction

- Jubail Commercial Center is located in the northern part of Jubail, which is one of the governorates of the Eastern Province in the Kingdom of Saudi Arabia.
- The total urban area of Jubail is **1,016** square kilometers, with a population of about **380,000** people.
- The city of Jubail is also characterized by the presence of a good infrastructure that allows it to be a commercial and industrial center, and the presence of seaports, and residential areas that increase commercial activity in the region.
- The property under appraisal is located in Al Towayya neighborhood.
- The surrounding area of the property includes developing space, in addition to many complexes, commercial centers, and residential buildings.

Accessibility

- Jubail Residential Center is located on the main road, King Fahd Road passes from the northern side of the property, and it is considered one of the main roads in Jubail because it connects the eastern side with the western side.
- In addition, King Faisal Road passes from the eastern side of the Jubail center.
- The property undervaluation can be reached directly through King Faisal Road, in addition to Highway 1 and Al Madinah Al Munawwarah Road, which are secondary roads linked to King Faisal Road and King Fahd Road leading to the property undervaluation.

Macro Location of the Subject Property



Site Location Analysis

Subject Property Description

- Jubail Commercial Center is located on a regular plot of land with flat topography, with an area of 39,750 Sqm.
- The Commercial Center includes 27 retails. The total built-up area is 15,636.7 Sqm.
- The property location is characterized by the presence of basic services such as electricity, water, lighting, sewage, asphalt streets, and footpaths.
- The property location is characterized by a commercial zone with a total number of 1 floor, as indicated in the building regulations in the area.
- Based on the information provided by the client, the coverage rate (according to the current construction condition) is 32.96%.
- The table below shows some property details.

Property Details

Details	Description
Land Area (Sqm)	39,750
Build-up Area (Sqm)	15,636.7
Coverage Ratio (%)	32.96
Number of Units	27
Building Age	8 Years

Property Location



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Site Location Analysis

Subject Property Photos



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Tenure

- Property Information

Tenure

Property Information



Property Details (Leasehold Details)

ID	Description	
Owner	Khonaini International Company	
The Property	Jubail Commercial Center, Jubail	
Plot No.	4	
Sub-Division	-	
District	Altawyh District	
Coordinates	27° 0'43.68"N	49°38'30.64"E
City	Jubail	
Ownership Type	Leasehold	
Title Deed Info	Deed No.	765
	Deed Date	05/02/1414H

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



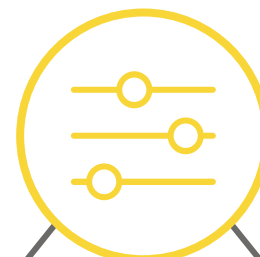
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



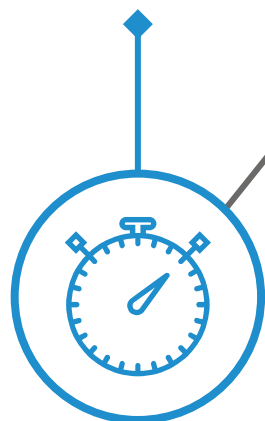
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of the Jubail Commercial Center with Jubail market.
- In addition, we have made some research on the Yield rate for the property undervaluation.
- By looking at the list of retail rents for tenants and confirming it with the rental prices in the surrounding area for similar projects, Abaad team confirms that the rent is within the rental market range.
- According to the information provided by the client, the property enjoys lease contracts with a total income of **11.7** million SAR per year. Moreover, the operating expenses of the property is **4.3%**, which is considered less than the market range, which is ranging from **7%** to **15%**, according to the experience of Abaad team in the retail sector.
- Note, Abaad Company did not receive the lease contracts, while the total income provided by the client was relied upon, in addition to some information from the land contract cost to reach the market value shown in this report.
- The table on the left shows the rental prices in the Subject Site's surrounding area.

Rental Prices Summary

Details	Rent Rate
Small Rent Rate (SAR/Sqm)	2,000 - 1,500
Large Rent Rate (SAR/Sqm)	1,300 - 900
Supermarket Rent Rate (SAR/Sqm)	600 - 500

Valuation

Income Approach

Discount Cash Flow

The cash flows have been made over 13 years, which is the remaining land lease contract, and the following assumptions have been relied on:

- Inflation Rate: 2.50%.
- Operation and Expenses Rate: 7.00%.
- Discount Rate: 12.50%.

Property Income

According to the client's information, the total income of the property is 11,421,803 SAR annually, with an occupancy rate of 99.1%. The property's income was based on the client's information in the cash flow table below, which shows the first 5 years and the last 5 years.

Period	2022/12	2023/12	2024/12	2025/12	2026/12	2030/12	2031/12	2032/12	2033/12	2034/12
Total GLA (Sqm)	15,538.1	15,538.1	15,538.1	15,538.1	15,538.1	15,538.1	15,538.1	15,538.1	15,538.1	15,538.1
Average Lease Rate with inflation (SAR/Sqm)	768.1	787.3	807.0	827.2	847.8	935.9	959.3	983.2	1,007.8	1,033.0
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Revenue with Inflation (SAR)	5,967,484	12,233,342	12,539,176	12,852,655	13,173,971	14,541,599	14,905,139	15,277,768	15,659,712	16,051,205
Vacancies (%)	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vacancies (SAR)	53,707	0	0	0	0	0	0	0	0	0
Gross Potential Income (GPI) (SAR)	5,913,777	12,233,342	12,539,176	12,852,655	13,173,971	14,541,599	14,905,139	15,277,768	15,659,712	16,051,205
Land Cost with Inflation (SAR)	759,317	1,556,600	1,595,515	1,635,403	1,676,288	1,850,308	1,896,566	1,943,980	1,992,580	2,042,394
Operation Expenses (SAR)	413,964	856,334	877,742	899,686	922,178	1,017,912	1,043,360	1,069,444	1,096,180	1,123,584
Net Operation Income (SA)	4,740,495	9,820,408	10,065,918	10,317,566	10,575,505	11,673,379	11,965,214	12,264,344	12,570,953	12,885,226
Present Value (SAR)	4,479,347	8,285,191	7,582,429	6,939,276	6,350,677	4,454,956	4,077,080	3,731,256	3,414,766	3,125,121
Market Value (SAR)	68,440,000									

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 68,440,000 (Sixty-Eight Million Four Hundred Forty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

Subject Property Documents



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[illegible][illegible]



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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

Riyadh Branch:

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

For more information, please contact us at:
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Manager

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Final Valuation Report

Jzala Residential Compound, Khobar

Client / Musharaka Capital

07 August 2022

V220110



Introduction



Dear / Musharaka Capital

Jzala Residential Compound

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

Report Summary

- Jzala Residential Compound is on a regular shape land, with an area of **29,486.73** Sqm.
- The Compound includes various residential villas in sizes and features (**101** units), in addition to facilities and amenities such as swimming pools, health clubs, and green areas. The total built-up area is **26,388.02** Sqm.
- The property area is characterized by the presence of all basic services such as electricity, water, lights, sewage, asphalt streets, and a footpath.
- Jzala Residential Compound is located on three streets so that King Saud Road passes from the western side of the property. It is considered one of the main roads in Khobar because it connects the northern the southern side.

Valuation Summary

Site Details	Information
District	Qurtuba
Permitted Use	Residential Commercial
Tenure	Freehold
Deed Number	330205013308 - 330205013307
Deed Date	24/11/1438H
Total Area (sqm)	29,486.73
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	163,060,000 SAR

Executive Summary

Terms and Conditions



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- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the property and the legal consequences thereof.
- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.
- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.
- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Khobar, KSA**.

Interest

- Interested to be valued as of **Jiizala Residential Compound, Khobar**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Disclaimers



Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Proximity to Demand Generators
- Property Description
- Subject Property Photos

Site Location Analysis

Macro Location - Introduction

- Jzala residential compound is located in the eastern part of Khobar, which is one of the governorates of the Eastern Province in the Kingdom of Saudi Arabia.
- The total urban area of Al-Khobar is **750** square kilometers, with a population of about **578,500** people.
- Khobar city hosts good infrastructure that allows commercial and industrial hubs with seaports and residential areas that increase commercial activity in the region.
- The property under appraisal is located in Qurtubah district.
- The area surrounding the property includes developing spaces, in addition to many resorts and commercial centers, and places dedicated to fishing.

Accessibility

- Jiazla Residential Compound is located on the main street so that King Saud Road passes from the western side of the property. It is considered one of the main roads in Al-Khobar because it connects the northern side with the southern side. Moreover, Prince Sultan Road passes from the eastern side of Jzala residential compound.
- As for the other frontages, they overlook internal streets and border the site on the north side.
- The property undervaluation can be reached directly through Prince Sultan bin Fahd Road, in addition to King Saud Road, one of the secondary roads linked to Prince Sultan bin Fahd Road leading to the property undervaluation.

Macro Location of the Subject Property



Site Location Analysis

Subject Property Description

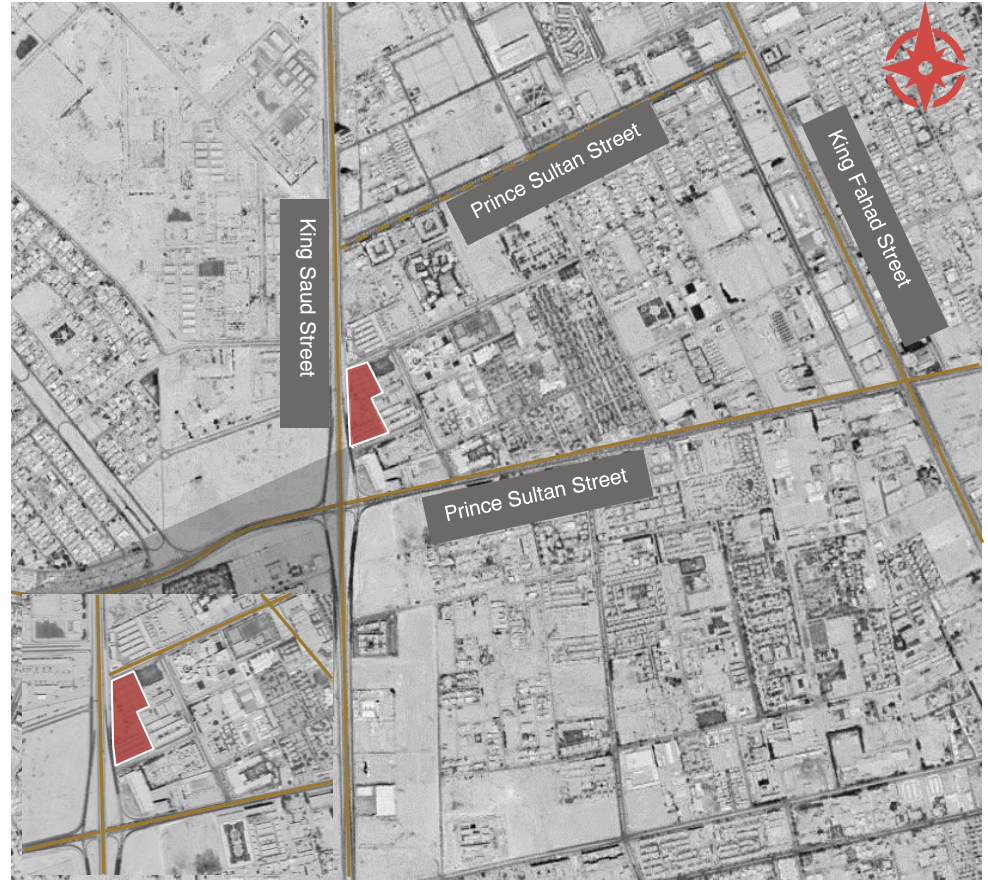
Property Details

- Jzala Residential Compound is on a regular shaped parcel of land, with an area of **29,486.73 Sqm.**
- The residential compound includes various residential villas in sizes and features (**101 units**), in addition to facilities and amenities such as swimming pools, health clubs, and green areas.
- The total built-up area is **26,388.02 Sqm.**
- The property area is characterized by the presence of all basic services such as electricity, water, lights, sewage, asphalt streets, and a footpath.
- Jzala Residential Compound is located on three streets so that King Saud Road passes from the western side of the property. It is considered one of the main roads in Al-Khobar because it connects the northern the southern side.

Property Details

Details	Description
Land Area (Sqm)	29,486.73
Build-up Area (Sqm)	26,388.02
Coverage Ratio (%)	56%
Number of Units	101
Building Age	22 Years

Property Location



Site Location Analysis

Subject Property Photos



أبجد
للتقييم العقاري





Tenure

- Property Information

Tenure

Property Information



أبجد
للتقييم العقاري

Property Details (Freehold Details) Unit 22

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
The Property	Jzala Residential compound, Khobar
Plot No.	22
Sub-Division	2/41
District	Qurtubah
Coordinates	26°20'9.20"N 50°10'47.72"E
City	Khobar
Ownership Type	Freehold
Title Deed Info	Deed No. 330205013308
	Deed Date 24/11/1438H

Property Details (Freehold Details) Unit 23

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
The Property	Jzala Residential compound, Khobar
Plot No.	23
Sub-Division	2/41
District	Qurtubah
Coordinates	26°20'9.20"N 50°10'47.72"E
City	Khobar
Ownership Type	Freehold
Title Deed Info	Deed No. 330205013307
	Deed Date 24/11/1438H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	81.96	Unnamed	12
South	139.73	Neighbor	-
East	130.00	Neighbor	15
West	142.46	King Saud Street	60

Side	Dimension	Street Name	Width (m)
North	89.73	Neighbor	-
South	140.30	Unnamed	7
East	130.00	Neighbor	-
West	139.57	King Saud Street	60

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



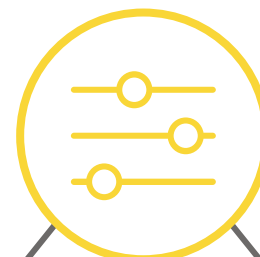
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



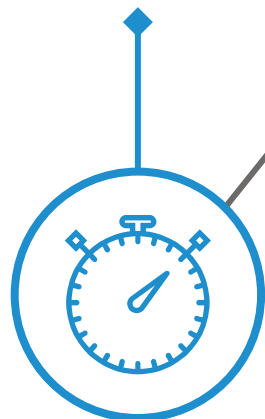
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Valuation

Valuation Basis & Methodology

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of Jzala compound compared to the Khobar market. The table on the right summarizes the results of the field research for the residential compounds.
- In addition, we have made some research on the Yield rate for the property undervaluation.
- Based on the results of the research, the Yield rates for residential compounds range from **8.00%** to **10.00%** and it is dependent according to the location, type, quality of units, and occupancy rate.
- According to the client information, the compound enjoys lease contracts with a Net Operating Income of **14,400,000** million SAR/Year.
- Moreover, the information provided by the client and the experience of Abaad in the real estate market, the Yield rate of the property was estimated as **8.50%**.
- The table on the Right shows the rental prices in the Subject Site area.

Rental Prices Summary

Compound Name	Unit Area (Sqm)	Price (SAR)	Adj. (%)	Price after Adj.
Black Pearl Compound	272	150,000	0.00%	150,000
Karawan Village	210	160,000	-5.00%	152,000
Karawan Village	260	180,000	-5.00%	171,000
An Nahda Compound	220	150,000	0.00%	150,000
Average Rent Rate (SAR/Unit)				155,750
Units				101
Units Total Revenue				15,730,750

Valuation

Valuation Basis & Methodology

Discount Cash Flow

- The cash flows were made for the remaining period of the contract, which is due in Sep 2022, after that the property income was based on the market and over 5 years, and the following assumptions are based on our knowledge of the Property, the local market characteristics, and performance:
- Inflation Rate: 2.50% . Additional Income Rate: 1.00% .
- Yield Rate: 8.50% . Discount Rate: 11.00% .

Period	2022/09	2023/09	2024/09	2025/09	2026/09	2027/09
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Revenue with Inflation (SAR)	3,622,292	16,223,863	16,629,459	17,045,196	17,471,326	17,908,109
Vacancies (%)	0.0%	15.0%	10.0%	5.0%	5.0%	5.0%
Vacancies (SAR)	0	2,433,579	1,662,946	852,260	873,566	895,405
Additional Income (SAR)	0	137,903	149,665	161,929	165,978	170,127
Gross Potential Income (GPI) (SAR)	3,622,292	13,928,186	15,116,178	16,354,865	16,763,737	17,182,830
Operation Expenses Rate (%)	0.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operation Expenses (SAR)	0	1,114,255	1,209,294	1,308,389	1,341,099	1,374,626
Net Operation Income (SA)	3,622,292	12,813,931	13,906,884	15,046,476	15,422,638	15,808,204
Exit (SAR)						185,978,869
Present Value (SAR)	3,529,009	11,246,792	10,996,466	10,718,527	9,897,739	116,666,912
Market Value (SAR)	163,060,000					

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 163,060,000 (One Hundred Sixty-Three Million Sixty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.



Appendix

Subject Property Documents



أبعداد
للتقييم العقاري

المملكة العربية السعودية
وزارة الشؤون البلدية والقروية
أمانة مدينة الدمام بلدية الخبر
رخصة إنشاء

رقم الرخصة: ١٧٤٤١/١٠٦٩٠
تاريخها: ٤٤١/١١/٢٧
صاحبها: ثلاث شقق
نوعها: شقق سكنية

الاسم: سعودي دسم
رقم المخطط: ٩٩٩
الحي: ٤٤١
المخطط: ٤٤١/٢
الحي: ٤٤١

الصفحة: ٣٧٨/١٠/٤٤
تاريخها: ٤٤١/١٠/٢٧

المساحة الكلية: ٢٩٤٨٢,٧٣ متر مربع
تحدد المساحة:

رقم القطعة	رقم البلك	رمز الاستخدام	رقم مسند التملك	نوع مسند التملك	تاريخه
٠٠٠٤٢	٠٠٠٠٠	(١١) س	٢/٨٧/٢٣	مسك	٤٤١/١٠/٢٧
٠٠٠٤٣	٠٠٠٠٠	(١١) س	٧٠٥	مسك	٤٠١/٠٧/٢٩

يلتزم صاحب الرخصة بوضع لوحة من الحديد لا تقل مساحتها عن (١٠٠) سم مربع يوضح فيها اسم صاحب المشروع واسم المتأول ورئيس واسم المقاولين الآخرين.

الجهة	شمال	جنوب	شرق	غرب
الحدود	شارع	شارع	شارع	شارع
ارتفاع	٢,٠٠	٢,٠٠	٢,٠٠	٢,٠٠

تكون الواجبات باللون الابيض فقط

مكونات البناء:

الوصف	عدد الوحدات	المساحة	الاستخدام
ارضى	٣٥٨,٥٠	م	مكتب
دور اول	٣٨٣,٢٨	م	مكتب
ارضى	٢٢٢,٠٠	م	خدمات
دور اول	٢١٢,٥٠	م	خدمات
ارضى	١٢٩,٥٠	م	م
ارضى	٥٩٩,٥٥	م	سكني
دور اول	٧٥٨,٢٠	م	سكني
ارضى	١٥٢,٢٩	م	م
ارضى	٢١٤,٢٥	م	م
ارضى	٣٨٤,٧٥	م	سكني
دور اول	٣٨٤,٧٥	م	سكني

البناء المطلوب: مبنى سكني

مساحة البناء: مبنى خرساني

التفصيل المعماري: مبنى خرساني

ملاحظة: في حالة اولى ويسرى عليها هذه الملاحظة.

المكتب المقدم: المهندسين المعماريين السعوديين

طابق المكتب: المهندسين المعماريين السعوديين

بيانات الرسم: مبنى خرساني

قيمة الرسوم: ٢٢٢,٨٥

أعمال البناء: مبنى خرساني

تاريخها: ٤٤١/١٠/٢٧

ملاحظة: في حالة اولى ويسرى عليها هذه الملاحظة.

المهندس المعماري: المهندس المعماري

م / خالد عبد العزيز

م / حسن محمد

م / عصام عبد الله

٢٤٢/١١



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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

Riyadh Branch:

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

For more information, please contact us at:
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Manager

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Email: ammarq@sa-abaad.com



Final Valuation Report

Gardino Hotel, Riyadh

Client / Musharaka Capital

07 August 2022

V220110



Introduction



Dear / Musharaka Capital

Gardino Hotel, Riyadh

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

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أبعاد
للتقييم العقاري

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Executive Summary

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Executive Summary

Report Summary

- The property undervaluation is the Gardino Hotel, which opened in early 2021, with a 4-star rating.
- The property land area is 3,495.35 Sqm and the building area is 13,838 Sqm in Olaya district, Riyadh.
- The hotel contains two floors of parking for approximately 86 cars parking, one ground floor, one-floor mezzanine, and two floors for residential hospitality units.
- The hotel contains 94 residential hospitality units divided into 86 rooms and 8 suites and contains 4 guest elevators and one service elevator.
- Riyadh is the largest city in Saudi Arabia and is considered one of the largest cities in the Gulf in terms of area, as the developed area is about 1,913 square km.

Valuation Summary

Site Details	Information
District	Olaya
Permitted Use	Residential Commercial
Tenure	Freehold
Deed Number	918501000502
Deed Date	1443/02/15H
Total Area (sqm)	3,495.35
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	95,310,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Riyadh, KSA**.

Interest

- Interested to be valued as of **Gardino Hotel, Riyadh**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad does not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular, or statement or disclosed in any way without Abaad's prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as a fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As of the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgment.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



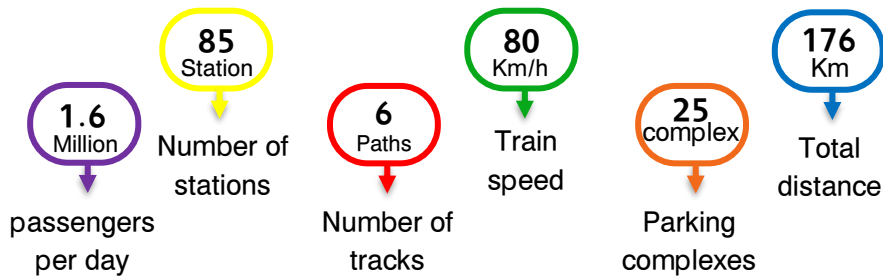
Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Infrastructure Projects - Al Riyadh Metro Project

- Riyadh Metro is a rapid transit system, currently bring under-construction and is as one of the largest infrastructure projects in the City.
- The metro is designed as a world-class transportation system, includes 756 metro cars, 85 stations, 6 metro lines, and a 176-km network.
- The construction of the metro system has led to a number of road closures that have affected traffic in different parts of the city.

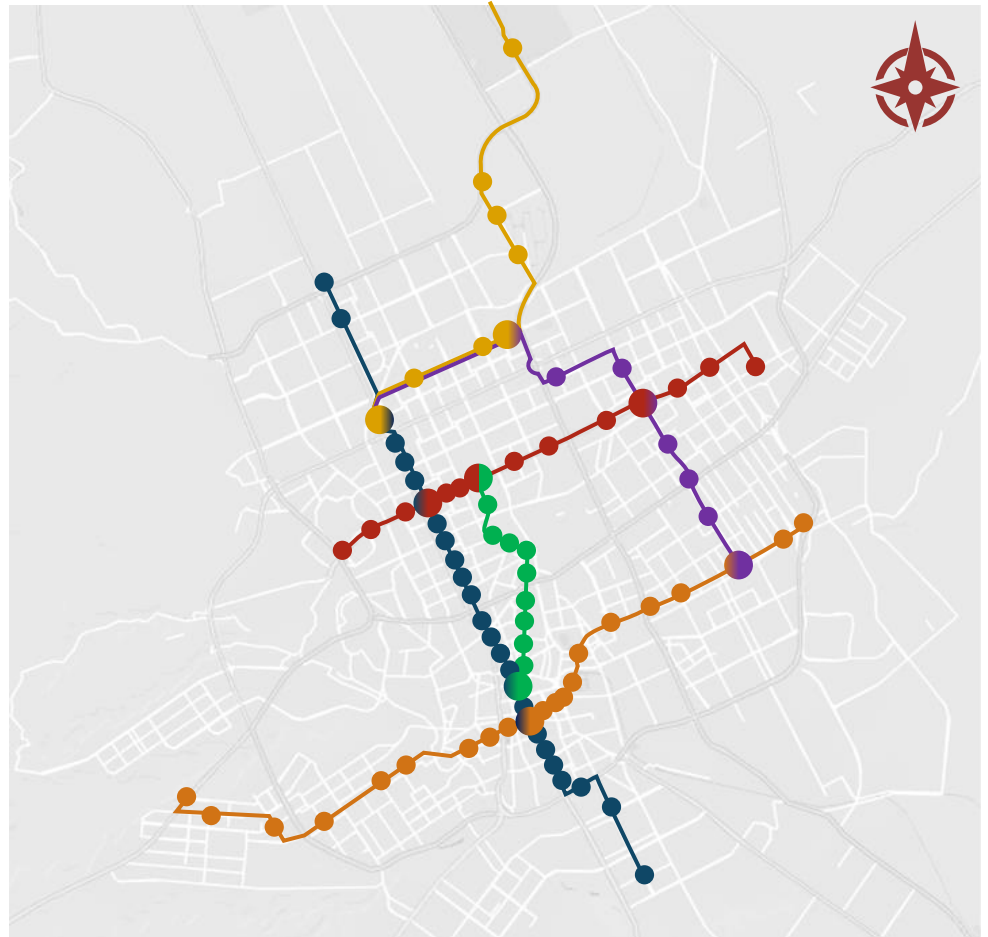


Length of Riyadh Metro Lines

Line	Length (km)
Line 1 (Blue)	38.0
Line 2 (Red)	25.3
Line 3 (Orange)	40.7
Line 4 (Yellow)	29.6
Line 5 (Green)	12.9
Line 6 (Purple)	29.5



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Site Location Analysis

Infrastructure Projects - RCRC Projects & Programs



The Royal Commission for Riyadh City (RCRC) carries out several strategic, comprehensive, long-term and multi-phase development programs and projects that require massive efforts and resources.

Historical Addir'iyah Development Program



Addir'iyah is the home of many historic sites and antiquities, as it hosts unique buildings, old quarters, oasis, palm gardens, farms and agricultural areas.

the program achieved integration between Addir'iyah and Riyadh by transforming Addir'iyah into a world-class cultural and tourist metropolitan suburb.

Riyadh Art Project



Within the project, more than 1000 artworks and landmarks, created by local and international artists, will be installed across the city of Riyadh according to a 10-program plan that covers residential neighborhoods, gardens, parks, squares, metro/bus stations, bridges, city entrances and tourism destinations.

Sports Boulevard



The Sports Boulevard extends for 135 kms, across the city of Riyadh, connecting Wadi Hanifah valley in the West with Wadi Al Sulai valley in the East through Prince Muhammad Bin Salman Bin Abdulaziz Road. The Sports Boulevard features green pedestrian pathways, special routes for professional and amateur cyclists (135 and 85 kms respectively), and horse riding routes (123 kms).

Green Riyadh



The Green Riyadh Project includes planting 7.5 million trees across the capital in gardens, parks, mosques, schools, healthcare facilities, King Khaled International Airport and most of the city's roads, streets, car parking spaces, and valleys

King Salman Park



Covering over 13 square kilometers, King Salman Park will be among the biggest city parks worldwide. It will combine a wide variety of environmental, cultural, recreational and sports activities that will significantly enhance the life quality of all Riyadh residents. The project will also host many facilities including a royal art complex, a national theater, an opera house, art academies, museums, and galleries. Furthermore, the park will feature extensive green areas, plazas, sports compounds, and an 18-hole royal golf course. To complement these amenities, great incentives would be offered to the private-sector investors to build recreational.

Site Location Analysis

Macro Location



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Riyadh City Borders

King Khalid international airport

Subject Site

White Lands Borders

The Subject Site is located in Riyadh, the capital of Saudi Arabia. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million in 2018.

Riyadh is considered one of the largest cities in the Gulf countries in terms of area, with a developed city area of about 1,913 square kilometers.

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

The subject property is located in the East of Riyadh, and it is 33 km away from King Khalid International Airport.

The Subject Site is located within the White Lands zone.

Site Location Analysis

Micro Location

- The property is located west of Riyadh city in Olaya district with a medium to high population density and a high income.
- The most important streets in the property area: 1- Al Takhassusi Street. 2-King Abdullah Road. 3- King Khalid Road. 4- Al Orouba Road. 5- Prince Turki bin Abdulaziz Al Awwal Road.
- The Subject Property is located near the following landmarks:

#	Landmarks	Distance
1	The Zone	About 600 M away
2	Dr. Soliman AL Habeeb Hospital	About 1.0 KM away
3	King Saud University - Girls	About 3.4 KM away
4	Olaya Mall	About 3.5 KM away
5	Obeikan Tower	About 3.4 KM away
6	Kingdom Tower	About 4.1 KM away

Services Provided in the Surrounding Area

Sewer Drainage	Electricity	water	Phone line	Storm drainage
✓	✓	✓	✓	✓
masjid	School (boys)	School (girls)	Green area	Retail
✓	✓	✓	✓	✓
Clinic	Police	Civil defense	Mail	Municipal equipment
✓	✓	✓	✓	✓

Micro Location



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Site Location Analysis

Subject Property Description

- The property undervaluation is the Gardino Hotel, which opened in early 2021, with a 4-star rating.
- The property land area is 3,495.35 Sqm and the building area is 13,838 Sqm in Olaya district, Riyadh.
- The hotel contains two floors of parking for approximately 86 cars parking, one ground floor, one-floor mezzanine, and two floors for residential hospitality units.
- The hotel contains 94 residential hospitality units divided into 86 rooms and 8 suites and contains 4 guest elevators and one service elevator.
- The hotel has a gym, ballroom, and two swimming pools (large pool + small pool).
- The hotel has a 50-seater restaurant, a coffee shop, a kitchen, and a business center area.
- The construction of the hotel started in 2017 and was completed in 2019, and in 2020 the finishing work and the furnishings was completed.

Property Location

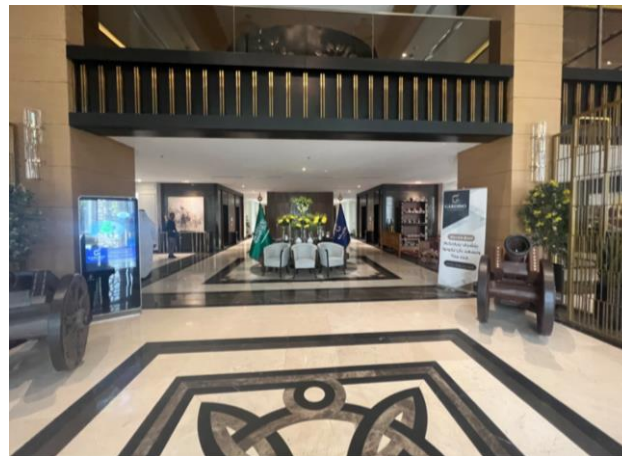


Site Location Analysis

Subject Property Photos



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Tenure

- Property Information

Tenure

Property Information



Property Details (Freehold Details)

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
The Property	Gardino Hotel, Riyadh
Plot No.	132 – 131 – 130 – 129
Sub-Division	I/1324
District	Olaya District
Coordinates	24°43'36.39"N 46°39'7.01"E
City	Riyadh
Ownership Type	Freehold
Title Deed Info	Deed No. 918501000502
	Deed Date 1443/02/15H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	55	Hatim bin Al-Layth	12
South	58	Neighbor	-
East	62.7	Al Takhassusi Street	46
West	62	Abi Al-Muzaffar bin Muhammad	15

- Sources: "Title Deed"

Lease Rate Contract Summary

Year	Annual Lease Rate
2021	7,000,000
2022	7,000,000
2023	7,500,000
2024	7,500,000
2025	7,500,000
2026	8,250,000
2027	8,250,000
2028	8,250,000
2029	8,250,000
2030	8,250,000

No legal document has been verified for the property under valuation, which includes planning, ownership, or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights, or impediments.



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



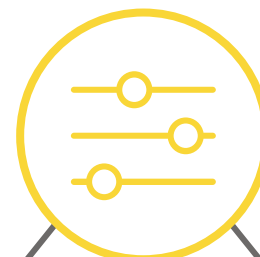
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



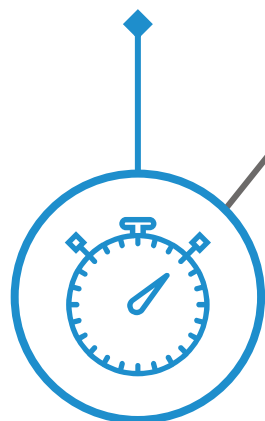
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Valuation method used

- When choosing the most appropriate methodology for estimating the value of the property, we considered the information provided by the client, the current situation of the property as well as our analysis of the market. When determining the market value of the property undervaluation, the following method was used:

Income Approach (Discounted Cash Flow Method)

- The Discounted Cash Flow method indicates value by converting future cash flows into a present value. According to this method, the value of an asset is determined by reference to the value of revenue, cash flows, or cost savings from the asset. The discount rate is usually arrived at by analyzing appropriate market transactions and development. We are also aware of and communicating with real estate brokers and local investors to gauge the sensitivity of the numbers.

The main assumptions in the cash flow method:

Revenues

- According to the information provided by the client, there is a Telecom tower whose income is estimated at **70,000** riyals annually and the duration of the hotel lease contract is **10** years, two payments are paid every six Gregorian months, and the income was calculated according to the lease contract, which is summarized in the table below:

Period	Contract Signing	Upon Submission	2021.12	2022.06	2022.12	2023.06	2023.12	2024.06	2024.12	2025.06
Income (SAR)	5,000,000	2,000,000	3,500,000	3,500,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Period	2025.12	2026.06	2026.12	2027.06	2027.12	2028.06	2028.12	2029.06	2029.12	2030.06
Income (SAR)	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000

Valuation

Income Approach

Discount Cash Flow

- As a result of the previous data, the cash flows were made over 8 years (the remaining term of the lease contract) and the cash flow periods were calculated according to the payments (every 6 Gregorian months).
- Inflation Rate: 2.50%.
- Yield Rate: 7.50%.
- Discount Rate: 10.00%.

Discount Cash Flow Table

Period (6 Months)	2022.06	2022.12	2023.06	2023.12	2024.06	2028.06	2028.12	2029.06	2029.12	2030.06
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Income (GPI) (SAR)	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000
Telecom Tower Income (SAR)	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Net Operation Income (SA)	3,785,000	3,785,000	3,785,000	3,785,000	3,785,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000
Exit (SAR)										110,933,333
Present Value (SAR)	3,608,856	3,440,909	3,280,778	3,128,099	2,982,526	2,348,212	2,238,932	2,134,738	2,035,393	53,691,889
Market Value (SAR)	95,310,000									

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 95,310,000 (Ninety-Five Million Three Hundred Ten Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).


Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

[illegible]

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل
[٢٧٧]



صك

تاريخ الصك: ١٤٤٣/٢/١٥ هـ
رقم الصك: ٩١٨٥٠١٠٠٥٠٢

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

فإن قطعة الأرض 129 وقطعة الأرض 130 وقطعة الأرض 131 وقطعة الأرض 132 من المخطط رقم 1324 / 1 الواقع في حي العليا بمدينة الرياض .

وحدودها وأطولها كالتالي:

شمالاً: شارع عرض 12م بطول: (55) خمسة وخمسون متر

جنوباً: قطعة رقم 133 و 134 بطول: (58) ثمانية وخمسون متر

شرقاً: شارع عرض 46م بطول: (62.7) اثنين وستون متر وسبعون سنتيمتر

غرباً: شارع عرض 15م بطول: (62) اثنين وستون متر

ومساحتها : (3,495.35) ثلاثة آلاف وأربعمائة وخمسة وتسعون متراً مربعاً وخمسة وثلاثون سنتيماً مربعاً فقط

والمستند في إقرارها على الصك الصادر من الموثقين بالرياض 8 برقم 399069000324 في 13 / 2 / 1443 هـ


قد انتقلت ملكيتها لـ: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم 1010484834 وتنتهي في 14 / 1 / 1445 هـ ، بتمن وقدره 85500000 خمسة وثمانون مليوناً وخمسمائة ألف ريال منها مبلغ 7070000 سبعة ملايين وسبعون ألف ريال تنازلت الشركة عن إيجاره العقاري للبايع وعليه جرى التصديق تحريراً في 15 / 2 / 1443 هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

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

(هذا النموذج مخصص للاستخدام بالجهات التي وضع لها)
نموذج رقم (١٦-٢٠٠٠)

صفحة رقم 1 من 1

نسخة مطبوع المتابعة - ٢٠٢١٠١٠٩





Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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Final Valuation Report

AlKharj Commercial Center, AlKharj

Client / Musharaka Capital

07 August 2022

V220110



Introduction



Dear / Musharaka Capital

AlKharj Commercial Center, AlKharj

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

- Terms and Conditions
- Report Summary

Executive Summary

Report Summary

- AlKharj Commercial Center is on a regular shaped parcel of land, with an area of **16,095.97 Sqm.**
- The Commercial Center includes many retail (**18** retails), in addition to the Danube supermarket. The total built-up area is **9,521.1 Sqm.**
- The property area is characterized by the presence of all basic services such as electricity, water, lighting, sewage, asphalt streets, and a footpath.
- Al-Kharj Commercial center is located on four streets, so King Abdullah Road passes from the southern side of the property. It is considered one of the main roads in Al-Kharj because it connects the eastern side of the governorate with the western side.

Property Details

Site Details	Information
District	Ghornatah
Permitted Use	Commercial Center
Tenure	Freehold
Deed Number	511507006268 - 711508007003
Deed Date	هـ 24/3/1441
Total Area (sqm)	16,095.97 Sqm
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	61,220,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Khobar, KSA**.

Interest

- Interested to be valued as of **AlKharj Commercial Center, AlKharj**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Macro Location
- Micro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Macro Location

- AlKharj Commercial Center is located western part of Al-Kharj Governorate, one of the governorates of the capital of the Kingdom of Saudi Arabia.
- The total urban area of Riyadh is **19,790** square kilometers, with a population of about **400,000** people.
- Al-Kharj Governorate is located southwest of the city of Riyadh. Al-Kharj includes a group of real estate, considered one of the demand generators and one of the leading destinations for the residents of Al-Kharj, such as Al-Hadithi Mall, Go Mall, Panorama Mall, Oasis Mall, and Al-Kharj Park. The property undervaluation is located in Al-Khuzama neighborhood near Prince Sattam bin Abdulaziz University.
- The area surrounding the property includes developing spaces and many complexes, commercial centers, and residential buildings.

Accessibility

- Al-Kharj Commercial Complex is characterized as is located on **4** streets, so King Abdullah Road passes from the southern side of the property, and it is considered one of the main roads in Al-Kharj because it connects the eastern side of the governorate with the western side of it.
- In addition, Prince Sattam bin Abdulaziz Road passes from the western side of Al-Kharj Center. As for the other two frontages, they overlook internal streets and border the site from the north and east. The property can be reached directly through King Abdullah Road.

Macro Location of the Subject Property



Site Location Analysis

Micro Location

- AlKharj Commercial Center is on a regular shaped parcel of land, with an area of **16,095.97 Sqm.**
- The Commercial Center includes many retail (**18 retails**), in addition to the Danube supermarket. The total built-up area is **9,521.1 Sqm.**
- The property area is characterized by the presence of all basic services such as electricity, water, lights, sewage, asphalt streets, and a footpath.
- Al-Kharj Commercial Center is located on four streets, so King Abdullah Road passes from the southern side of the property. It is considered one of the main roads in Al-Kharj because it connects the eastern side of the governorate with the western side.

Property Details

Details	Description
Land Area (Sqm)	16,095.97
Build-up Area (Sqm)	9,521.1
Coverage Ratio (%)	56
Number of Units	18
Building Age	10 Years



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Property Location



Site Location Analysis

Subject Property Description

- Al-Kharj Center is on a regular shaped parcel of land, with an area of **38,103 Sqm.**
- According to the information provided by the client, Al-Kharj Center includes many brands, such as Danube, Red Tag, Kudu, Maestro Pizza, and other brands, and the total leased area is **8,839.13 Sqm.** The center also includes two shops with an area ranging from **2,060 Sqm** to **4,827 Sqm.**
- In addition, the property undervaluation includes a McDonald's restaurant located along King Abdullah Road, with a rental area of **937.6 Sqm.**

Some Brands



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للتقييم العقاري



Description	Details
Land Area (Sqm)	16,095.97
Build-up Area (Sqm)	9,521.1
GLA (Sqm)	9,403.40
Occupied GLA (Sqm)	8,839.13
Number of Units	18
Building Age	10 Years

Site Location Analysis

Subject Property Photos



أبجد
للتقييم العقاري





Tenure

- Property Information

Tenure

Property Information



أبجد
للتقييم العقاري

Property Details (Freehold Details)

ID	Description	
Owner	Hifth AlMusharaka Real Estate Company	
The Property	AlKharj Commercial Center	
Plot No.	120	
Sub-Division	1456	
District	Ghornatah	
Coordinates	24° 8'20.08"N	47° 16'43.15"E
City	AlKharj	
Ownership Type	Freehold	
Title Deed Info	Deed No.	511507006268
	Deed Date	H 24/3/1441

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	82.15	Unnamed	20
South	80	Al Malik Abdullah Road	60
East	141.1	Unnamed	6
West	140.5	Unnamed	40

- Sources: "Title Deed"

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Property Details (Freehold Details)

ID	Description	
Owner	Hifth AlMusharaka Real Estate Company	
The Property	AlKharj Commercial Center	
Plot No.	119	
Sub-Division	1456	
District	Ghornatah	
Coordinates	24° 8'20.08"N	47° 16'43.15"E
City	AlKharj	
Ownership Type	Freehold	
Title Deed Info	Deed No.	711508007003
	Deed Date	H 24/3/1441

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	57.5	Unnamed	6
South	60.35	Al Malik Abdullah Road	60
East	82.9	Unnamed	15
West	80.25	Neighbor	-

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



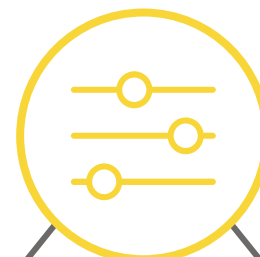
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



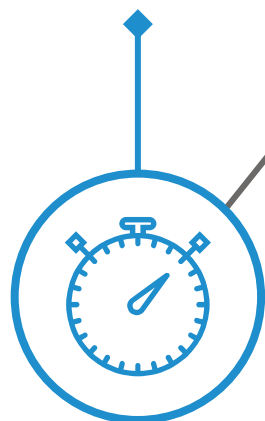
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Valuation

Valuation Basis & Methodology

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of the AlKharj center compared to the AlKharj market. The table on the left summarizes the results of the field research for the residential compound.
- In addition, we have made some research on the Yield rate for the property undervaluation.
- Based on the results of the research, the Yield rates for residential compounds range from **8.0%** to **9.50%** and it is dependent according to the location, type, quality of units, and occupancy rate.
- According to the client information, the compound enjoys lease contracts with a Net Operating Income of **4.6 million SAR** per year.
- Moreover, the information provided by the client and the experience of Abaad in the real estate market, the Yield rate of the property was estimated as **7.0%**.
- The table on the left shows the rental prices in the Subject Site area.

Rental Prices Summary

Description	Details
Small Retail Rents (SAR/Sqm)	1,300 – 1,100
Large Retail Rents (SAR/Sqm)	550 – 400
Restaurants Rents (SAR/Sqm)	1,700 – 1,200

Valuation

Valuation Basis & Methodology

Discount Cash Flow

The cash flows were made for 5 and a half years, and the following assumptions have been relied on:

- Inflation Rate: 2.50%.
- Operating and maintenance expenses: 8.10%.
- Yield Rate: 8.50%.
- Discount Rate: 11.00%.

Period	2022/12	2023/12	2024/12	2025/12	2026/12	2027/12
Total Leasable Area (%)	9,403.96	9,403.96	9,403.96	9,403.96	9,403.96	9,403.96
Average Leasable Rate with Inflation (SAR)	621.1	636.6	652.5	668.8	685.6	702.7
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Expected Income (SAR)	2,920,289	5,986,593	6,136,258	6,289,664	6,446,906	6,608,078
Vacancies (%)	4.5%	4.0%	3.5%	3.0%	2.5%	2.5%
Vacancies (SAR)	131,413	239,464	214,769	188,690	161,173	165,202
Operation Expenses Rate (%)	2,788,876	5,747,129	5,921,489	6,100,974	6,285,733	6,442,876
Operation Expenses (SAR)	225,899	465,517	479,641	494,179	509,144	521,873
Net Operation Income (SA)	2,562,977	5,281,612	5,441,848	5,606,795	5,776,589	5,921,003
Exit (SAR)						69,658,863
Present Value (SAR)	2,432,670	4,516,292	4,192,171	3,891,206	3,611,753	42,572,557
Market Value (SAR)	61,220,000					

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 61,220,000 (Sixty-One Million Two Hundred Twenty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل
[٢٧٧]



كتابة عدل محافظة الحسكة

الرقم : ١٦٦٨ - ٥١٥٠٧٠٠ هـ
التاريخ : ٢٤ / ٣ / ١٤٤١ هـ

صك

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

فإن قطعة الأرض التجانية رقم ١٢٠ من المخطط رقم ١٤٩٦ الواقع في حي غرناطة محافظة الحسكة .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢٠ م بطول: (٨٢,١٥) اثنين و ثمانون متر و خمسة عشر سنتيمتر

جنوباً: شارع عرض ٦٠ م بطول: (٨٠) ثمانون متر

شرقاً: معر مشاة عرض ٦٠ م قطعة الأرض رقم ١١٩ بطول: (١٤١,١) مائة و واحد و أربعون متر وعشرة سنتيمتر

غربياً: شارع عرض ٤٠ م بطول: (٦٤,٥) مائة و أربعون متر و خمسون سنتيمتر

ومساحتها : (١٩,٢٦٠,٢٤) أحد عشر ألفا و مئتين و ستون متر مربعاً و أربعة و عشرون سنتيمتراً مربعاً فقط

والستند في إفرادها على الصك الصادر من هذه الإدارة برقم ٤١١٥٠١٠٣٤٠٠ ع ٤ / ٣ / ١٤٣٧ هـ

قد انتقلت ملكيتها لـ شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ ع ١٢ / ١٠ / ١٤٣٧ هـ

وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ ، بثمن وقدره ١٧٨١٦٤٥ سبعة عشر مليوناً و ثمانمائة و ستة عشر ألفاً وأربعمائة و خمسة و خمسون ريال ضمن شيك وعليه جرى التصديق تحريراً في ٢٤ / ٣ / ١٤٤١ هـ لاعتمادهُ ، وصلى الله على نبينا محمد وآله وصحبه وسلم.





كتاب العدل

علي بن عبد العزيز بن علي قيعضب

هذا الصك واحد متجانسة ، وشياع أو ثالث صليحة منه يؤدي إلى عدم صلاحية المستند


(هذا النموذج مخصص للاستخدام بالاناسي اإلى ويمنع تكليفه)

توقيع من ١ (١٩٢٠...)

نموذج رقم ١٢٤١-١٣٢٤٠

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية
وزارة العدل
[٢٧٧]
كتابة عدل محافظة الحرج



صلك

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

فإن قطعة الأرض التجارية رقم ١١٩ من المخطط رقم ١٤٥٦ الواقع في حي غرناطة محافظة الحرج - وحدودها وأطوالها وكثاياتي:


شمالاً: ممر مشاه عرض ٩م بطول (٥٧,٥) سبعة وخمسون متر وخمسون سنتيمتر


جنوباً: شارع عرض ٦٠م بطول (٦٠,٣٥) ستون متر وخمسة وثلاثون سنتيمتر

شرقاً: شارع عرض ١٨م وغرفة كهرباء بطول () يبداء من الشمال بطول ٩م ثم ينحسر شرقاً ٢,٥م ثم ينحسر جنوباً بطول ٧٤,٤٠م

غرباً: قطعة رقم ١٢٠ بطول (٨٠,٢٥) ثمانون متر وخمسة وعشرون سنتيمتر ومساحتها (٤,٨٣٥,٧٣) أربعة آلاف وثمانمائة وخمسة وثلاثون متراً مربعاً وثلاثة وسبعون سنتيمتراً فقط والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٣٤٠١ / ٤ / ٣١١٥٠١ هـ ١٤٣٧ هـ

قد انتقلت ملكيتها لـ شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٨٣٤ / ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ ، ويتم وقدره ٧٤١٣٣٠٠ سبعة مليون وأربعمائة وثلاثة عشر ألفاً وثلاثمائة ريال وعليه جرى التصديق تحريراً في ٢٤ / ٣ / ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلّم.


وكيل بن خالد بن عبدالله السيف



هذا التوقيع ومحتوى هذا الصك والوصف أو تلك مثبتة أمام قاضي المحضر مدعيه عليه صلواته الشرعية

(هذا النموذج مخصص للاستخدام بالنائب الاتي ويمنع تقليده)

نموذج مطبوعة ١٩١٠م

مصلحة طبابع الحكومة - ١٣٢١٠



Abaad & Partner For Real Estate Valuation Co.

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أبعاد
للتقييم العقاري

Final Valuation Report

Al Faisaliyya Plaza, Dammam

Client / Musharaka Capital

07 August 2022

V220110

مشاركة
Musharaka



Introduction



Dear / Musharaka Capital

Al Faisaliyya Plaza, Dammam

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

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Executive Summary

- Terms and Conditions
- Report Summary

Executive Summary

Report Summary

Property Summary

- Al Faisaliyya Plaza is located on a regular plot of land with flat topography, with an area of **10,779.50** Sqm.
- The property includes many different stores in terms of spaces and features (**29** stores). The total leasable area is **5,592.83** Sqm.
- The property area is characterized by the presence of all basic services such as electricity, water, lights, sewage, asphalt streets, and footpaths.
- Al Faisaliyya Plaza is located on the main street so that King Fahd Road passes from the northern side of the property, and it is considered one of the main roads in Dammam because it connects the eastern side with the western side.

Property Details

Site Details	Information
District	Al-Faisaliah
Permitted Use	Commercial
Tenure	Leasehold
Deed Number	Multiple
Deed Date	05/11/1427H
Total Area (sqm)	10,779.50 sqm
Owner	Bader Bin Nasser Al Ateeq

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
Other Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	21,200,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Leasehold interest for the Subject Property located in **Dammam, KSA**.

Interest

Interested to be valued as of **Al Faisaliyya Plaza’s, Dammam**.

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets Purposes**.

Basis of Value

Our valuation will be provided on the basis as mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - Title Deed.
 - Building Permit.
 - Property location.
 - Income Information
 - Land Rent Costs



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



Site Location Analysis

- Macro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Macro Location

- Al Faisaliyya Plaza is located in the southeastern part of Dammam, which is one of the governorates of the Eastern Province in the Kingdom of Saudi Arabia.
- The total urban area of Dammam is **800** square kilometers, with a population of about **903,000** people. The city of Dammam is also characterized by the presence of a good infrastructure that allows it to be a commercial and industrial center, and the presence of seaports, and residential areas that increase commercial activity in the region.
- The subject property is located in Al-Faisaliah district. The area surrounding the property includes developing space, in addition to many complexes, commercial centers, and residential buildings.

Accessibility

- Al Faisaliyya Plaza is located on the main street so that King Fahd Road passes from the northern side of the property. It is considered one of the main roads in Dammam because it connects the eastern side with the western side, in addition to that it extends to the Khobar Governorate and connects between Dammam and Khobar.
- The subject property can be reached directly through Omar Ibn Al-Khattab Street, in addition to the Dhahran-Jubail Expressway, which is a secondary road leading to King Fahd Road, the main road leading to Al Faisaliyya Plaza.

Property Location



Site Location Analysis

Subject Property Description

Location analysis at the district level

- Al Faisaliyya Plaza is located on a regular plot of land with flat topography. The land area is **10,779.50 Sqm.**
- The property includes many commercial units (**29 units**).
- The property consists of a mezzanine ground floor and a first floor, and the build-up area is **7,495 Sqm.**
- The property area is characterized by a commercial building system consisting of a ground floor, a mezzanine, and a first floor.
- The property area is characterized by the presence of basic services such as electricity, water, lights, sewage, asphalt streets, and footpaths.
- Based on the information provided by the client, the coverage ratio (according to the current construction condition) is **39%.**

Property Information Summary

Description	Details
Total Land Area (m2)	10,779.50
Total Build-up Area (m2)	7,495
Total Leasable Area (m2)	5,592.8
Occupancy Rate (%)	39
Number of Commercial Units (Number)	29
Property Age (Estimated)	8 Years

Property Map



Site Location Analysis

Subject Property Photos



أبجد
للتقييم العقاري





Tenure

- Property Information

Tenure

Property Information



Property Details (Leasehold Details) Plot No.1

ID	Description
Owner	Bader Bin Nasser Al Ateeq
Use	Commercial
Plot No.	1
Sub-Division	414
District	Al-Faisaliah
Coordinates	50° 3'25.31"E 26°24'13.08"N
City	Dammam
Ownership Type	Leasehold
Title Deed Info	Deed No. 330102003013
	Deed Date 05/11/1427H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	40.41	King Fahad St	150
South	40.00	Al-Tariyfah St	16
East	39.60	Abdullah bin Omar St	20
West	45.36	Neighbor	-

- Sources: "Title Deed"

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Property Details (Leasehold Details) Plot No.2

ID	Description
Owner	Bader Bin Nasser Al Ateeq
Use	Commercial
Plot No.	2
Sub-Division	414
District	Al-Faisaliah
Coordinates	50° 3'25.31"E 26°24'13.08"N
City	Dammam
Ownership Type	Leasehold
Title Deed Info	Deed No. 430101003930
	Deed Date 06/11/1427H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	40.41	King Fahad St	150
South	40	Al-Tariyfah St	16
East	45.36	Neighbor	-
West	51.12	Neighbor	-

- Sources: "Title Deed"

Tenure

Property Information



Property Details (Leasehold Details) Plot No.3

ID	Description
Owner	Bader Bin Nasser Al Ateeq
Use	Commercial
Plot No.	3
Sub-Division	414
District	Al-Faisaliah
Coordinates	50° 3'25.31"E 26°24'13.08"N
City	Dammam
Ownership Type	Leasehold
Title Deed Info	Deed No. 330105002281
	Deed Date 05/11/1427H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	40.41	King Fahad St	150
South	40.00	Al-Tariyfah St	16
East	51.12	Neighbor	-
West	56.88	Neighbor	-

- Sources: "Title Deed"

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Property Details (Leasehold Details) Plot No.4

ID	Description
Owner	Bader Bin Nasser Al Ateeq
Use	Commercial
Plot No.	4
Sub-Division	414
District	Al-Faisaliah
Coordinates	50° 3'25.31"E 26°24'13.08"N
City	Dammam
Ownership Type	Leasehold
Title Deed Info	Deed No. 530101003931
	Deed Date 06/11/1427H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	40.41	King Fahad St	150
South	40	Al-Tariyfah St	16
East	56.88	Neighbor	-
West	62.64	Neighbor	-

- Sources: "Title Deed"

Tenure

Property Information

Property Details (Leasehold Details) Plot No.5

ID	Description	
Owner	Bader Bin Nasser Al Ateeq	
Use	Commercial	
Plot No.	5	
Sub-Division	414	
District	Al-Faisaliah	
Coordinates	50° 3'25.31"E	26°24'13.08"N
City	Dammam	
Ownership Type	Leasehold	
Title Deed Info	Deed No.	330101003932
	Deed Date	06/11/1427H

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	40.41	King Fahad St	150
South	40.00	Al-Tariyfah St	16
East	62.64	Neighbor	-
West	68.4	15 St	25

- Sources: "Title Deed"



Valuation

- Property Risk Analysis
- Valuation Basis & Methodology
- Income Approach Method
- Valuation Summary

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



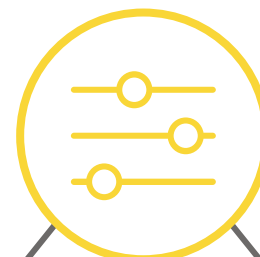
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



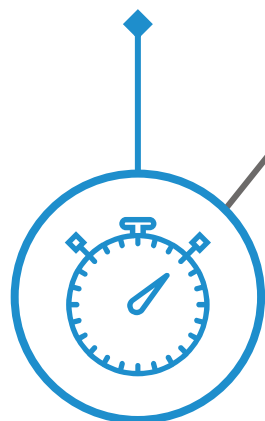
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of the Al-Faisaliah Center with Dammam market.
- In addition, we have made some research on the Yield rate for the property undervaluation.
- By looking at the list of retail rents for tenants and confirming it with the rental prices in the surrounding area for similar projects, Abaad team confirms that the rent is within the rental market range.
- According to the information provided by the client, the property enjoys lease contracts with a total income of 6.3 million SAR per year. Moreover, the operating expenses of the property are 5.8%, which is considered less than the market range, which is ranging from 7% to 15%, according to the experience of Abaad team in the retail sector.
- Note, Abaad Company did not receive the lease contracts, while the total income provided by the client was relied upon, in addition to some information from the land contract cost to reach the market value shown in this report.
- The table on the left shows the rental prices in the Subject Site's surrounding area.

Rental Prices Summary

Details	Rent Rate
Small Rent Rate (SAR/Sqm)	2,000 - 1,500
Large Rent Rate (SAR/Sqm)	1,300 - 900
Supermarket Rent Rate (SAR/Sqm)	600 - 500

Valuation

Income Approach

Discount Cash Flow

The cash flows have been made over 13 years, which is the remaining land lease contract, and the following assumptions have been relied on:

- Inflation Rate: 2.50%.
- Operation and Expenses Rate: 7.00%.
- Discount Rate: 12.0%.

Property Income

According to the client's information, the total income of the property is **6,296,398 SAR** annually, with an occupancy rate of **100%**. The property's income was based on the client's information in the cash flow table below, which shows the first 5 years and the last 5 years.

Period	2022/12	2023	2024	2025	2026	2029	2030	2031	2032	2033
Total GLA (Sqm)	5,592.83	5,592.83	5,592.83	5,592.83	5,592.83	5,592.83	5,592.83	5,592.83	5,592.83	5,592.83
Average Lease Rate with inflation (SAR/Sqm)	1,189.38	1,219.12	1,249.59	1,280.83	1,312.85	1,413.80	1,449.15	1,485.37	1,522.51	1,560.57
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Revenue with Inflation (SAR)	3,326,003	6,818,307	6,988,764	7,163,483	7,342,571	7,907,145	8,104,824	8,307,445	8,515,131	8,728,009
Vacancies (%)	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Vacancies (SAR)	76,498	156,821	160,742	164,760	168,879	181,864	186,411	191,071	195,848	200,744
Gross Potential Income (GPI) (SAR)	3,249,505	6,661,486	6,828,023	6,998,723	7,173,691	7,725,281	7,918,413	8,116,373	8,319,283	8,527,265
Land Cost with Inflation (SAR)	1,468,013	3,009,427	3,084,663	3,161,779	3,240,824	3,490,013	3,577,263	3,666,694	3,758,362	3,852,321
Operation Expenses (SAR)	227,465	466,304	477,962	489,911	502,158	540,770	554,289	568,146	582,350	596,909
Net Operation Income (SA)	1,554,027	3,185,755	3,265,399	3,347,034	3,430,709	3,694,499	3,786,861	3,881,533	3,978,571	4,078,035
Present Value (SAR)	1,468,417	2,687,728	2,459,751	2,251,111	2,060,169	1,579,139	1,445,194	1,322,611	1,210,425	1,107,755
Market Value (SAR)	21,200,000									

Valuation

Opinion of Value

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

Market Value (Income Approach) Date 30 June 2022 :

- 21,200,000 (Twenty-One Million Two Hundred Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Subject Property Documents



أبجد
للتقييم العقاري



الرقم : ٢٢٠٥٠٠٠٢٢٨٩
 التاريخ : ١١ / ٥ / ١٤٢٧ هـ

كتابته العدل الاول بالعمار

الحمد لله، وبعد، والملا والصلوات على من لا نبي بعده وبعد:

الذين قضوا في ٣ من المحرم سنة ١٤٤١ هـ الموافق ١٢ أيلول سنة ١٩٢٠ م في المدينة المنورة.

وبعد وما زادها الله تعالى:

١- شهادت: وفات سيوات بكه شارع عمرى ١٥٠ متر

٢- جنود: شارع عمرى ٦٦ متر

٣- شربة: شربة رقم ١

٤- غربة: شربة رقم ١

وسمات: ١٢١٦: ١٢١٧: ١٢١٨: ١٢١٩: ١٢٢٠: ١٢٢١: ١٢٢٢: ١٢٢٣: ١٢٢٤: ١٢٢٥: ١٢٢٦: ١٢٢٧: ١٢٢٨: ١٢٢٩: ١٢٣٠: ١٢٣١: ١٢٣٢: ١٢٣٣: ١٢٣٤: ١٢٣٥: ١٢٣٦: ١٢٣٧: ١٢٣٨: ١٢٣٩: ١٢٤٠: ١٢٤١: ١٢٤٢: ١٢٤٣: ١٢٤٤: ١٢٤٥: ١٢٤٦: ١٢٤٧: ١٢٤٨: ١٢٤٩: ١٢٥٠: ١٢٥١: ١٢٥٢: ١٢٥٣: ١٢٥٤: ١٢٥٥: ١٢٥٦: ١٢٥٧: ١٢٥٨: ١٢٥٩: ١٢٦٠: ١٢٦١: ١٢٦٢: ١٢٦٣: ١٢٦٤: ١٢٦٥: ١٢٦٦: ١٢٦٧: ١٢٦٨: ١٢٦٩: ١٢٧٠: ١٢٧١: ١٢٧٢: ١٢٧٣: ١٢٧٤: ١٢٧٥: ١٢٧٦: ١٢٧٧: ١٢٧٨: ١٢٧٩: ١٢٨٠: ١٢٨١: ١٢٨٢: ١٢٨٣: ١٢٨٤: ١٢٨٥: ١٢٨٦: ١٢٨٧: ١٢٨٨: ١٢٨٩: ١٢٩٠: ١٢٩١: ١٢٩٢: ١٢٩٣: ١٢٩٤: ١٢٩٥: ١٢٩٦: ١٢٩٧: ١٢٩٨: ١٢٩٩: ١٣٠٠: ١٣٠١: ١٣٠٢: ١٣٠٣: ١٣٠٤: ١٣٠٥: ١٣٠٦: ١٣٠٧: ١٣٠٨: ١٣٠٩: ١٣١٠: ١٣١١: ١٣١٢: ١٣١٣: ١٣١٤: ١٣١٥: ١٣١٦: ١٣١٧: ١٣١٨: ١٣١٩: ١٣٢٠: ١٣٢١: ١٣٢٢: ١٣٢٣: ١٣٢٤: ١٣٢٥: ١٣٢٦: ١٣٢٧: ١٣٢٨: ١٣٢٩: ١٣٣٠: ١٣٣١: ١٣٣٢: ١٣٣٣: ١٣٣٤: ١٣٣٥: ١٣٣٦: ١٣٣٧: ١٣٣٨: ١٣٣٩: ١٣٤٠: ١٣٤١: ١٣٤٢: ١٣٤٣: ١٣٤٤: ١٣٤٥: ١٣٤٦: ١٣٤٧: ١٣٤٨: ١٣٤٩: ١٣٥٠: ١٣٥١: ١٣٥٢: ١٣٥٣: ١٣٥٤: ١٣٥٥: ١٣٥٦: ١٣٥٧: ١٣٥٨: ١٣٥٩: ١٣٦٠: ١٣٦١: ١٣٦٢: ١٣٦٣: ١٣٦٤: ١٣٦٥: ١٣٦٦: ١٣٦٧: ١٣٦٨: ١٣٦٩: ١٣٧٠: ١٣٧١: ١٣٧٢: ١٣٧٣: ١٣٧٤: ١٣٧٥: ١٣٧٦: ١٣٧٧: ١٣٧٨: ١٣٧٩: ١٣٨٠: ١٣٨١: ١٣٨٢: ١٣٨٣: ١٣٨٤: ١٣٨٥: ١٣٨٦: ١٣٨٧: ١٣٨٨: ١٣٨٩: ١٣٩٠: ١٣٩١: ١٣٩٢: ١٣٩٣: ١٣٩٤: ١٣٩٥: ١٣٩٦: ١٣٩٧: ١٣٩٨: ١٣٩٩: ١٤٠٠: ١٤٠١: ١٤٠٢: ١٤٠٣: ١٤٠٤: ١٤٠٥: ١٤٠٦: ١٤٠٧: ١٤٠٨: ١٤٠٩: ١٤١٠: ١٤١١: ١٤١٢: ١٤١٣: ١٤١٤: ١٤١٥: ١٤١٦: ١٤١٧: ١٤١٨: ١٤١٩: ١٤٢٠: ١٤٢١: ١٤٢٢: ١٤٢٣: ١٤٢٤: ١٤٢٥: ١٤٢٦: ١٤٢٧: ١٤٢٨: ١٤٢٩: ١٤٣٠: ١٤٣١: ١٤٣٢: ١٤٣٣: ١٤٣٤: ١٤٣٥: ١٤٣٦: ١٤٣٧: ١٤٣٨: ١٤٣٩: ١٤٤٠: ١٤٤١: ١٤٤٢: ١٤٤٣: ١٤٤٤: ١٤٤٥: ١٤٤٦: ١٤٤٧: ١٤٤٨: ١٤٤٩: ١٤٥٠: ١٤٥١: ١٤٥٢: ١٤٥٣: ١٤٥٤: ١٤٥٥: ١٤٥٦: ١٤٥٧: ١٤٥٨: ١٤٥٩: ١٤٦٠: ١٤٦١: ١٤٦٢: ١٤٦٣: ١٤٦٤: ١٤٦٥: ١٤٦٦: ١٤٦٧: ١٤٦٨: ١٤٦٩: ١٤٧٠: ١٤٧١: ١٤٧٢: ١٤٧٣: ١٤٧٤: ١٤٧٥: ١٤٧٦: ١٤٧٧: ١٤٧٨: ١٤٧٩: ١٤٨٠: ١٤٨١: ١٤٨٢: ١٤٨٣: ١٤٨٤: ١٤٨٥: ١٤٨٦: ١٤٨٧: ١٤٨٨: ١٤٨٩: ١٤٩٠: ١٤٩١: ١٤٩٢: ١٤٩٣: ١٤٩٤: ١٤٩٥: ١٤٩٦: ١٤٩٧: ١٤٩٨: ١٤٩٩: ١٥٠٠: ١٥٠١: ١٥٠٢: ١٥٠٣: ١٥٠٤: ١٥٠٥: ١٥٠٦: ١٥٠٧: ١٥٠٨: ١٥٠٩: ١٥١٠: ١٥١١: ١٥١٢: ١٥١٣: ١٥١٤: ١٥١٥: ١٥١٦: ١٥١٧: ١٥١٨: ١٥١٩: ١٥٢٠: ١٥٢١: ١٥٢٢: ١٥٢٣: ١٥٢٤: ١٥٢٥: ١٥٢٦: ١٥٢٧: ١٥٢٨: ١٥٢٩: ١٥٣٠: ١٥٣١: ١٥٣٢: ١٥٣٣: ١٥٣٤: ١٥٣٥: ١٥٣٦: ١٥٣٧: ١٥٣٨: ١٥٣٩: ١٥٤٠: ١٥٤١: ١٥٤٢: ١٥٤٣: ١٥٤٤: ١٥٤٥: ١٥٤٦: ١٥٤٧: ١٥٤٨: ١٥٤٩: ١٥٥٠: ١٥٥١: ١٥٥٢: ١٥٥٣: ١٥٥٤: ١٥٥٥: ١٥٥٦: ١٥٥٧: ١٥٥٨: ١٥٥٩: ١٥٦٠: ١٥٦١: ١٥٦٢: ١٥٦٣: ١٥٦٤: ١٥٦٥: ١٥٦٦: ١٥٦٧: ١٥٦٨: ١٥٦٩: ١٥٧٠: ١٥٧١: ١٥٧٢: ١٥٧٣: ١٥٧٤: ١٥٧٥: ١٥٧٦: ١٥٧٧: ١٥٧٨: ١٥٧٩: ١٥٨٠: ١٥٨١: ١٥٨٢: ١٥٨٣: ١٥٨٤: ١٥٨٥: ١٥٨٦: ١٥٨٧: ١٥٨٨: ١٥٨٩: ١٥٩٠: ١٥٩١: ١٥٩٢: ١٥٩٣: ١٥٩٤: ١٥٩٥: ١٥٩٦: ١٥٩٧: ١٥٩٨: ١٥٩٩: ١٦٠٠: ١٦٠١: ١٦٠٢: ١٦٠٣: ١٦٠٤: ١٦٠٥: ١٦٠٦: ١٦٠٧:

مكتبة العدل

عبدالمجيد بن عبدالرحمن اليحيى

الختم الرصيفي



رقم : ٣٩٦١ - ١ - ١٠٥٢
 التاريخ : ١١ / ١ / ١٤٢٧ هـ

بسم الله الرحمن الرحيم
 في القضاة
 في القضاة
 في القضاة

كاتب العدل اخص بالعبارة

[illegible]

سعد بن عبد الرحمن الصنقر

الختم الرسمي



Subject Property Documents



أبجد
للتقييم العقاري

[illegible]



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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

Riyadh Branch:

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

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Manager

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Final Valuation Report

V220110

Al Bazaie Showroom, Riyadh

Client / Musharaka Capital

07 August 2022



Introduction



Dear / Musharaka Capital

Al Bazaie Showroom, Riyadh

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

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أبعاد
للتقييم العقاري

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Executive Summary

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Executive Summary

Report Summary

Property Summary

- The subject property is located in the eastern middle of Riyadh city in An Nasim District, along Khurais Road, on a regular plot of land with a flat topography. The total land area is **10,000 Sqm**.
- The property area is characterized by the presence of basic services such as electricity, water, lights, sewage, asphalt streets, and footpaths.
- The Subject property is located on Khurais Road with Abdul Rahman bin Auf Street. Khurais Road is considered one of the most important arterial roads on the eastern side of Riyadh.
- Based on the data provided by the client, the total build-up area is **12,068.4 Sqm**. It consists of a basement with an area of **5,000 Sqm**, a ground floor with an area of **5,787.4 Sqm**, in addition to a mezzanine floor with an area of **1,281 Sqm**.

Property Details

Site Details	Information
District	An Nasim Al-Gharbi
Permitted Use	Commercial
Tenure	Freehold
Deed Number	810104049341
Deed Date	19/05/1441H
Total Area (sqm)	10,000 sqm
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	71,270,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Riyadh, KSA**.

Interest

Interested to be valued as of **Al-Bazai Showrooms, Riyadh**.

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets Purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - **Title Deed.**
 - **Building Permit.**
 - **Property location.**
 - **Income Information.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Disclaimers



Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



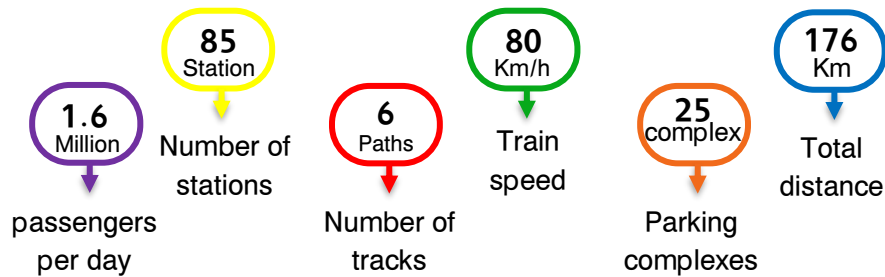
Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Infrastructure Projects - Al Riyadh Metro Project

- Riyadh Metro is a rapid transit system, currently bring under-construction and is as one of the largest infrastructure projects in the City.
- The metro is designed as a world-class transportation system, includes 756 metro cars, 85 stations, 6 metro lines, and a 176-km network.
- The construction of the metro system has led to a number of road closures that have affected traffic in different parts of the city.



Length of Riyadh Metro Lines

Line	Length (km)
Line 1 (Blue)	38.0
Line 2 (Red)	25.3
Line 3 (Orange)	40.7
Line 4 (Yellow)	29.6
Line 5 (Green)	12.9
Line 6 (Purple)	29.5



Site Location Analysis

Infrastructure Projects - RCRC Projects & Programs



The Royal Commission for Riyadh City (RCRC) carries out several strategic, comprehensive, long-term and multi-phase development programs and projects that require massive efforts and resources.

Historical Addir'iyah Development Program



Addir'iyah is the home of many historic sites and antiquities, as it hosts unique buildings, old quarters, oasis, palm gardens, farms and agricultural areas.

the program achieved integration between Addir'iyah and Riyadh by transforming Addir'iyah into a world-class cultural and tourist metropolitan suburb.

Riyadh Art Project



Within the project, more than 1000 artworks and landmarks, created by local and international artists, will be installed across the city of Riyadh according to a 10-program plan that covers residential neighborhoods, gardens, parks, squares, metro/bus stations, bridges, city entrances and tourism destinations.

Sports Boulevard



The Sports Boulevard extends for 135 kms, across the city of Riyadh, connecting Wadi Hanifah valley in the West with Wadi Al Sulai valley in the East through Prince Muhammad Bin Salman Bin Abdulaziz Road. The Sports Boulevard features green pedestrian pathways, special routes for professional and amateur cyclists (135 and 85 kms respectively), and horse riding routes (123 kms).

Green Riyadh



The Green Riyadh Project includes planting 7.5 million trees across the capital in gardens, parks, mosques, schools, healthcare facilities, King Khaled International Airport and most of the city's roads, streets, car parking spaces, and valleys

King Salman Park



Covering over 13 square kilometers, King Salman Park will be among the biggest city parks worldwide. It will combine a wide variety of environmental, cultural, recreational and sports activities that will significantly enhance the life quality of all Riyadh residents. The project will also host many facilities including a royal art complex, a national theater, an opera house, art academies, museums, and galleries. Furthermore, the park will feature extensive green areas, plazas, sports compounds, and an 18-hole royal golf course. To complement these amenities, great incentives would be offered to the private-sector investors to build recreational.

Site Location Analysis

Macro Location



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Riyadh City Borders

King Khalid international airport

Subject Site

White Lands Borders

The Subject Site is located in Riyadh, the capital of Saudi Arabia. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million in 2018.

Riyadh is considered one of the largest cities in the Gulf countries in terms of area, with a developed city area of about 1,913 square kilometers.

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

The subject property is located in the East of Riyadh, and it is 24 km away from King Khalid International Airport.

The Subject Site is located within the White Lands zone.

Site Location Analysis

Micro Location

Subject Property Description

- The subject property is located in the eastern middle of Riyadh city in An Nasim District, along Khurais Road, on a regular plot of land with a flat topography. The total land area is **10,000 Sqm**.
- The property area is characterized by the presence of basic services such as electricity, water, lights, sewage, asphalt streets, and footpaths.
- The Subject property is located on Khurais Road with Abdul Rahman bin Auf Street. Khurais Road is considered one of the most important arterial roads on the eastern side of Riyadh.
- Based on the data provided by the client, the total build-up area is **12,068.4 Sqm**. It consists of a basement with an area of **5,000 Sqm**, a ground floor with an area of **5,787.4 Sqm**, in addition to a mezzanine floor with an area of **1,281 Sqm**.

Property Details

Description	Details
Total Land Area (Sqm)	10,000
Total Build-up Area (Sqm)	12,068.40
Number of Warehouses	1

Property Location



Site Location Analysis

Subject Property Description

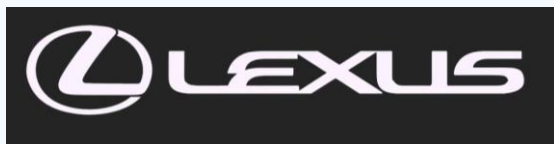
Location analysis at the district level

- The subject property includes a car showroom on the ground floor in addition to offices on the mezzanine floor and a basement for parking.
- According to the information provided by the client, The subject property is fully leased to Al-Bazaei Motors Showroom, for a period of **10** years, extendable for a period of 5 years.
- The property is located on a plot of land of **10,000** Sqm, owned by Musharaka REIT, and has a full lease agreement in favor of Saleh Abdullah Al-Bazai & Sons Company, the agent of Toyota and Lexus cars in the central region and the exclusive agent of Skoda cars in the Kingdom of Saudi Arabia.
- We would like to note that Abaad did not receive any information about the lease contract and that the property was valued based on the data received from the client.

Some of the Brands



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Property Details

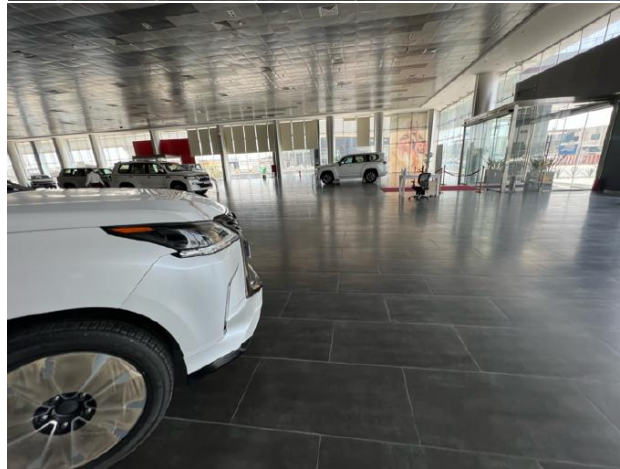
Description	Details
Total GLA (sqm)	7,068.4
Build-up Area (sqm)	12,068.4
No. of Showrooms	1 Showroom
Occupancy Rate (%)	100

Site Location Analysis

Subject Property Photos



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Tenure

- Property Information

Tenure

Property Information

Property Details (Freehold Details)

ID	Description
Owner	Hifth AlMusharaka Real Estate Company
Use	Commercial
Plot No.	134 ,133 ,132 ,131 ,104 ,103 ,102 ,101
Sub-Division	911
District	An-Nasim Al-Gharbi
Coordinates	46°48'02.6"E 24°44'16.1"N
City	Riyadh
Ownership Type	Freehold
Title Deed Info	Deed No. 810104049341
	Deed Date 19/05/1441H

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	100	Khurais	80
South	100	Al-Sharafa	15
East	100	Neighbor	-
West	100	Abdulrahman bin Auf	60

- Sources: "Title Deed"



Valuation

- Property Risk Analysis
- Valuation Basis & Methodology
- Income Approach Method
- Valuation Summary

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



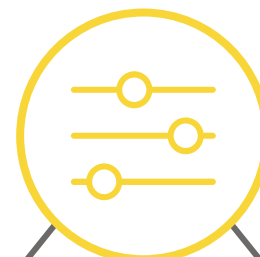
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



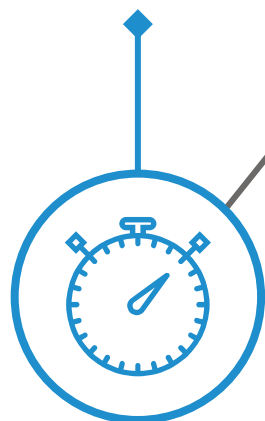
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of Al Bazaie Car Showroom compared to the Riyadh market. The table on the left side summarizes the results of the field research.
- According to the results of the field research, the rental prices for commercial showrooms in Riyadh city range from **400** to **900** SAR/Sqm, and vary according to the location and area, and the duration of the contract.
- in order to verify the actual Yield rate for the property. Based on the results of field research, the Yield rates range from **8%** to **9.5%** and vary according to the location, tenants, occupancy rate, and other properties of the property.
- According to the statement from the client, the property undervaluation enjoys a lease contract with Saleh Abdullah Al-Bazaie & Sons Company for **10** years, bound by order bonds, in addition to the possibility of extension for another **5** years.
- Moreover, the lease agreement stipulates a net rental value equivalent to **6** million SAR/Year. The rental value constitutes **8.5%** as a return on the purchase price (according to the client information).
- The table on the left shows the rental prices in the area of the property undervaluation.

Rental Prices Summary

Details	Rent Rate
Small Rent Rate (SAR/Sqm)	900 – 700
Large Rent Rate (SAR/Sqm)	600 – 400
Offices Rent Rate (SAR/Sqm)	900 – 600

Valuation

Income Approach



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Discount Cash Flow

The cash flows have been made over 5 years, and the following assumptions have been relied on:

- Inflation Rate: 2.50%.
- Yield Rate: 8.50%.
- Discount Rate: 11.00%.

Period	2022/12	2023/12	2024/12	2025/12	2026/12	2027/12
Net Operation Income (SAR)	3,037,269	6,226,400	6,382,060	6,541,612	6,705,152	6,872,781
Exit Value (SAR)						80,856,248
Present Value (SAR)	2,882,848	5,324,178	4,916,471	4,539,984	4,192,328	49,415,926
Market Value (SAR)	71,270,000					

Valuation

Opinion of Value

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

Market Value (Income Approach) Date 30 June 2022 :

- 71,270,000 (Seventy-One Million Two Hundred and Seventy Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015

Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016

Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020

Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

[illegible]



Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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

Riyadh Branch:

Imam Saud bin Faisal Road,
Al-Sahafa District
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Manager

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Final Valuation Report

Al Baraka Warehouses, Riyadh

Client / Musharaka Capital

07 August 2022

V220110

مشاركة
Musharaka



Introduction



Dear / Musharaka Capital

Al Baraka Warehouses, Riyadh

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

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Executive Summary

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Executive Summary

Report Summary

Property Summary

- The Subject Property consists of a warehouse with a total built-up area of **27,605 sqm.**
- The property is located in the south of Riyadh on a regular plot of land with a flat Topography, with an area of **29,955 Sqm.**
- The warehouse undervaluation has two frontages and is located near Istanbul Street.
- The property area is characterized by the presence of basic services such as electricity, water, light, and asphalt streets.

Property Details

Site Details	Information
District	As Sulay
Permitted Use	Industrial
Tenure	Freehold
Deed Number	910123031387
Deed Date	25/11/1438H
Total Area (sqm)	29,955 sqm
Owner	Hifth AlMusharaka Real Estate Company

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	83,730,000 SAR

Executive Summary

Terms and Conditions



- The Subject Property has been valuated according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).
- This report was relied upon and valuated according to the specific conditions and restrictions presented in this report.
- The report was issued without any conflict of interest or personal gain.
- This valuation report was prepared based on the instructions received from Musharaka Capital Company "The Client" to estimate Al Baraka warehouse "basis of value" for the Periodic Valuation "purpose" as requested by Musharaka REIT "The Client".
- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, that the information contained in this report is completely confidential, and that the report is issued to the client only.
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- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.
- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.
- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Freehold interest for the Subject Property located in **Riyadh, KSA**.

Interest

Interested to be valued as of **Al Baraka Warehouses, Riyadh**.

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets Purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - Title Deed.
 - Building Permit.
 - Property location.
 - Rental Contract.



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad do not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



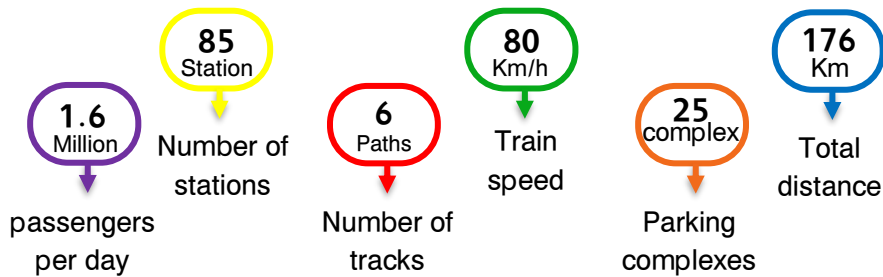
Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Infrastructure Projects - Al Riyadh Metro Project

- Riyadh Metro is a rapid transit system, currently bring under-construction and is as one of the largest infrastructure projects in the City.
- The metro is designed as a world-class transportation system, includes 756 metro cars, 85 stations, 6 metro lines, and a 176-km network.
- The construction of the metro system has led to a number of road closures that have affected traffic in different parts of the city.



Length of Riyadh Metro Lines

Line	Length (km)
Line 1 (Blue)	38.0
Line 2 (Red)	25.3
Line 3 (Orange)	40.7
Line 4 (Yellow)	29.6
Line 5 (Green)	12.9
Line 6 (Purple)	29.5



Site Location Analysis

Infrastructure Projects - RCRC Projects & Programs



The Royal Commission for Riyadh City (RCRC) carries out several strategic, comprehensive, long-term and multi-phase development programs and projects that require massive efforts and resources.

Historical Addir'iyah Development Program



Addir'iyah is the home of many historic sites and antiquities, as it hosts unique buildings, old quarters, oasis, palm gardens, farms and agricultural areas.

the program achieved integration between Addir'iyah and Riyadh by transforming Addir'iyah into a world-class cultural and tourist metropolitan suburb.

Riyadh Art Project



Within the project, more than 1000 artworks and landmarks, created by local and international artists, will be installed across the city of Riyadh according to a 10-program plan that covers residential neighborhoods, gardens, parks, squares, metro/bus stations, bridges, city entrances and tourism destinations.

Sports Boulevard



The Sports Boulevard extends for 135 kms, across the city of Riyadh, connecting Wadi Hanifah valley in the West with Wadi Al Sulai valley in the East through Prince Muhammad Bin Salman Bin Abdulaziz Road. The Sports Boulevard features green pedestrian pathways, special routes for professional and amateur cyclists (135 and 85 kms respectively), and horse riding routes (123 kms).

Green Riyadh



The Green Riyadh Project includes planting 7.5 million trees across the capital in gardens, parks, mosques, schools, healthcare facilities, King Khaled International Airport and most of the city's roads, streets, car parking spaces, and valleys

King Salman Park



Covering over 13 square kilometers, King Salman Park will be among the biggest city parks worldwide. It will combine a wide variety of environmental, cultural, recreational and sports activities that will significantly enhance the life quality of all Riyadh residents. The project will also host many facilities including a royal art complex, a national theater, an opera house, art academies, museums, and galleries. Furthermore, the park will feature extensive green areas, plazas, sports compounds, and an 18-hole royal golf course. To complement these amenities, great incentives would be offered to the private-sector investors to build recreational.

Site Location Analysis



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Macro Location



Riyadh City Borders

White Lands Borders

Subject Site

The Subject Site is located in Riyadh, the capital of Saudi Arabia. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million in 2018.

Riyadh is considered one of the largest cities in the Gulf countries in terms of area, with a developed city area of about 1,913 square kilometers.

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

The subject property is located in the East of Riyadh, and it is 38.5 km away from King Khalid International Airport.

The Subject Site is located within the White Lands zone.

Site Location Analysis

Subject Property Description

Subject Property Description

- The Subject Property consists of a warehouse and the total built-up area of the warehouse is **27,605 Sqm**.
- Al-Baraka warehouse is located in the south of Riyadh on a regular plot of land with flat topography, with an area of **29,955 Sqm**.
- The warehouse undervaluation has two frontages and is located near Istanbul Street.
- The property area is characterized by the presence of basic services such as electricity, water, lights, and asphalt streets.
- The warehouse undervaluation can be reached via Istanbul Street, which extends to the Southern Ring Road.
- The area surrounding the property includes warehouses, industrial facilities, and shops, in addition to residential buildings.

Details of the subject property

Description	Details
Total Land Area (Sqm)	29,955
Total Build-up Area (Sqm)	27,605
Number of Warehouses	6

Property Location



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Site Location Analysis

Subject Property Photos



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Tenure

- Property Information
- Lease Agreements

Tenure

Property Information



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Property Details (Freehold Details)

ID	Description	
Owner	Hifth AlMusharaka Real Estate Company	
Use	Industrial	
Plot No.	3/2/45 – 2/4/45 – 1/4/45 – 3/4/45 – 2/2/45 – 1/2/45	
Sub-Division	3/1391	
District	Al-Sulay	
Coordinates	46°51'28.70"E	24°37'5.73"N
City	Riyadh	
Ownership Type	Freehold	
Title Deed Info	Deed No.	910123031387
	Deed Date	25/11/1438H

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	99.87	Mohammad Abdullah Al-Bargi	30
South	99.85	Al-Kawthar	36
East	299.95	-	-
West	299.98	-	-

- Sources: "Title Deed"

Lease Rate Contract Summary

Payment Date	Net Income (SAR)
8/1/2022	6,000,000
8/1/2023	6,000,000
8/1/2024	6,600,000
8/1/2025	6,900,000
8/1/2026	6,900,000

No legal document has been verified for the property under valuation, which includes planning, ownership or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights or any impediments.



Valuation

- Valuation Basis & Methodology
- Property Risk Analysis
- Income Approach
- Valuation Summary

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



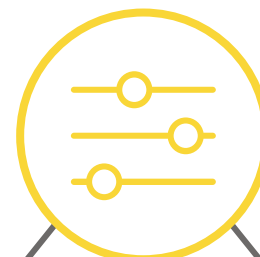
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



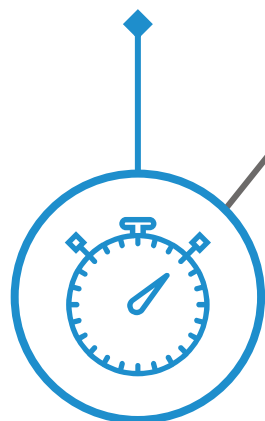
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Valuation

Income Approach

Discount Cash Flow

- The cash flows were made out over 5 years, and the following assumptions have been relied on:
- Inflation Rate: 2.50%.
- Yield Rate: 8.00%.
- Discount Rate: 10.50%.

Period	2022/08	2023/08	2024/08	2025/08	2026/08
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%
Net Operation Income (SA)	6,000,000	6,000,000	6,600,000	6,900,000	6,900,000
Exit (SAR)					86,250,000
Present Value (SAR)	5,950,284	5,384,873	5,360,507	5,071,644	61,961,258
Market Value (SAR)	83,730,000				

Valuation

Opinion of Value

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

Market Value (Income Approach) Date 30 June 2022 :

- 83,730,000 (Eighty-Three Million Seven Hundred Thirty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015

Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016

Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020

Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.


Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Subject Property Documents

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الجمهورية العربية السورية
الوزارة العامة للتخطيط والتنمية الاقتصادية

المصلحة
وزارة الشؤون
أمانة

رقم الرخصة: ١٢٣٤٥٠٠١٠
تاريخ الرخصة: ١٢٣٥٠٠١٠٨
تاريخ الانتهاء: ١٢٣٥٠٠١٠٨
نوع الرخصة: فصل وتجارة

إدارة رخص البناء
رخصة
عنوان: ع. ١٢٣٤٥٠٠١٠
رقم الملف: ١٢٣٤٥٠٠١٠
رقم الخريطة: ١٢٣٤٥٠٠١٠
رقم المخطط التنظيمي: ١٢٣٤٥٠٠١٠
نوع المخطط: ١٢٣٤٥٠٠١٠
نوع البناء: ١٢٣٤٥٠٠١٠
الخطوط العمرانية: ١٢٣٤٥٠٠١٠

الجهة	الحدود	الارتفاع	مساحة الأرض: ١٢٣٤٥٠٠١٠ م ^٢	مساحة البناء: ١٢٣٤٥٠٠١٠ م ^٢	عدد الوحدات	ملاحظات البناء
شمال	شارع عرض ٨ متر	٢٢.٢٠	١	١	١	مستودع
شرق	طريق رقم ١٢٣٤٥٠٠١٠	١٠.٠	١	١	١	مستودع
جنوب	طريق رقم ١٢٣٤٥٠٠١٠	٢٢.٢٠	١	١	١	مستودع
غرب	طريق رقم ١٢٣٤٥٠٠١٠	١٠.٠	١	١	١	مستودع

ملاحظات:

١- يجب رخصة البناء الإلزامية رقم ١٢٣٤٥٠٠١٠ تاريخ ١٢٣٥٠٠١٠٨.

٢- يجب الالتزام بخطط المخطط التنظيمي رقم ١٢٣٤٥٠٠١٠.

٣- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٤- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٥- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٦- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٧- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٨- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٩- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

١٠- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

رقم المخطط: ١٢٣٤٥٠٠١٠
نوع المخطط: ١٢٣٤٥٠٠١٠
نوع البناء: ١٢٣٤٥٠٠١٠
الخطوط العمرانية: ١٢٣٤٥٠٠١٠

رقم المخطط: ١٢٣٤٥٠٠١٠
نوع المخطط: ١٢٣٤٥٠٠١٠
نوع البناء: ١٢٣٤٥٠٠١٠
الخطوط العمرانية: ١٢٣٤٥٠٠١٠

ملاحظات:

١- يجب رخصة البناء الإلزامية رقم ١٢٣٤٥٠٠١٠ تاريخ ١٢٣٥٠٠١٠٨.

٢- يجب الالتزام بخطط المخطط التنظيمي رقم ١٢٣٤٥٠٠١٠.

٣- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٤- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٥- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٦- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٧- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٨- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

٩- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

١٠- يجب الالتزام بخطط المخطط العمراني رقم ١٢٣٤٥٠٠١٠.

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Subject Property Documents



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Abaad & Partner For Real Estate Valuation Co.

Jeddah Branch (Head Office):

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

Riyadh Branch:

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

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Manager

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أبعد
للتقييم العقاري

Final Valuation Report

Al-Orouba Plaza, Riyadh

Client / Musharaka Capital

07 August 2022

V220110

مشاركة
Musharaka



Introduction



Dear / Musharaka Capital

Al-Orouba Plaza, Riyadh

This report is based on your request to value The Subject Property, and we trust that the report is according to your requirements and in accordance with the International Valuation Standards 2022 (IVS). The valuation is compliant with Saudi Authority of Accredited Valuers “Taqeem”.

Version Control

Details	Information
Status	Final
Abaad REF#	V220110

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer

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Executive Summary

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Executive Summary

Report Summary

- The property undervaluation consists of a commercial complex located in Al-Orouba Road with Prince Turki bin Abdulaziz Al-Awwal Road in Umm Al-Hamam Al-Gharbi District, Riyadh. The total land area is **19,212 Sqm**.
- The property undervaluation consists of a ground floor and a mezzanine floor, with a total number of **19** showrooms, and the build-up area is **11,292 Sqm**.
- The total leasable area of the complex is about **11,082 Sqm**, and it includes many brands such as Hyper Panda, Starbucks, and Al-Baik Restaurant.

Property Details

Site Details	Information
District	Umm Al-Hamam Al-Gharbi
Permitted Use	Commercial
Tenure	Leasehold
Deed Number	410113062475
Deed Date	27/8/1436H
Total Area (sqm)	19,212
Owner	King Khalid Foundation

Valuation Summary

Details	Information
Purpose of Valuation	Periodic Valuation of Musharaka REIT Fund Assets
External Users	Fund Manager and Investors
Report Type	Detailed Report
Instruction Date	22 June 2022
Inspection Date	04 July 2022
Valuation Date	30 June 2022
Basis of Value	Market Value
Valuation Approach	Income Approach
Adopted Currency	Saudi Riyals
Market Value	47,960,000 SAR

Executive Summary

Terms and Conditions



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



Valuation Terms

- Introduction
- Interest
- Purpose of Valuation
- Basis of Value
- Valuation Approach
- Inspection Date
- The Nature And Extent of The Inspection
- Valuation Date
- Sources of Information

Valuation Terms



Introduction

- In accordance with formal instructions from **Musharaka Capital** (or the “Client”), dated **22 June 2022**, Abaad takes pleasure in enclosing our Report and Value of the Leasehold interest for the Subject Property located in **Riyadh, KSA**.

Interest

- Interested to be valued as of **Al-Orouba Plaza, Riyadh**

Purpose of Valuation

- Abaad has been requested to provide our opinion of value for the Subject Property for **Periodic Valuation of Musharaka REIT Fund Assets purposes**.

Basis of Value

Our valuation will be provided on the basis mentioned below:

- **Market Value**

Valuation Approach

We have adopted the following valuation approach:

- **Income Approach**

Inspection Date

- We confirm that The Subject Property was inspected on **04 July 2022**.

The Nature And Extent of The Inspection

- In accordance with the received instructions, we have carried out visual inspection of The Subject Property. Our inspection is made under the assumption that the ground conditions are suitable for the current or any future buildings and structures development/re-development.

Valuation Date

- We confirm that The Subject Property was valued on **30 June 2022**.

Sources of Information

- We have relied upon the information provided to us, which is identified below, as well as in the relevant sections of this report:
 - 1) **Subject Location.**
 - 2) **Title Deed.**
 - 3) **Building Permit.**
 - 4) **Income Information.**
 - 5) **Land Rent Costs.**



Disclaimers

- Liability and Publication
- Confidentiality
- Assumptions and Special Assumptions
- Valuation Under COVID-19 Outbreak

Liability and Publication

- This report is issued for your own use, and that of your professional advisers, for the specific purpose to which it refers. Abaad does not accept any responsibility to any third party for the whole or any part of its contents.
- Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular, or statement or disclosed in any way without Abaad's prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client, and their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

- Assumptions are matters that are reasonable to accept as a fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

- Special Assumption is an assumption that either assumes facts that differ from the facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.
- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

1) No assumption or special assumption has been applied.

Valuation Under COVID-19 Outbreak

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets.
- Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As of the valuation date, we** consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.
- Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgment.
- Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.



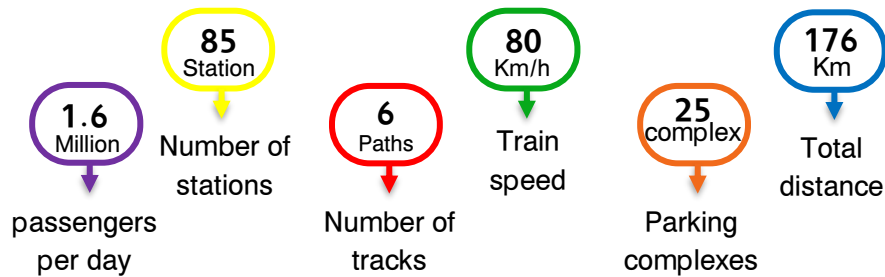
Site Location Analysis

- Infrastructure Projects
- Macro Location
- Micro Location
- Property Description
- Subject Property Photos

Site Location Analysis

Infrastructure Projects - Al Riyadh Metro Project

- Riyadh Metro is a rapid transit system, currently bring under-construction and is as one of the largest infrastructure projects in the City.
- The metro is designed as a world-class transportation system, includes 756 metro cars, 85 stations, 6 metro lines, and a 176-km network.
- The construction of the metro system has led to a number of road closures that have affected traffic in different parts of the city.



Length of Riyadh Metro Lines

Line	Length (km)
Line 1 (Blue)	38.0
Line 2 (Red)	25.3
Line 3 (Orange)	40.7
Line 4 (Yellow)	29.6
Line 5 (Green)	12.9
Line 6 (Purple)	29.5



Site Location Analysis

Infrastructure Projects - RCRC Projects & Programs



The Royal Commission for Riyadh City (RCRC) carries out several strategic, comprehensive, long-term and multi-phase development programs and projects that require massive efforts and resources.

Historical Addir'iyah Development Program



Addir'iyah is the home of many historic sites and antiquities, as it hosts unique buildings, old quarters, oasis, palm gardens, farms and agricultural areas.

the program achieved integration between Addir'iyah and Riyadh by transforming Addir'iyah into a world-class cultural and tourist metropolitan suburb.

Riyadh Art Project



Within the project, more than 1000 artworks and landmarks, created by local and international artists, will be installed across the city of Riyadh according to a 10-program plan that covers residential neighborhoods, gardens, parks, squares, metro/bus stations, bridges, city entrances and tourism destinations.

Sports Boulevard



The Sports Boulevard extends for 135 kms, across the city of Riyadh, connecting Wadi Hanifah valley in the West with Wadi Al Sulai valley in the East through Prince Muhammad Bin Salman Bin Abdulaziz Road. The Sports Boulevard features green pedestrian pathways, special routes for professional and amateur cyclists (135 and 85 kms respectively), and horse riding routes (123 kms).

Green Riyadh



The Green Riyadh Project includes planting 7.5 million trees across the capital in gardens, parks, mosques, schools, healthcare facilities, King Khaled International Airport and most of the city's roads, streets, car parking spaces, and valleys

King Salman Park



Covering over 13 square kilometers, King Salman Park will be among the biggest city parks worldwide. It will combine a wide variety of environmental, cultural, recreational and sports activities that will significantly enhance the life quality of all Riyadh residents. The project will also host many facilities including a royal art complex, a national theater, an opera house, art academies, museums, and galleries. Furthermore, the park will feature extensive green areas, plazas, sports compounds, and an 18-hole royal golf course. To complement these amenities, great incentives would be offered to the private-sector investors to build recreational.

Site Location Analysis

Macro Location



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Riyadh City Borders

King Khalid international airport

Subject Site

White Lands Borders

Makkah Road

King Khalid Road
King Fahad Road

Northern Ring Road

Eastern Ring Road

Southern Ring Road

Danman Rd
Khurais Rd

The Subject Site is located in Riyadh, the capital of Saudi Arabia. Riyadh is the largest city in Saudi Arabia, with a population of 6.9 million in 2018.

Riyadh is considered one of the largest cities in the Gulf countries in terms of area, with a developed city area of about 1,913 square kilometers.

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

The subject property is located in the East of Riyadh, and it is 27 km away from King Khalid International Airport.

The Subject Site is located within the White Lands zone.

Site Location Analysis

Micro Location

- Al-Orouba Commercial Complex is located on a semi-regular piece of land with a flat surface, with an area of **19,212m²**. It includes many shops (**19 shops**), and the total built-up area is **11,292m²**, in addition to an area of **148m** for walls.
- The property area is characterized by the presence of basic services such as electricity, water, lighting, sewage, asphalt streets, and pedestrian paths.
- The property area is characterized by a commercial building system with a total number of floors up to **1.5 floors**, as indicated in the building regulations in the real estate area.
- Based on the data provided by the client, the coverage rate (according to the current construction condition) is **59%**.

Property Details

Description	Details
Total Land Area (Sqm)	19,212.22
Total Build-up Area (Sqm)	11,292
Coverage (%)	59%
Number of Units	19
Property Age (Estimated)	5 Years

Micro Location



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Site Location Analysis

Subject Property Description

- The Subject Property consists of a ground floor and a mezzanine with a total number of **19** showrooms, and the build-up area is **11,292 Sqm**.
- According to the information provided by the client and the inspection, the Orouba plaza includes many brands, such as Panda, Starbucks, Maestro Pizza, and other brands. It also has **2** entrances and exits for traffic, and both are located on Al-Orouba Road.
- The property is built on a land of **19,212.2 Sqm**, owned by the King Khalid Foundation, and a lease agreement to the Musharaka REIT Fund. We would like to note that Abaad Company has not received the lease contract.

Some Brands



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Property Details

Description	Details
Total Land Area (Sqm)	19,212.22
Total Build-up Area (Sqm)	11,292
Number of Units	19 Shop
Coverage Ratio (%)	٪59
Occupancy (%)	٪94

Site Location Analysis

Subject Property Photos



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Tenure

- Property Information

Tenure

Property Information

Property Details (Leasehold Details)

ID	Description
Owner	King Khalid Foundation
The Property	Al-Orouba Plaza, Riyadh
Plot No.	-
Sub-Division	-
District	Umm Al-Hamam Al-Gharbi District
Coordinates	24°43'36.39"N 46°39'7.01"E
City	Riyadh
Ownership Type	Leasehold
Title Deed Info	Deed No. 410113062475
	Deed Date 27/8/1436H

No legal document has been verified for the property under valuation, which includes planning, ownership, or foreclosure, and certain legal matters on which all or part of this report is based are deemed reliable. It was assumed that the subject property was valid. It was also assumed that the property was free of any legal obligations, mortgage rights, or impediments.

Dimensions and street widths

Side	Dimension	Street Name	Width (m)
North	188.44	Al-Orouba Street	60
South	206.65	Internal Orouba Street	60
East	141.36	Neighbor	-
West	70.5	Unnamed	15

- Sources: "Title Deed"



Valuation

- Valuation Basis & Methodology
- Income Approach
- Opinion of Value

Income Valuation Approach

- In determining our opinion of Market Value for the Subject Properties and based on the fact that they are all multi-tenanted income-producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modeling technique based on explicit assumptions regarding the prospective cash flow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cash flow has been calculated on an annual basis. With respect to the growth rate applied throughout our cash flow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.5%.
- The cash flow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the Market values. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be at a future date.
- Regarding the malls with leasehold tenure, we have forecasted the mall's projections until the expiry of the land lease.
- The Market Value of the eight operating malls has been assessed using the Income Approach.

1 Income Approach

The Investment Approach is a commonly used approach to value income-generated assets. The approach captures the revenues generated from the operation of the asset, using the Discounted Cashflow.

2 Inflation Rate

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.5%/annum.

3 Property Income

The property income represents the revenue derived from the rent payments received during a year.

4 Property Costs

The property costs attribute to the costs generated from the operation of the asset, for instance maintenance, and marketing costs. The costs are typically calculated on an annual basis.



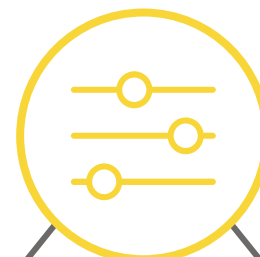
Long-term contract risks

The lack or limitation of long-term contracts greatly affects the value of the Property, especially the properties listed under REITs. Where the existence of long-term contracts gives stability to the income and thus the value. While the absence of such contracts gives fluctuation in rental prices and income and thus affects the final value.



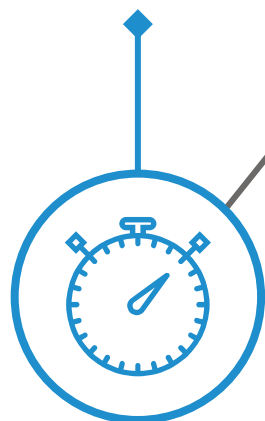
Regulatory and legislative risks

The regulatory, legal or legislative environment may witness some changes that may affect the value of the Property, such as the emergence of municipal legislation allowing or prohibiting activities in specific areas, or reducing or increasing the number of floors in the surrounding area, which affects the final value of the Property.



Economic risk

The state's macroeconomic conditions may affect the real estate market in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the movement of local and global stock markets, as changing some or all of these influences affects the real estate market.



Competition risk

The large supply of real estate goods leads to competition in prices offered to the consumer. We find this clear in the real estate market, as the increase in units and exhibitions offered in the market and the entry of new competitors with products will lead to a decrease in prices and services, and thus a decrease in the price of the final Property.



Revenue security risk

Since the realization of revenues is the main factor in determining the value of the Property, any change in revenues as a result of different market conditions will affect the value of the Property.

Property Details

- Abaad team analyzed the income data provided by the client and conducted field research to verify the rental value of the Al Orouba Center with the Riyadh market.
- In addition, we have made some research on the Yield rate for the property undervaluation.
- By looking at the list of retail rents for tenants and confirming it with the rental prices in the surrounding area for similar projects, Abaad team confirms that the rent is within the rental market range.
- According to the information provided by the client, the property enjoys lease contracts with a total income of **11.9** million SAR per year. Moreover, the operating expenses of the property is **4%**, which is considered less than the market range, which is ranging from **7%** to **15%**, according to the experience of Abaad team in the retail sector.
- Note, Abaad Company did not receive the lease contracts, while the total income provided by the client was relied upon, in addition to some information from the land contract cost to reach the market value shown in this report.
- The table on the left shows the rental prices in the Subject Site's surrounding area.

Rental Prices Summary

Details	Rent Rate
Small Rent Rate (SAR/Sqm)	2,200 – 1,600
Large Rent Rate (SAR/Sqm)	1,500 – 1,100
Supermarket Rent Rate (SAR/Sqm)	550 – 400

Valuation

Income Approach

Discount Cash Flow

The cash flows have been made over 15 years, which is the remaining land lease contract, and the following assumptions have been relied on:

- Inflation Rate: 2.50%.
- Operation and Expenses Rate: 7.00%.
- Discount Rate: 11.00%.

Property Income

According to the client's information, the total income of the property is 11,702,912 SAR annually, with an occupancy rate of 94%. The property income was based on the client's information in the cash flow table below, which shows the first 5 years and the last 5 years.

Period	2022/12	2023/12	2024/12	2025/12	2026/12	2032/12	2033/12	2034/12	2035/12	2036/12
Total GLA (Sqm)	11,082.04	11,082.04	11,082.04	11,082.04	11,082.04	11,082.04	11,082.04	11,082.04	11,082.04	11,082.04
Average Lease Rate with inflation (SAR/Sqm)	1,190.35	1,220.11	1,250.61	1,281.88	1,313.93	1,523.75	1,561.85	1,600.89	1,640.91	1,681.94
Occupancy (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Revenue with Inflation (SAR)	6,595,767	13,521,323	13,859,356	14,205,840	14,560,986	16,886,280	17,308,437	17,741,148	18,184,676	18,639,293
Vacancies (%)	6.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vacancies (SAR)	395,746	270,426	0	0	0	0	0	0	0	0
Gross Potential Income (GPI) (SAR)	6,200,021	13,250,897	13,859,356	14,205,840	14,560,986	16,886,280	17,308,437	17,741,148	18,184,676	18,639,293
Land Cost with Inflation (SAR)	3,163,821	6,485,834	6,647,980	6,814,179	6,984,534	8,099,918	8,302,416	8,509,976	8,722,725	8,940,794
Operation Expenses (SAR)	434,001	927,563	970,155	994,409	1,019,269	1,182,040	1,211,591	1,241,880	1,272,927	1,304,751
Net Operation Income (SA)	2,602,199	5,837,500	6,241,222	6,397,252	6,557,184	7,604,323	7,794,431	7,989,291	8,189,024	8,393,749
Present Value (SAR)	2,469,898	4,991,631	4,807,975	4,439,796	4,099,812	2,541,963	2,347,308	2,167,560	2,001,575	1,848,301
Market Value (SAR)	47,960,000									

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions (Page 10) and detail within this report, may be stated as follows:

Market Value (Income Approach) Date 30 June 2022 :

- 47,960,000 (Forty-Seven Million Nine Hundred Sixty Thousand Saudi Riyals).

Signatures

Eng. Ammar Abdulaziz Sindi

Taqeem ID: 1210000219

Fellow Member

Membership Date: 22/12/2015



Eng. Ammar Mohamed Qutub

Taqeem ID: 1210000392

Fellow Member

Membership Date: 24/01/2016



Eng. Yusuf Abdullah Khan

Taqeem ID: 1220001989

Provisional Member

Membership Date: 17/09/2020



Company Stamp

CR No: 4030297686

CL No: 323/18/781





Appendix

- Valuation Glossary
- Subject Property Documents

Saudi Authority:

- The Saudi Authority for Accredited Valuers (TAQEEM) was established pursuant to the royal decree no.(m/43), dated (09/07/1433H) as a body of an independent, non-profit and judicial personality. TAQEEM is working under the Ministry of Commerce and Investment with an independent budget and its board of directors is chaired by His Excellency the Minister of Commerce and Investment.

Asset or Assets:

- To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be Subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Client:

- The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Intended Use:

- The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client.

Intended User:

- The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer, based on communication with the client.

Jurisdiction:

- The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

May:

- The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must:

- The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant:

- The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, Market Value, IFRS Fair Value) or a particular owner or prospective buyer (eg, Investment Value).

Purpose:

- The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Should:

- The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.
- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.
- If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material:

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:
- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the Subject asset.
- As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

- These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation:

- A “valuation” refers to the act or process of determining an estimate of value of an asset or liability by applying IVS.

Valuation Purpose or Purpose of Valuation:

- See “Purpose”.

Valuation Reviewer:

- A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value (n):

- The word “value” refers to the judgement of the valuer of the estimated amount consistent with one of the bases of value set out in IVS 104 Bases of Value.

Valuer:

- A “valuer” is an individual, group of individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

Weight:

- The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting:

- The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

[illegible]

الملك عبدالعزيز بن عبدالعزيز
وزارة العدل
كتابة العدل الأولى بالرياض

الرقم: ١٤٢١٧٠٠٢١٧٥
التاريخ: ١٤٢٩ / ٨ / ٢٧ هـ

صك

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

فإن قطعة الأرض رقم بدون الواقع في حي أم الحمام القوين بمدينة الرياض،

وحدودها وأطولها كالتالي:

شمالاً: طريق عرض ٦٠ متر بطول: (١٨٨,٤٤) مائة وثمانية وثمانون متر وأربعة وأربعون سنتيمتر

جنوباً: شارع عرض ٦٠ متر بطول: (٢٠٦,٦٥) مئتين وستة متر وخمسة وستون سنتيمتر

شرفاً: جاز بطول: (١٤١,٣٦) مائة وواحد وأربعون متر وستة وثلاثون سنتيمتر

غرباً: شارع عرض ١٠ متر بطول: (٧٠,٥) مئتين وستون متر وخمسون سنتيمتر

ومساحتها: (١٩,٢١٦,٢٢) تسعة عشر ألفاً ومئتين وإثني عشر متر مربعاً وإثنين وعشرون سنتيمتر مربعاً فقط

والمستند في إرفاقها على الصك الصادر من المحكمة العامة بالرياض برقم ٢ / ٤٤ وجلد ١١ في ١٧ / ٢ / ١٣٨٨ هـ.

قد انتقلت ملكيتها بالهبة لـ مؤسسة الملك خالد الخيرية بموجب سجل الجمعيات الخيرية رقم ٢٩٩ / ١ / ١٦ في ١٢ / ١٢ / ١٤٢١ هـ

وعليه جرى التصديق تحريراً في ٢٧ / ٨ / ١٤٢٩ هـ، وصلى الله على نبيتنا محمد وآله وصحبه وسلم.

عمر بن صالح بن محمد المضيحي

الختم الرسمي للعدل
وزارة العدل الأولى بالرياض
كتابة العدل الأولى بالرياض
كاتب العدل بسبب رقم (١٣٩)



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