

Valuation Report

Plot No. 267 (591-8404)
SELF-STORAGE FACILITY PROPERTY – THE BOX
JEBEL ALI FIRST
DUBAI, UNITED ARAB EMIRATES

SUBMISSION TO:
MUSHARAKA CAPITAL (CJSC)

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Valuation Report date	8 th August 2023
Property No.	Plot No. 267 (591-8404), Jebel Ali First, Dubai.
Client and intended users	Musharaka Capital (CJSC).
Property interest to be valued	Private Freehold Interest – <i>superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals)</i> in the Subject Property.
Valuation Approach/Method	Income (Capitalisation) valuation approach incorporating a Discounted Cash Flow Model.
Property Details / Location	<p>The Subject Property is a purpose-built Self-Storage (B+G+3+R) facility.</p> <p>The Subject Property is situated within DMCC Jewellery & Gemplex Complex in Jebel Ali First Community. Ease of access to the site is facilitated from Shiekh Zayed Road (E11) via Garn Al Sabkha Street (D59) near to Interchange No. 5 along Sheikh Zayed Road (E11).</p>
Property Owner	MRCO DMCC
Extent of investigation	Full Inspection
Purpose of valuation	The Valuation is prepared for Public Listing Offering (REIT) for the Saudi Market purposes and submission to Capital Market Authority (CMA).
Basis of Valuation	Market Value
Valuation Date	30 th June 2023
Valuation Assumptions / Special Assumptions	<p>Valuation with the benefit of an existing tenancy in the Subject Property.</p> <p>No <i>Special Assumption</i> has been applied in this valuation.</p>
Market Value	<p>AED 59,800,000</p> <p><i>In Words (UAE Dirhams Fifty-Nine Million Eight Hundred Thousand)</i></p>

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8th August 2023

Mr. Mohammed Rasheed Al-Hubail
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P O Box 712
Al Khobar 31952
Kingdom of Saudi Arabia

VALUATION REPORT OF A SELF-STORAGE FACILITY PROPERTY – THE BOX

Plot No. 267 (591-8404), Jebel Ali First, Dubai, United Arab Emirates

Dear Sir,

Pursuant to your instructions received under our Ref. No. PRE – 23/6708 for a valuation of the Subject Property as per details below, we hereby submit our report of findings as under:

1. INTRODUCTION

In accordance with your instructions received we have undertaken the valuation of the Subject Property as on 30th June 2023 (the “Valuation Date”) and described hereunder is our valuation report and findings.

2. VALUATION INSTRUCTION / PROPERTY INTEREST TO BE VALUED

We received instructions from **Musharaka Capital (CJSC)** to undertake a valuation of the Private Freehold Interest – *superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals)* with benefit of an existing tenancy in the Subject Property.

In accordance with instructions received, and for the required valuation purpose, this report has been prepared subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

3. CLIENT AND OTHER INTENDED USERS

The subject valuation assignment is being produced strictly for **Musharaka Capital (CJSC)** (Client) only.

This valuation assignment has been undertaken in accordance with the terms and conditions of engagement agreed between ValuStrat Real Estate Valuation Services LLC and the Client, and which agreement also forms part of this valuation report.

4. VALUATION PURPOSE

The valuation is prepared for Public Listing Offering (REIT) for the Saudi Market purposes and submission to Capital Market Authority (CMA).

5. RESTRICTIONS ON USE, DISTRIBUTION OR PUBLICATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and to other intended users as stated above, and we accept no responsibility whatsoever to any third party/parties. No responsibility is accepted to any third party/parties 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 authorised.

6. VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2022 and the International Valuation Standards Council (IVSC) International Valuations Standards (Edition 2022). It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSC International Valuation Standards (IVS) as set out in the IVS General Standards and IVS Asset Standards.

7. BASIS OF VALUATION

Market Value

The valuation of the Subject Property, and for the above stated valuation purpose, has been undertaken on the **Market Value** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. **Market Value** is defined as: -

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’ (See Appendix 2 for detailed definition).

8. SURVEYOR

Our surveyor, Mr. Sean Swinburne BSc (Hons) MRICS, inspected the Subject Property to obtain particulars of the Property such as location, condition and status of the Property and other relevant information.

9. VALUERS

The Valuers on behalf of ValuStrat Real Estate Valuation Services LLC, with responsibility of this report are Mr. Vismar Mulenga BSc (Hons) MRICS and Sean Swinburne BSc (Hons) MRICS. We confirm that the Valuers meet the requirements of RICS *Valuation – Global Standards* (PS 2), having sufficient and current knowledge of the UAE market and the skills and understanding to undertake the valuation competently.

We confirm that we have previously valued the Subject Property for the same client in a report dated 8th August 2022. We further confirm that to the best of our knowledge we have no conflict of interest in us undertaking this assignment.

We further confirm that the proportion of total fees payable by the client during the preceding year relative to the total fee income of ValuStrat LLC during that year was minimal (less than 5%).

10. STATUS OF VALUER/ VALUATION DATE

External Valuer

Valuation Date: 30th June 2023

Inspection Date: 16th June 2023

We assume there is no material changes to the physical attributes of the Property, or the nature of its location between the date of valuation and date of inspection.

11. EXTENT OF INVESTIGATION

In accordance with the instructions received we have carried out a full external and internal inspection of the Subject Property such as location, apparent condition and status of the property and other relevant information.

For valuation purpose, we assume that the information provided and relied upon is accurate, and any deviation from this will mean that our reported valuation will be materially affected, and we reserve the right to re-assess / amend our report.

The subject of this valuation assignment is to produce a valuation report and not a ground investigation or services survey, and hence earth foundation survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any earth survey, nor tested any services, checked fittings or any parts of the property which are covered, exposed or inaccessible.

12. SOURCES OF INFORMATION / DOCUMENTS

We have been provided with copies of the following documents which have been of prime importance to us in forming our opinion:

Document	Verification
Title Deed dated 17/09/2020 issued by Land Department, Government of Dubai.	Reliable
Tenancy Contract Agreement dated 07/07/2020 between MRCO DMCC (Property Owner/Landlord) and The Box Self Storage Services DMCC (Tenant).	Reliable
Affection Plan dated 29/03/2017 issued by Dubai Municipality, Government of Dubai.	Reliable
Concept Design and Architectural Floor Plan Drawings and configuration profile summary details of the property prepared by various consultants.	Reliable

For reporting purpose, we assume that information provided to us by the Client is up to date, complete and accurate, and any deviation from this will mean that our reported valuation will be materially affected, and we reserve the right to amend and re-assess our report.

Copies of the above documents are attached in the appendix below.

13. PROPERTY OWNER

MRCO DMCC as per Title Deed dated 17/09/2020.

14. TITLE INTEREST

Private Freehold Interest – *superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals).*

15. OCCUPATION OF PROPERTY

The property as on the date of inspection is occupied by the Tenant – The Box Self Storage Services DMCC as per Tenancy Contract Agreement dated 07/07/2020 and which property is a self-storage facility in which individual storage units are sub-leased.

16. PROPERTY DESCRIPTION

16.1 Address/ Location:

Plot No: 267 (591-8404)

Community/Country: Jebel Ali First (598), Dubai, United Arab Emirates

The subject property is situated within DMCC Jewellery & Gemplex Complex in Jebel Ali First Community. Ease of access to the site is facilitated from Shiekh Zayed Road (E11) via Garn Al Sabkha Street (D59) near to Interchange No. 5 along Sheikh Zayed Road (E11). Primary access to the property is from First Al Khail Street.

The aerial satellite maps below show the general location of the area, and the Subject Property.

MAP 1: Jebel Ali First community and location area of Plot No. 267 (591-8404)



MAP 2: Location of the Property in Jebel Ali First community



We have marked a red outline of the approximate plot boundary for illustration purposes only to assist the reader in understanding the extent of the property and this should not be relied upon for any other purposes.

Source of maps: Google Earth

16.2 Dimensions of The Plot:

The land extent area for the Plot as indicated on the provided Title Deed dated 17/09/2020 and Affection Plan dated 29/03/2017, is as follows: -

Plot No	Area (m ²)	Area (ft ²)	Source
267 (591-8404)	5,378.26	57,891.11	Title Deed dated 26/11/2020

We observe that the Affection Plan dated 29/03/2017 states the land extent for the Subject Property as 57,891 sq. ft. We have taken the Land extent as per the Title Deed dated 17/09/2020 which is the latest document.

16.3 Brief Description of Property:

The subject property is a Self-Storage building (B+G+3+R) facility. The building has self-storage units of various sizes / configuration from the ground to three upper floors, open plan workstation office spaces to front sections of the building from first to third floor level, meeting rooms and other service / utility rooms from basement, ground, and roof top.

16.4 Building Construction & Civil Works:

The building structure is constructed with RCC (Reinforced Cement Concrete) framed skeletal structure with foundations / footings, columns, beams, and slabs. Concrete thermal block / precast reinforced concrete in-fill walls panels plastered / rendered and painted, with external cladding walled envelope with composite rendered walls, aluminum, and glazed window panels. RCC concrete flat and gabled ridged roof with appropriate asphalt waterproof roof covering. Parapets coverings to roof top. Powder coated aluminum framed and glazed external windows.

The internal finishes are of good quality standard/specification with offices and meeting rooms to be fitted with ceramic / porcelain floor tiles, and concealed ceilings with embedded florescent light fittings. The entrance lobby area is paved in ceramic / porcelain floors and wall finishes. Ceilings are with suspended gypsum / plasterboard false ceilings with embedded down-light lights, florescent light fittings. Powder coated aluminum framed and glazed entrance casement doorways. Access to the upper floors is via two elevator lifts with stairways in the building. All stairways having floor tiling and emulsion painted walls and steel balustrades and handrails.

All internal doors are of timber flush core wooden doors fitted to timber door frames. Windows with powder coated window frames / single glazed reflective glass sliding windows. Internal floor finishes include ceramic tiles and cement screed floor finishes. Steel shutter roll-up doors to self-storage units. Common toilets will be on each floor level. Air-conditioning is provided by a centralised system with regulated and temperature controlled throughout the property with split-type air-conditioning units mounted on the roof top. Firefighting equipment / arrangements also installed and fitted to the building.

16.5 Accommodation summary details:

The accommodation details in the building are as follows:

Ground Floor	Entrance reception area / lobby with waiting area, commercial spaces and receiving areas.
First to Third Floor	Office floor areas to parts and self-storage units and spaces. Communal toilets on all levels with other utility service rooms.

16.6 Floor area / Built-up area measurements:

Gross External Area (GEA) / Built-up Area (BUA) of the Property and Gross Internal Areas

Details of the Gross External Area (GEA) or Built-up area (BUA) for the building including the Gross Internal Area (GIA) for the Property as provided by the Client is as follows:

IPMS 1 - (External) Floor area measurement

The Gross External Area (GEA) of the buildings as per IPMS 1 (External) definition and which measurements are taken from architectural floor plan drawings provided is as follows: -

Floor level	Gross External Area	
	Sq. Meter.	Sq. Foot.
Basement	384.23	4,135.82
Ground Floor	3,435.20	36,976.18
1 st Floor	3,326.27	35,803.67
2 nd Floor	3,324.91	35,789.03
3 rd Floor	3,339.34	35,944.36
Roof Floor	50.13	539.59
Total Area	13,860.08	149,188.65

Note Conversion rate: 1 sq. metre = 10.76391 sq. feet
Measurements taken from architectural drawings provided.
Scale of 1:100 as shown on the drawings provided.*

IPMS 1 - (External) is defined as: *‘The total of the areas of each floor level of a Building measured to the outer perimeter of External Walls, Sheltered Areas and Balconies.’*

Source: *IPMS: Industrial Buildings, 3.1.2 - Copyright 2018 International Property Measurement Standards Coalition. All rights reserved.*

IPMS 1 equates to ‘Gross External Area’ as defined in RICS Code of Measuring Practice (6th Edition 2007).

IPMS 2 - (Internal) Floor area measurement for Storage units

The Gross Internal Area (GIA) and configuration for storage units in the building as per IPMS 2 – (Internal) definition and which measurements have been provided by the developer as taken from architectural floor plan drawings is as follows: -

S.I	GROUND FLOOR					FIRST FLOOR				
	UNITS/ QTY	Unit size (each)		Total Unit sizes		UNITS/ QTY	Unit size (each)		Total Unit sizes	
		SQM	SQF	SQM	SQF		SQM	SQF	SQM	SQF
1	9	2	24	20	216	59	2	24	132	1,416

S.I	GROUND FLOOR					FIRST FLOOR				
	UNITS/ QTY	Unit size (each)		Total Unit sizes		UNITS/ QTY	Unit size (each)		Total Unit sizes	
		SQM	SQF	SQM	SQF		SQM	SQF	SQM	SQF
2	26	5	49	118	1,274	54	5	49	246	2,646
3	4	7	73	27	292	79	9	97	712	7,663
4	1	9	93	9	93	1	11	122	11	122
5	18	9	97	162	1,746	29	14	146	393	4,234
6	14	13	145	189	2,030	1	15	162	15	162
7	3	14	146	41	438	21	18	194	378	4,074
8	20	18	194	360	3,880	1	19	200	19	200
9	5	23	243	113	1,215	10	23	243	226	2,430
10	3	27	291	81	873	1	29	315	29	315
11	2	27	291	54	582					
12	1	32	345	32	345					
13	1	33	350	33	350					
14	8	36	388	288	3,104					
15	2	41	436	81	872					
16	1	44	472	44	472					
17	10	54	582	541	5,820					
TOTAL	128			2,193	23,602	256			2,161	23,262

S.I	SECOND FLOOR					THIRD FLOOR				
	UNITS/ QTY	Unit size (each)		Total Unit sizes		UNITS/ QTY	Unit size (each)		Total Unit sizes	
		SQM	SQF	SQM	SQF		SQM	SQF	SQM	SQF
1	59	2	24	132	1,416	116	1	13	140	1,508
2	54	5	49	246	2,646	42	2	24	94	1,008
3	79	9	97	712	7,663	2	2	25	5	50
4	1	11	122	11	122	94	5	49	428	4,606
5	29	14	146	393	4,234	1	5	52	5	52
6	1	15	162	15	162	83	7	73	563	6,059
7	21	18	194	378	4,074	2	7	75	14	150
8	1	19	200	19	200	36	9	97	324	3,492
9	10	23	243	226	2,430	22	14	146	298	3,212
10	1	29	315	29	315	1	16	173	16	173
11						5	18	194	90	970
TOTAL	256			2,161	23,262	404			1,977	21,280

*Note** Conversion rate: 1 sq. metre = 10.76391 sq. feet
Measurements taken from architectural drawings provided.
Scale of 1:100 as shown on the drawings provided.

IPMS 2 – (Internal) is defined as:

‘The total of the areas of each floor level of a Building measured to the Internal Dominant Face of all External Walls and Balconies.’

Source: IPMS: Industrial Buildings, 3.2.2 - Copyright 2018 International Property Measurement Standards Coalition. All rights reserved.

IPMS 1 equates to ‘Gross Internal Area’ as defined in RICS *Code of Measuring Practice* (6th Edition 2007).

Floor area for Office spaces from 1st to 3rd floor levels

The **Floor area** for the office spaces available on an exclusive occupation basis as per **IPMS 3 – Office** definition and which measurements have provided by the Client is as follows: -

Floor level	Type	Total Floor area	
		SQM	SQFT
Ground	Commercial / Office space in exclusive use	73	786
First	Office floor space in exclusive use	389	4,187
Second	Office floor space in exclusive use	389	4,187
Third	Office floor space in exclusive use	389	4,187
Total Floor area in exclusive occupation (IPMS 3 – Office)		1,240	13,347

Note

- Conversion rate adopted between metric to imperial is: 1 sq. meter = 10.76391 sq. feet.
- Floor areas for office units is as per IPMS 3 – Office definition in RICS Property measurement (Edition 2018) and IPMS: Office Buildings (Edition 2014).
- Measurements provided by Client.

IPMS 3 – Office defines the Floor area of an office as:

*‘The **Floor Area** available on an exclusive basis to an occupier, but excluding **Standard Facilities** and shared circulation areas, and calculated on an occupier-by occupier or floor-by-floor basis for each **Building**.*

***Standard Facilities** are those parts of a **Building** providing shared or common facilities that typically do not change over time, including, for example, stairs, escalators, lifts/elevators and motor rooms, toilets, cleaners’ cupboards, plant rooms, fire refuge areas and maintenance rooms.’*

Source: IPMS: Office Buildings, 3.3.1 - Copyright 2018 International Property Measurement Standards Coalition. All rights reserved.

17. CONDITION OF PROPERTY

At the time of inspection, we observed that the property was in good condition with no visible signs of major defects / wear and tear and maintained well. We reserve the right to amend our report should any of our assumptions prove to be incorrect.

18. SERVICES

For purpose of valuation, we have assumed that the Subject Property is connected to mains water, drainage, and electricity - as supplied by the Dubai Electricity and Water Company (DEWA). We reserve the right to amend our report should any of our assumptions prove to be incorrect.

19. LEGAL NOTICE

We are not aware of, nor have we been informed of any legal notices served on the property, outstanding or pending in the courts of law. For the purpose of this valuation, we have assumed that no legal encumbrances / liens exist on the property that would have a detrimental factor on the reported Market Value.

20. ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present use, either of the property or of any neighboring land, to establish whether there is any contamination or potential for contamination to the Subject Property from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the property or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

21. VALUATION GENERAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

1. The Subject Property is valued on the assumption of having title being held on Private Freehold Interest – *superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals)* with benefit of being a fully fitted and equipped operating entity and having regard to its trading potential in the Property;
2. That information provided to us by the Client is up to date, complete and correct in relation to issues such as land tenure, planning use/consent, and other relevant matters that are set out in the report;
3. That no contaminative or potentially contaminative use has ever been carried out on the site;
4. We assume no responsibility for matters legal in character, nor do we render any opinion as to the title relating to the property, which we assume to be good and free of any undisclosed onerous burdens, outgoing, restrictions, or other encumbrances which would adversely affect the valuation. Information regarding titles must be checked by your legal advisors;
5. This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;
6. We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent;
7. That, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, Byelaws, Health and Safety);
8. We have not inspected the property with a view to check the use of hazardous materials in the construction process such as asbestos, high aluminium cement, etc. We are not aware of any contamination;
9. We assume that there is no material change to the physical attributes of the Subject Property, or the nature of its location, between the date of valuation and the date of inspection; and
10. The Market Value conclusion arrived at for the property reflects the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

22. VALUATION SPECIAL ASSUMPTIONS

No valuation *Special Assumption* has been applied in this valuation.

23. VALUATION APPROACH AND REASONING

Our opinion of the *Market Value* for the subject property has been arrived at using an *Income Capitalization* valuation approach. This valuation approach is a preferred method of valuation used for analysing such properties and is a market-based valuation approach that considers expectations of market participants. This is the method of valuation which would also be adopted in the market.

This valuation approach provides a value estimate by converting future cash flows to a single current capital value. In using the Income valuation approach, we have used a 'Term and Reversion' valuation model incorporating a *Discounted Cash Flow* model applied to determined / anticipated income streams which will be receivable in the property.

This approach considers the income that the asset will generate over its useful life and indicates the terminal value through a capitalisation process. We have applied the following valuation techniques in using the *Income* approach:

- Discounted cash flow where an appropriate discount rate is applied to a series of cash flow streams under an agreed lease contract and the determined terminal value which are discounted to a present value; and
- Income capitalisation of the terminal income at an appropriate capitalisation rate to determine the Terminal Value.

All key assumptions used in this analysis, reflect market conditions as on the date of valuation, and in this respect, we have regard to market evidence as well as our general market knowledge of such properties in the local market.

In our valuation, we have considered the following valuation factors, inputs, and assumptions.

Valuation Inputs and assumptions

In our valuation, we have considered the following factors and valuation assumptions: -

- i. The Client has provided us with a copy of the Tenancy Contract Agreement dated 07/07/2020 between MRCO DMCC (Property Owner/Landlord) and The Box Self Storage Services DMCC (Tenant). The property is leased for a period of 25 years from 1st October 2020 to 30th September 2045 with an option to extend the lease on expiry by a further period of 5 years. The rental income receivable in the property under the tenancy contract is initially at **AED 4,000,000** p.a. for the first 5 years. For the first year the rent is payable annually in advance and for subsequent years is payable bi-annually in advance. Further the annual rent is subject to upward rent reviews at a fixed rate of 10% every 5th year.
- ii. In our valuation, we have discounted above income streams receivable in the property under the tenancy contract for the 25-year lease term period over the remaining tenancy period and including the 5-year extension period under the assumption the lease will be extended, and thereafter for reversionary period we have capitalised rentals incomes based on *Market Rent* to determine the *Terminal Value* of the asset.

- iii. In our valuation, we have applied a discount rate of 9.50% which we consider as an appropriate discount rate that would be applied in the market for such a property, reflective of the type and nature of asset, perceived security of income, and the inherent risk in owning such an asset. We have used a weighted average cost of capital (WACC) model in determining the discount rate which is based on a percentage split of 70% cost of capital and 30% cost of equity ratio with cost of capital taken at 5.00% and cost of equity at 20% as a return that would be considered appropriate to induce investors taking into consideration the type, characteristics, nature, and inherent risk elements of the property.
- iv. In establishing the *Market Rent*, we have had regard to anecdotal information on observed lettings for such properties.
- v. From our research, prevailing *Market Rents* for similar natured properties are ranging in the following rental price ranges: -

Property type	Market Rental range per month (AED)
Self-Storage units	AED 86 to 301 per sq. m (AED 8 to 28 per sq. ft.)
Offices	AED 323 to 646 per sq. m (AED 30 to 60 per sq. ft.)

We do observe that rents are influenced by various factors such as size, age / condition, type / finishing details of accommodation and buildings / facilities, and amenities offered in complexes, location, and community services and amenities, etc.

In our valuation we have adopted *Market Rents* to various units as follows:

Self-Storage units.

GROUND FLOOR			
Storage unit size		Rental rate per month	
SQM	SQF	SQM	SQF
2	24	269	25
5	49	183	15
7	73	140	13
9	93	129	12
9	97	129	12
13	145	129	12
14	146	129	12
18	194	129	12
23	243	118	11
27	291	118	11
32	345	118	11
33	350	118	11
36	388	118	11
41	436	118	11
44	472	118	11
54	582	118	11

UPPER FLOORS (1st to 3rd)			
Storage unit size		Rental rate per	
SQM	SQF	SQM	SQF
1	13	269	20
2	24	215	15
2	25	215	15
5	49	118	10

UPPER FLOORS (1st to 3rd)			
Storage unit size		Rental rate per	
SQM	SQF	SQM	SQF
5	52	118	10
7	73	118	10
7	75	118	10
9	97	118	10
11	122	118	10
14	146	118	10
15	162	118	10
16	173	118	10
18	194	118	10
19	200	118	10
23	243	108	9
29	315	108	9

Commercial office spaces.

Floor level	Market Rent per annum (AED)
Ground floor	AED 592.02 per sq. m (AED 55 per sq. ft.)
Upper floors	AED 376.74 per sq. m (AED 35 per sq. ft.)

- vi. In our valuation, we have made a deduction allowance for rolling void / vacancy periods at the rate of 15% of *Market Rents* for the reversionary period.
- vii. Our further analysis of other outgoing unrecoverable expenses incurred in such buildings, are generally ranging from between 8% to 12% of rental income in buildings. In our valuation, we have made allowances for unrecoverable outgoing expenses at the rate of 10% of *Market Rent*.
- viii. In determining the *Terminal Value* of the asset, we have adopted an appropriate capitalization rate which we consider as typically would be applied for such a property. Property capitalisation rates for commercial storage / logistics properties based on market research observed are generally ranging from 8.50% to 10.00%. In our valuation, we have applied a capitalization rate of 9.25% to projected net Market Rental income to determine the Terminal Value which Cap. rate we consider is a fair reflection of the type and nature of property, and inherent risk in holding such property.

24. VALUATION

Market Value of the Subject Property

It is our considered opinion that the Market Value of the Private Freehold Interest – superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals) with benefit of an existing tenancy in the Subject Property; subject to the contents herein; and valued using the *Income (Capitalisation) valuation approach* taking into consideration prevailing market evidence, conditions, and sentiments as on the date of valuation (30th June 2023), is: -

AED 59,800,000
In Words (UAE Dirhams Fifty-Nine Million Eight Hundred Thousand)

25. VALUATION UNCERTAINTY

In line with the RICS Valuation - Global Standards 2022 Valuation Practice Guidance Application 10 (VPGA 10): we believe that a reasonable period in which to negotiate a sale at our opinion of Market Value is 12 - 15 months. It should be noted, however, that if credit conditions substantially worsen or any other change were to occur to the investment market then the liquidity of the investment and the value, may change. We do not consider there to be a special prospective purchaser in the market for the Subject Property who would pay more than our opinion of Market Value.

Property reported with No Valuation Uncertainty

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 12th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. The Dubai property market is a case in point, where transaction volumes are currently increasing and comparable evidence are becoming readily available. Accordingly, and for the avoidance of doubt, our valuation in regard to the Subject Property valued is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

26. DISCLAIMER

In undertaking and executing this assignment, extreme care, precaution, and due diligence has been exercised based on the information supplied by the Client, however, values may fluctuate or differ due to varying scenarios in the property market (demand and supply), maintenance, wear and tear, quality of tenants, micro and macro-economic factors, etc. It is beyond the scope of our services to ensure the consistency in value due to changing scenarios / property influencing factors.

27. CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the Client and their advisors. No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. This report is issued without any prejudice and personal liability.

For and on behalf of, **ValuStrat Real Estate Valuation Services LLC**



Vismer Mulenga, BSc (Hons), MRICS, IRRV
RICS Registered Valuer
Director – Commercial Valuations



Sean Swinburne, BSc (Hons), MRICS
RICS Registered Valuer
Associate Director – Commercial Valuations



28. APPENDIX 1- MARKET COMMENTARY

DUBAI

Dubai is a member of the seven emirates federation forming the United Arab Emirates. The emirate is located on the south-east coast of the Arabian Gulf. It is the most populous city within the UAE reaching more than 3.55 million residents by Q4 2022. The current growth rate is below the long-term historical trend, growing at approximately 3.6% on average during the last five years. It occupies the second-largest land territory (4,114 sq km) after the capital, Abu Dhabi. The city of Dubai shares borders with Sharjah in the northeast, Abu Dhabi to the south, and the Sultanate of Oman in the southeast.

Dubai's inflation rate jumped to a record high of 4.32% YoY, as of March 2023. Dubai's population stood at 3,567,482 as of March 2023.

Industrial

Logistical warehouses saw capital gains accelerate this quarter. The ValuStrat Price Index registered a quarterly increase of 2.5%, that's compared to 1.3% the previous period. Annually, the VPI expanded 11.3% to reach 116.9 points, as compared with Q1 2021 base at 100 points. Best performing locations in terms of annual price increases were Al Quoz (16.6%), Dubai Industrial City (12.5%), JAFZA South (9.7%), and JAFZA North (9.1%). The weighted average price for a logistics warehouse as of Q1 2023 was AED 2,443 per sq m (AED 227 per sq ft). Dubai Logistics City registered the highest price of AED 3,404 per sq m (AED 316.2 per sq ft). Dubai Industrial City saw the lowest price of AED 1,998 per sq m (AED 185.6 per sq ft). Quarterly asking rents increased an average 10% at the low end, with up to 5.8% increases for high spec warehouses.

DB Schenker logistics centre phase 3 with a built-up area of 37,000 sq m (398,264 sq ft) was completed. The facility is a green warehouse space utilising 100% renewable energy. Silver Line Gate announced a new manufacturing facility worth AED 200 million. Spanning 127,300 sq m (1.37 million sq ft), it is to be set up in Dubai Industrial City and is due to open in 2025. Al Khayat Investments broke ground on a new fulfilment centre which will house 32 loading bays in a built-up area of 48,000 sq m (516,667 sq ft). The new centre will have advanced technologies that will make the facility fully automated and paperless. Dubai Industrial Strategy 2030 aims to make Dubai a global hub for industrial and manufacturing sectors, attract foreign investments, and enhance global competitiveness in sectors such as aerospace, pharma and medical equipment. The strategy projects \$5 billion in industrial sector growth by 2030. UAE launched an industrial census to create a centralised database to measure the sector's performance and attract investment. The net project value of industrial facilities under construction is estimated to be AED 992 million.

Office

DIFC Innovation Hub Phase 3 began construction, the project will add 17,094 sq m (184,000 sq ft) of offices and co-working space, and a further gross floor area of 9,940 sq m (107,000 sq ft) earmarked for retail use. DIFC announced a 20% YoY increase in the number of active registered companies in 2022 rising to 2,431 firms, with revenues exceeding AED 1 billion for the first time.

Office sales transaction volumes during Q1 2023 were 12.1% higher when compared to the previous quarter, expanding 20.6% YoY. The median transacted price stood at AED 10,473 per sq m (AED 973 per sq ft), increasing 12.5% quarterly and 17.2% annually. In terms of sales volume, Business Bay retained its position as the most popular choice for office sales with a share of approximately 54%, followed by Jumeirah Lake Towers (JLT) with 34% of overall transactions this quarter. As per the total value, more than 52% was in Business Bay while 26% were from JLT. The average size of offices sold in Business Bay was 122 sq m (1,309 sq ft) and 134 sq m (1,444 sq ft) in Jumeirah Lake Towers. 84,799 sq m (912,764 sq ft) of total GLA (Gross Leasable Area) was sold during the quarter, amounting to an estimated investment value of more than AED 1.06 billion.

Office prices in Dubai accelerated 19.4% annually and increased 6.1% quarterly. The valuation-based office index reached 88.9 points, that's compared with a 100 base in Q1 2015. Prices have now recovered 49.7% since the

pandemic. Offices saw annual capital gains across the board, Downtown Dubai (30.3%), Jumeirah Lake Towers (21.5%), DIFC (19.1%) and Business Bay (15.7%). The weighted average price for an office in Dubai was AED 11,582 per sq m (1,141 per sq ft). Capital gains of Grade A, particularly fitted units, grew 27% YoY, while Grade A shell and core saw prices grow 21.2% YoY.

Median office asking rents grew 10% when compared to the previous quarter and have risen 22.2% YoY. Asking office rents for this quarter recovered 41.8% in comparison with the pandemic, asking rents have now recovered 41.8%. The citywide median asking rent for a typical office size stood at AED 1,184 per sq m (AED 110 per sq ft). Highest office asking rents were observed in Dubai Marina at AED 2,368 per sq m (AED 220 per sq ft) and Dubai International Financial Centre (DIFC) at AED 2,163 per sq m (AED 201 per sq ft) for typically sized units between 93 – 186 sq m (1,000 – 2,000 sq ft). In Business Bay, the median asking rents stood at AED 1,539 per sq m (AED 143 per sq ft) for typical office areas of less than 93 sq m (1,000 sq ft). Office occupancy in Dubai was estimated at 81%.

29. APPENDIX 2- BASES OF VALUE DEFINITION

As per the RICS Red Book definitions are as follows:

Market Value (MV)

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The definition of Market Value shall be applied in accordance with the following conceptual framework:

'The estimated amount...' Refers to a price expressed in terms of money payable for the asset in an arm's-length market transaction. Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.

'an asset or liability should exchange'... Refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date.

'... on the date of valuation ...' Requires that the estimated Market Value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.

'... between a willing buyer ...' Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist.

The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute 'the market'.

'... and a willing seller ...' Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market.

The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.

'in an arm's-length transaction ...' Is one between parties who do not have a particular or special relationship e.g. Parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties each acting independently.

'after proper marketing ...' Means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.

'... wherein the parties had each acted knowledgeably, prudently ...' Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the valuation date.

Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

'... and without compulsion' Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market Value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's cost of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market Rent: The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The estimated amount excludes a rent inflated or deflated by special terms, considerations or concessions.

The 'appropriate lease terms' are terms that would typically be agreed in the market for the type of property on valuation date between market participants. A valuation of Market Rent should only be provided in conjunction with an indication of the principal lease terms that have been assumed. The contract rent is the rent payable under the terms of an actual lease. It may be fixed for the duration of the lease or variable. The frequency and basis of calculating variations in the rent will be set out in the lease and must be identified and understood in order to establish the total benefits accruing to the lessor and the liability of the lessee.

Investment Value (or Worth): The value of an asset to a particular owner or prospective owner for individual investment or operational objectives. Investment Value is an entity specific basis of value. Although the value of an asset to the owner may be the same as the amount that could be realised from its sale to another party, this basis of value reflects the benefits received by an entity from holding the asset and, therefore, does not involve a presumed exchange. Investment Value reflects the circumstances and financial objectives of the entity for which the valuation is being produced. It is often used for measuring investment performance.

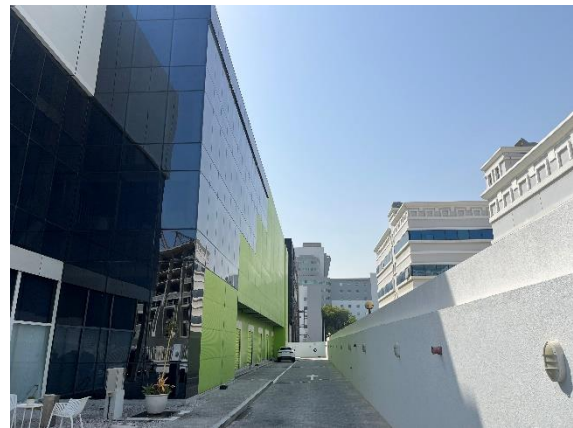
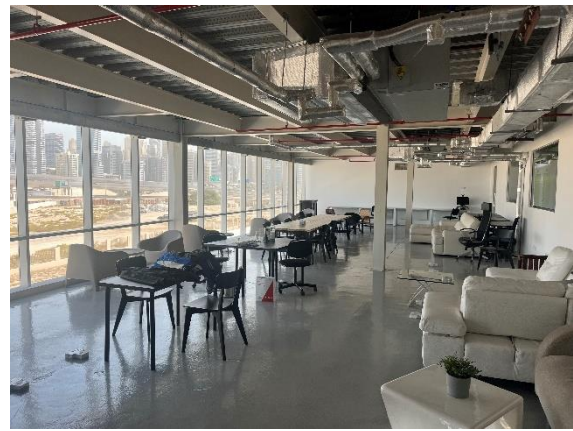
This is an entity specific basis of value. Although the value of an asset to the owner may be the same as the amount that could be realized from its sale to another party, this basis of value reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange. Investment

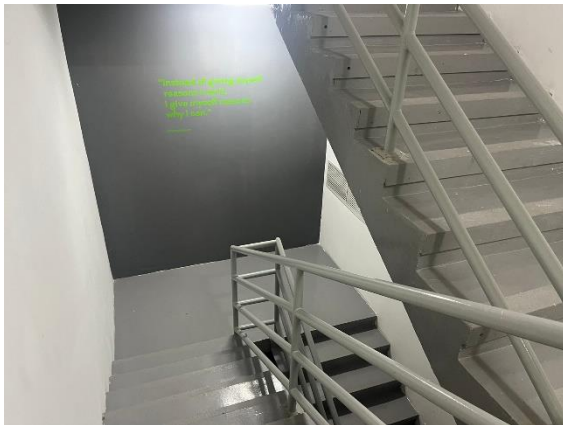
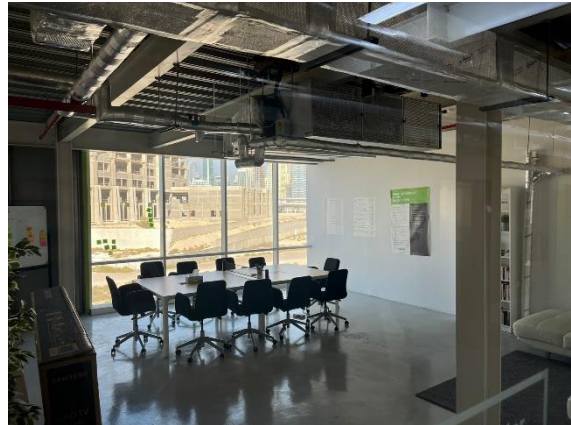
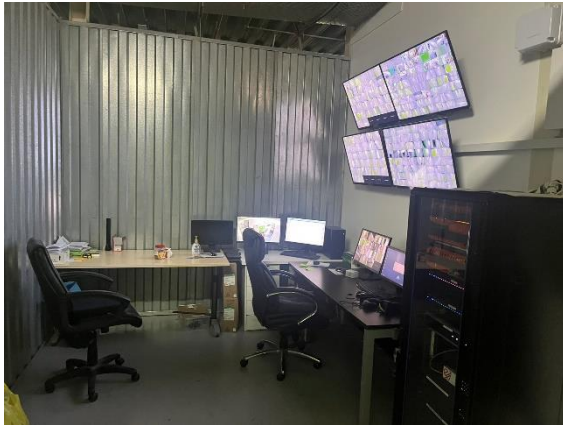
Value reflects the circumstances and financial objectives of the entity for which the valuation is being produced. It is often used for measuring investment performance. Differences between the Investment Value of an asset and its Market Value provide the motivation for buyers or sellers to enter the market place.

Fair Value (the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13) is: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is thus sometimes referred to as a 'mark to market'. References in IFRS 13 to market participants and a sale make it clear that for most practical purposes the concept of Fair Value is consistent with that of Market Value, and so there would ordinarily be no difference between them in terms of the valuation figure reported.

The Objective of a Fair Value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. It is thus sometimes referred to as a 'mark to market'. References in IFRS 13 to market participants and a sale make it clear that for most practical purposes the concept of Fair Value is consistent with that of Market Value, and so there would ordinarily be no difference between them in terms of the valuation figure reported.

30. APPENDIX 4- PHOTOGRAPHS OF THE PROPERTY





31. APPENDIX 5- PROPERTY DOCUMENTS



شهادة ملكية عقار Title Deed



Issue Date	17/09/2020	تاريخ الإصدار
Mortgage Status:	Not mortgaged غير مرهونة	حالة الرهن:
Property Type:	Land ارض	نوع العقار:
Community:	Jabal Ali First جبل علي الأولى	المنطقة:
Plot No:	267	رقم الأرض:
Municipality No:	591 - 8404	رقم البلدية:
Area Sq Meter :	5378.26	المساحة الكلية متر مربع :
Area Sq Feet :	57,891.11	المساحة الكلية بالقدم المربع :

أرقام و أسماء الملاك وحصصهم:	المساحة بالمتر المربع \ Area (Sq Meter)	أرقام و أسماء الملاك وحصصهم:
(5468096) MRCC DMCC	5378.26	(5468096) إم آرسى أوه م.د.م.ص

Purchased from DUBAI MULTI COMMODITIES CENTER by the Land Registration No. : 58744/2020 Date 17/09/2020 for the amount 14000000 Dirham Fourteen Million Dirhams Only Dirhams

أُتت بالشراء من مركز دبي للسلع المتعددة بموجب العقد رقم ٥٨٧٤٤/٢٠٢٠ بتاريخ ١٧/٠٩/٢٠٢٠ بمبلغ وقدره ١٤٠٠٠٠٠٠ درهم أربع عشر مليون درهماً فقط لا غير بخضع هذا العقد وملكيته لأحكام إعلان المجمع السكني للمنطقة المذكورة أعلاه وللغوا عد والقطاعات المتعلقة بذلك والتي يتم إصدارها أو تعديلها من وقت لآخر

This property and its ownership is subject to the terms of the jointly owned property declaration of the above mentioned community and to the regulations issued in accordance with it as may be amended from time to time

المساحة الإجمالية المباعة طبقاً لعقد المطور () قدم مربع

Approved Signature



58745/2020

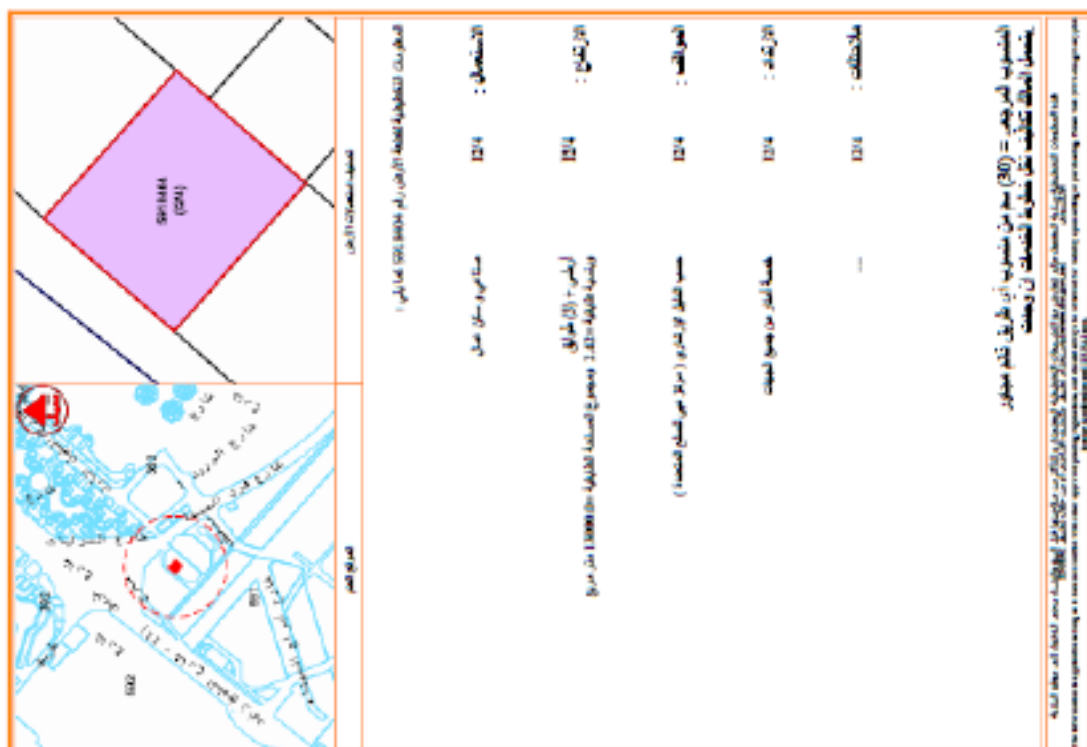
توقيع معتمد

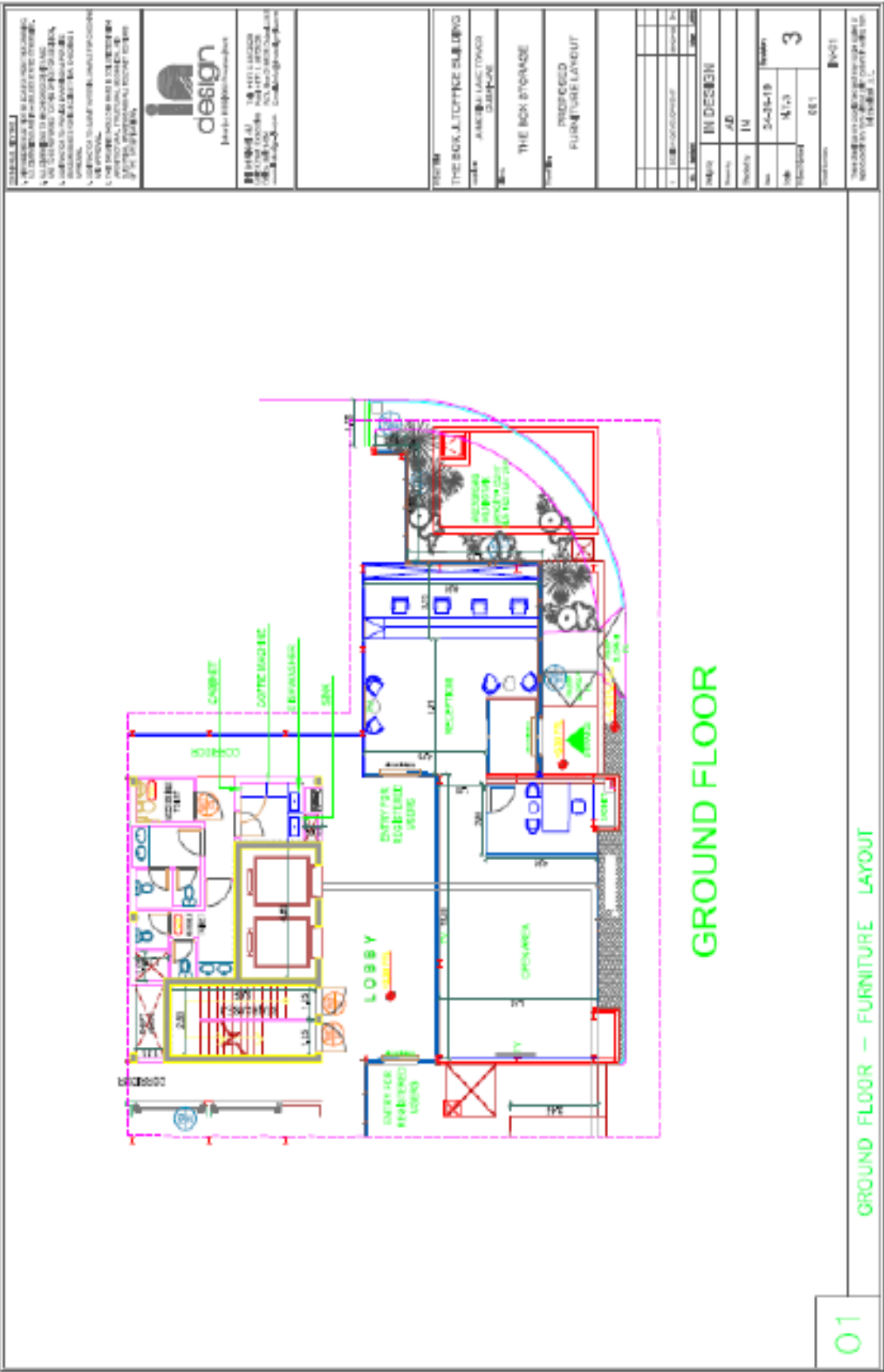
DUBAI LAND DEPARTMENT (430) دائرة الأراضي والأموال

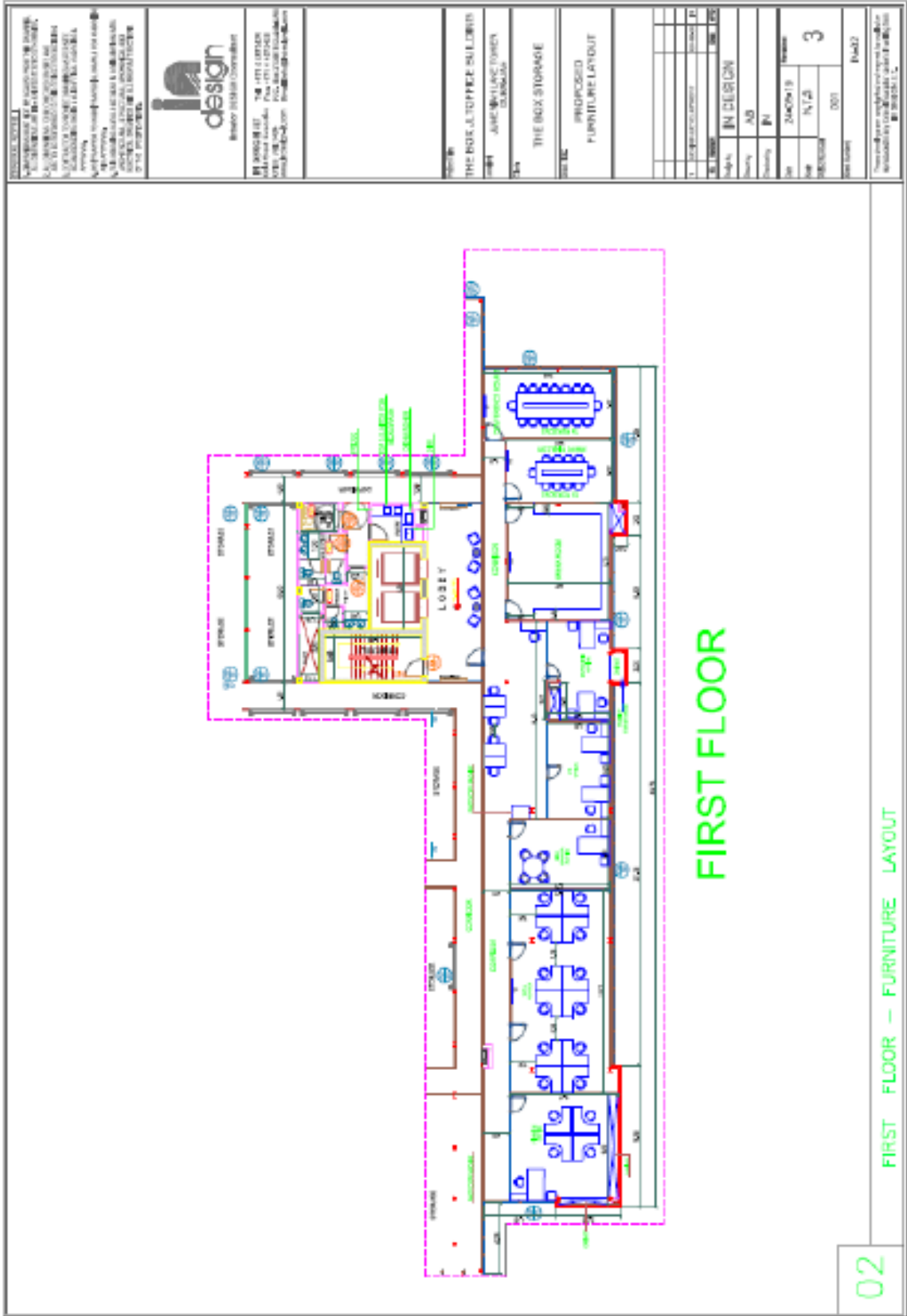
- Digital data of this certificate is securely stored on blockchain
- Certificate is electronically issued and no signature or stamp is required
- Any changes in the certificate make it void
- It is prohibited to hold this certificate by any other party

1 / 1

- يتم تخزين بيانات الشهادة الرقمية على البلوكتشين
- هذه الملكية صادرة إلكترونياً ولا تحتاج إلى توقيع أو ختم
- في حال وجود أي تغيير في الملكية تعتبر لاغية
- يمنع الاحتفاظ بهذه الشهادة من قبل أي طرف آخر من غير المذكورين











32. VALUATIONS INSTRUCTION



Professional Fee Quotation & Terms of Engagement
Musharaka Capital (CJSC)
PRE – 23/6708

policy, you are requested to have the relevant checklist filled out together with the provision of the following documents:

- Trade License if company; Passport copy if individual
- VAT Certificate/TRN

Acceptance of Terms of Engagement:

Should you wish to proceed with this valuation assignment please return your signed instruction, supporting information (as detailed above) and requisite payment. Please note that the valuation process will not commence until our receipt of all requirements.

Thanking you and assuring you of our best professional services at all times.

For and on behalf of **ValuStrat Real Estate Valuation Services LLC**

Sean Swinburne, BSc (Hons), MRICS,
RICS Registered Valuer
Associate Director – Commercial Valuations



Client Acknowledgement and Acceptance:

**VALUATION OF SELF-STORAGE FACILITY PROPERTY (THE BOX), PLOT NO. 267 (591-8404),
JEBEL ALI FIRST, DUBAI, UNITED ARAB EMIRATES**

We hereby confirm, agree, and accept the above professional fee quotation and the terms of engagement of ValuStrat Real Estate Valuation Services LLC contained herein.

For and on behalf of **Musharaka Capital (CJSC)**,

Mohammed Al-Hubail
Name & Signature

Financial Analyst
Designation

31/05/2023
Date

