

2023- A0484

**Property Valuation Report** 

Presented to:

**Aljazira REIT** 

Issued date:

2024/07/24

Deposit code: 1104042



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### To: AL JAZIRA CAPITAL

Attached is the real estate appraisal report:

This report is provided as evidence that the property has been visited and the necessary evaluation procedures have been applied. The purpose of this report is to estimate the Market value of the mentioned property. After conducting the necessary studies mentioned, the report concluded that the Market value of the property is 94,767,701 SAR, as the Fair value of the property is the price most likely to be achieved by the value of the property in a competitive and open Fair in all the conditions necessary for a fair sale.

Our evaluation is based on the details of the property provided along with the supporting data from the client and we have relied on this information which is assumed to be correct and complete as provided.

The purpose of the appraisal is to estimate the value of the property under current market conditions. AMAM Company for Real Estate Appraisal realizes that this report will be used for determining the market value of the property. Accordingly, AMAM Co. agrees to use this report for the given requested purpose, provided that this approval is subject to the terms and conditions of the agreement related to it.

Our opinion shows the market value of the property based on the subject of the application only, and we have no current or future interest in the subject property.

The valuation is only for estimating the Market value "as is" as of the date of this valuation. It should not be relied upon as being equivalent to the price which would necessarily be received in the event of a sale or otherwise disposed of. Real changes in the real estate markets may influence the value, going up or down. The use of other valuation methodologies produces a higher or lower value. Our opinion is subject to the said assumptions and restrictive conditions.

This valuation report provides us with a value conclusion in relation to the property. Definitions of value, discussions of the valuation methodology used, and the accompanying restrictive assumptions and conditions are an integral part of this report.

**General Manager** 

Turki Al-Zoghaibi

2024/07/24



Scope of Work			
Client Name	Aljazira REIT		
The purpose of the evaluation	Accounting Purpose	Value Basis	Market Value
Inspection date	2024/07/12	Evaluation date	2024/06/30
Report Type	A Short Report	Valuation Currency	SAR
Hypothesis of value (assumed use)	Current use	Reference number	2023- A0484

Identity of the approved evaluator			
Identity of the approved evaluator	Turki Al-Zoghaibi	license number	1210000030
	Tarki Ai Zogilaibi	License date	н 1437/03/30

Subject for Valuation					The method or method of evaluation used	
✓ Warehouse	Commercial	Villa	Land	Cost Method	✓Income Method	<b>√</b> Market Style
Not Built	Under Construction	-	New	✓Cost Method (Contractor)	✓investment Method (Income Capitalization)	√Comparative Method

Northern warehouse					
Area m²	Coordinates		District	City	Region
33,591.63	N: 21.328398°	E: 39.188732°	Al Wadi District	Jeddah	Makkah

Southern warehouse					
Area m²	Coordinates		District	City	Region
31,796.08	N: 21.323906°	E: 39.188806°	Al Wadi District	Jeddah	Makkah

# Scope of Work



Professional Standards	The report has been prepared in accordance with the IVS International Valuation Standards effective from January 2022 issued by the International Valuation Standards Council IVSC and approved by the Saudi Authority for Accredited Valuers.
Acknowledgment of freedom and no conflict of interest	The resident affirms and acknowledges independence and no conflict of interest

Influential environment of the property			
Commercial Market	Security Facility	Medical Facility	Mosque
Garden	Educational Facility	Government Headquarters	<b>√</b> Highway

Services and facilities			
✓ Electricity ✓ Waters		✓ Sanitation	<b>√</b> Phone

We assume that the property is not foreclosed or mortgaged and that there are no public or private rights that hinder its disposal.  We assume that all documents received from the client are correct  Prices include consulting and administrative fees and contractor profits  Special assumptions  The property generates income, but it was rented at a value lower than what was offered in the market. Therefore, the cost method was preferred, which reflect value rather than the income method. Prices include all construction and general site landscaping costs.  The age of the property and the depreciation rate were taken into account in estimating the market value of the buildings.
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Limitations on use and publication	This report is considered confidential and is for the use of the client and the intended users only for the purpose mentioned in the report. The resident is not responsible for its use by third parties, and he has no right to publish the report or any part of it, whether in correspondence or published publications, without obtaining express written approval and permission from the resident.
Evacuation responsibility	The assessor confirms that he has verified the property data and studied the market to reach an opinion on the value of the property under study. No legal document has been verified for the property under evaluation, which includes planning, ownership, mortgage, or legal matters, on which all or part of this report is based, and it has been considered reliable. The instrument was presumed to be valid and valid. It was also assumed that the property is free and free of any legal obligations, mortgage rights, or any other obstacles. If any information mentioned in the report is discovered to be incorrect in the future unintentionally and out of control, the value stated in this report may change. This evaluation should not be construed as an opinion on these legal issues.  The final estimate of value stated in this report is based on considerations of use at the specific time at which the appraisal was made. Any change in the current use of the property or in the valuation date may affect the final conclusion of value stated in this report  For the legal uses available for the property based on municipal regulations: According to the resident's inspection, compared to the properties located on the same streets as the resident properties, there are no special negative conditions or regulations specific for use.

#### Evaluation mechanism and definitions



#### Basically value: market value

It is the estimated amount upon which assets or liabilities should be exchanged on the valuation date between a willing buyer in the framework of a transaction on an arm's-length basis after appropriate marketing, where each party acts knowledgeably and wisely without coercion or coercion.

#### Principles and standards used in real estate evaluation:

#### Cost method:

He provided indicators of value using the economic principle, which states that the buyer does not pay more for purchasing an asset than the cost of obtaining an asset that has the same benefit, whether through purchase or construction. This method is based on the principle that the price that the buyer pays in the market for the asset subject of evaluation will not be More than the cost of purchasing or creating an equivalent asset, unless there are factors such as inappropriate timing, inadequacy, the presence of risks, or other factors. The asset subject to evaluation is often less attractive than the alternative that can be purchased or constructed due to the age or obsolescence of the asset. In this case, there is a need to make adjustments and adjustments in the cost of the alternative asset according to the value basis.

#### Principle used in costing:

It is therefore permissible (replacement cost): The estimated cost of constructing a building with the same benefits and facilities and using building materials, standards, designs and plans currently used in the market

#### Market method (comparison method):

The market approach provides an indication of value by comparing an asset with identical or comparable (similar) assets for which price information is available

#### Income method:

It is a method of estimating the value of a real estate property or real estate properties that generate income based on the expected future value of the property being evaluated. The value index for the property is derived by calculating the present value of the net operating income or the expected net rental value of the property.

#### **Evaluation mechanism**



#### **Date of inspection and evaluation:**

An opinion on the value was extracted on 30 June 2024, the date of research and inspection is 12 July 2024 and the date of issue of the report is -2024/07/24. The valuation reflects our opinion of the value at this date. But property values are subject to fluctuations over time on the market conditions.

#### **Search scope:**

A field survey of the real estate area being evaluated and similar properties, and we worked as much as possible to collect and analyze data to come up with results that serve this report and its desired purpose.

#### Nature and source of information:

The information contained in the title deeds attached to the property was relied upon. Also, the data on the real estate market and economic data presented within this report are based on various sources, including sales agents and real estate experts in the region, governmental and semi-government open sources, published real estate bulletins, and other open real estate sources. The price level of real estate in the region is studied based on the principle of supply and demand, where market data is extracted closely to determine the equilibrium point for the workers. We have researched as much as possible and investigated through the real estate offices operating in the close vicinity of the site area to determine the latest sales that took place in the subject site area, and we have also reviewed all our previous records for evaluation to be guided by the historical change of the real estate price curve in the region.

#### **Rating range:**

The scope of the evaluation included research and analysis to prepare the report according to the intended purpose in accordance with international evaluation standards IVS, as the property was examined and inspected on the stated date in this report. All data necessary to prepare the report was obtained.

The work in this evaluation task was carried out based on the following assumption:

- The analysis and conclusions are limited only to the assumptions and circumstances disclosed in this report.
- Income data is obtained from the market as well as the data received from the client, and its rationality was reviewed according to the market.
- All known and available relevant market data that has an impact on the value of the research property was considered.
- The neighborhood and competitive market areas surrounding the property were researched to find similar market data. Real estate agents, landlords, and property managers in the vicinity of the property were interviewed during the process.
- This market data has been confirmed by personal contact with real estate offices nearby the site location and by marketers and property managers specialized in projects similar to this property under study.

### Assumptions & Limiting Conditions:



The final estimate of the value in this report is based on usage considerations at the specific time the valuation was done. Any change in the current use of the property or the valuation date may affect the final conclusion of the value mentioned in this report.

- No legal document has been verified for the property under evaluation, which includes planning, ownership, mortgage, and legal matters on which all or part of this report is based, and it was considered reliable. It was assumed that the instrument is valid. It was also assumed that the property is free from any legal obligations, mortgage rights, or any other obstacles. If any information is found to be incorrect in the future that was mentioned in the report unintentionally and outside of control, the value contained in this report may change. This evaluation should not be construed as an opinion on these legal issues.
- Legal uses available for real estate based on municipal regulations: According to the valuation survey, compared to real estate located in the same streets of real estate, there are no specific negative conditions or regulations specific for use.
- During the completion of this evaluation, field information was obtained from primary sources such as (real estate offices, real estate owners, and individuals in the vicinity of the property subject to evaluation. This information is assumed to be correct and reliable and does not bear any responsibility for any errors in this data.
- According to the definition of the international standards for evaluation, "Assumptions are reasonable matters that can be accepted as truth in the context of evaluation work without verification or scrutiny in a specific way. They are also matters that are accepted once stated actual existing on the valuation date.
- The property improvement descriptions and analyzes in this report are based on a visual inspection of the property. The property has not been examined constructively or examined for any hidden defects, and it must be understood that this is an evaluation report and not a structural examination. The appraiser has no responsibility for any hidden defects that may be present in any structure or any part of the building.
- The appraiser did not notice the presence of any dangerous substances in the property or the surrounding, which may have a negative effect on the property. The appraiser is not aware of the existence of such materials and is not eligible to disclose these materials. The estimation of the value is based on the assumption that there are no such substances in the property and we are not responsible for any such dangers, and we do not have any experience or engineering knowledge required to discover them.
- The appraiser confirms that he has verified the real estate data and has studied the market to reach the value of the property under study.

### Assumptions & Limiting Conditions:



- This evaluation report has been prepared for the exclusive and sole use of the client mentioned in this report. Third parties are not entitled to rely on this report without the express written consent of AMAM Company for Real Estate Appraisal.
- When the values of properties, not understudy or improvements are presented separately, they are only used as an aid to better estimate the value of the property under study. This does not mean that it is an evaluation of the properties used for comparison in itself.
- The value mentioned in the report is the value of the property using cost, and if the evaluation method is changed, the value will change accordingly
- The income and expenses projections contained in this report are based on information provided by the property owner as well as data extracted from the local real estate market and are based on the present. The evaluator believes this information is accurate and is based on the best data available at the time of writing this report. However, these data and expectations are based on assumptions about the conditions and events surrounding the property, they are subject to changes that may arise in the future with changes surrounding the property. Accordingly, the evaluator cannot assure that the expected results will be correct in the future.
- There will be no obligation to testify or appear in court for the evaluator or the evaluation company because of this evaluation. Disclosure of the contents of this evaluation is subject to the regulations and requirements of the Saudi Authority for Accredited Valuers.
- The appraiser did not perform any analysis and study of the soil or the geological and seismic characteristics of the property and therefore he does not bear any responsibility for the geological or seismic matters of the property land. This evaluation should not be relied upon as to whether, if any, a seismic problem exists.
- The estimated values in this report are for the property under study only and according to the report's narration. This report should not be used for any other purposes.
- Changing the purpose of the evaluation or the use of the property for which the report was prepared may affect the values mentioned in this report and may be incorrect.
- It is not permissible to include all or part of this report or refer to it in any document, circular, or statement published or re-issued electronically or the like without referring to the AMAM Company for Real Estate Appraisal and obtaining prior approval on that.
- The report was issued impartially, without conflict of interest or personal gain.
- This evaluation report is considered valid only if it is approved by the company's seal in addition to the signature of the approved appraisers.

#### Warehouse market in Jeddah



Warehouses are one of the most important economic activities supporting industry and traders in the Kingdom, and they are important and necessary for the operation and success of many industrial projects, wholesale projects, and the retail sector. The Corona pandemic (Covid-19) has led to an acceleration in the pace of the progress of delivery applications, with the increasing levels of dependence on technology means and the development of electronic marketing companies such as Noon, Amazon, and other technology companies, with government legislation stimulating investment and encouraging pioneering projects in the Kingdom that seek to promote non-oil activities, encouraging and attracting investments for foreign direct investment coupled with investments in infrastructure and logistical capabilities to provide a demand for warehouses in general in the Kingdom.

The market situation in the city of Jeddah Warehouse areas are concentrated in Jeddah in its south, specifically near the First Industrial City and Jeddah Islamic Port. It is the main area for warehouses, logistics, and distribution centers in the city of Jeddah. The decrease in the demand for warehouses has put pressure on the performance of warehouses in Jeddah, where rents in the market decreased by up to 15% during 2019 and 2020, now the market is witnessing stability in prices with a slight increase. It is expected that the demand for traditional warehouses will decrease and the demand for modern warehouses to adopt modern practices of supply chain management due to the potential growth of electronic commerce that depends on modern technologies and requires high specifications. This structural change in the warehousing and services sector is expected to increase the demand for modern high-tech logistics and distribution centers and warehouses. With the uncertainty prevailing in the market and the slowdown in global economic growth, the warehouse sector will likely be stable in the short term. However, it is expected that the logistics market will witness a state of recovery in the long term, with the emergence of the realization of the Saudi Vision 2030 and the National Transformation Program. It is expected that government spending will increase and thus the demand for warehouses and logistics services.

### Safety requirements in warehouses



Safety requirements in warehouses are those requirements that have been determined for the purpose of reducing risks, especially since the various storage places include huge quantities of materials and equipment, the price of which is estimated at large sums of money. Therefore, it must be secured and its safety and the safety of its workers must be emphasized as well. There are a number of safety requirements in warehouses that must be followed in warehouses and storage places. Safety requirements in warehouses are divided into two parts:

### 1. Safety requirements in warehouses related to the construction of warehouses

.Creating warehouses and stores from non-flammable materials and following correct storage methods in the warehouses

The presence of more than one exit to the warehouse or warehouse.

- Providing adequate lighting as well as natural ventilation openings in addition to the ventilation openings in the ceilings and floor, and the lower openings above the level of the ground barrier
- Installing all electrical connections and equipment inside the warehouses in accordance with the technical specifications that guarantee the safety of the warehouses from fire hazards.
- Provide an external electric utility to disconnect the electricity at the end of work, as well as in the event of fires.
- Equipping stores and warehouses with alarm and fire equipment and a complete monitoring system.
- Designing the external fences surrounding the warehouses at the appropriate height, ensuring that they are difficult to climb.
- The presence of floors suitable for the nature of the equipment used in materials transport and storage companies

. Dividing warehouses with large areas into small units, and making fire-resistant partitions

### Risks related to the property being evaluated



### 2. Safety requirements in warehouses related to storage operations

- . Classification of stored materials and items according to their classification and characteristics.
- It is necessary to implement all requirements for product storage operations, according to the nature of each type
- Identify the available and appropriate means to combat fires.
- Good arrangement of items when storing them, and adherence to the appropriate place for each specific type or classification.
- Avoid stacking goods high to the ceiling level, so that there is a distance between the stack and the ceiling height of no less than 3
  feet.
- Do not place the goods to be stored directly on the ground and place them in shelves or special places, in order to prevent them from being damaged or someone working on them tripping over them.
- Smoking and staying inside the warehouses are prohibited.\*
- Following all scientific principles and rules in the processes of delivering and receiving incoming materials, which protects them against damage, loss or loss.

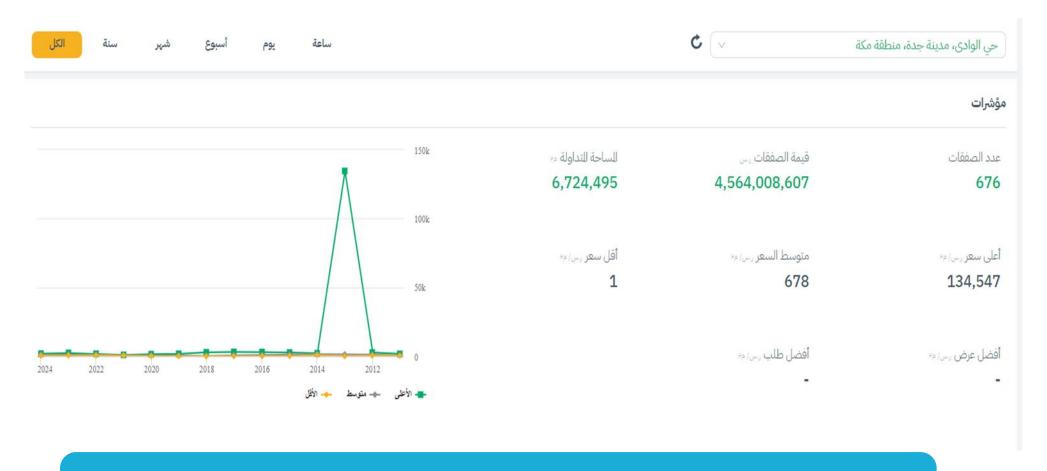
### Risks related to the property being evaluated

### **Sources of danger in warehouses:**

- Chemicals suddenly mix with each other, due to poor storage, which leads to exothermic chemical reactions.
- Leaving air conditioners running for long periods of time during the summer leads to their temperature increasing and heating up, which increases the risk of them igniting and causing a fire.
- Use of poor electrical equipment, or increased load or heat resulting from damaged cables.
- Glow and ignition of charging batteries used to charge forklifts.
- Cigarette butts were thrown carelessly by smoking workers inside warehouses.
- The presence of hot electric lamps near packing boxes and other stored goods.
- Welding work carried out by contractors inside warehouses.
- Arsons.

### Real estate indicators in Jeddah - Al Wadi





The graph shows real estate indicators for the number of deals that were executed from 2010 AD to 2024 AD In Al-Wadi neighborhood, Jeddah city

Reference - Real Estate Market



# Real estate indicators within a year





The graph shows real estate indicators for the price per meter of land for properties that were implemented during the year 2023

In Al-Wadi neighborhood, Jeddah city

Reference - Real Estate Market



### **Property Location**



• Location: The property is located in the south of Jeddah is one of the distinguished neighborhoods. Al-Wadi district, in which the demand is concentrated on warehouses. The location is distinguished in terms of easy access to an attractive area for logistics services, as it is distinguished by its proximity to the Jeddah Islamic Port and the industrial area. The location is characterized by easy access and proximity to King Faisal Road and Corniche Road. The property is being used as a warehouse and is fully leased out.





North Warehouse 21.328398° 39.188732° South Warehouse 21.323906° 39.188806°



# **Property Details in Title Deeds**



#### North Property Title Deed

Owner's Name	Alinma Investment
SAK No.	420205026531
SAK Date	1438/05/12
Subdividing Land Plan No.	503 / ج/ ص
Land No.	39 to 54
Land Area Space	33,591.63 m²

City		Jeddah
	Property Location	Al Wadi District
	Property Type	Land & Building
	Property Description	Warehouse Use

Borders & Lengths		
North	Street 42 m	107.42 m
South	Street 32 m	107.07 m
East	Street 32 m	296.78 m
West	Street 25 m	309.43 m
Area 33,591.63 m <sup>2</sup>		

#### Title Deed



الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الارض 39 و قطعة الارض 40 و قطعة الارض 41 و قطعة الارض 42 و قطعة الارض 43 و و و قطعة الارض 44 و قطعة الارض 45 و قطعة الارض 64 و فقعة الارض 47 و قطعة الارض 54 و قطعة الارض 58 و قطعة الارض 94 و قطعة الارض 50 و قطعة الارض 51 و قطعة الارض 52 و قطعة الارض 54 من المخطط رقم 50 و أقطعة الارض 54 من المخطط رقم 500 / ج/ص الواقع في حي الوادي بمدينة جدة .

شمالاً: شارع عرض 42م بطول: (100.78) بطول مائة متر و ثمانية و سبعون سنتمتر ثم ينكسر جنوب غرب بطول 6.64م

جنوباً: شارع حرض 32م بطول: (100) بطول مائة متر ثم ينكسر شمال شرق بطول 7.07م شرقاً: شارع حرض 32م بطول: (289.3) بطول منتين و تسعة و ثمانون متر و ثلاثون سنتمتر ثم ينكسر شمال خرب بطول 7.48م

خرباً: شارع عرض 25م بطول: (302.36) بطول ثلاثمانة و اتنين مترأ و ستة و ثلاثون سنتمتراً ثم ينكسر جنوب شرق بطول 7.07م

ومساحتها :( 33,591.63) ثلاثة و ثلاثون ألفا و خمسمانة و واحد و تسعون متر مربعاً و ثلاثة و ستون سنتند أما بعاً فقط

والمستند في افراغها على الصك الصادر من هذه الإدارة برقم 820204018420 في 25 / 5/ 5/1435 هـ

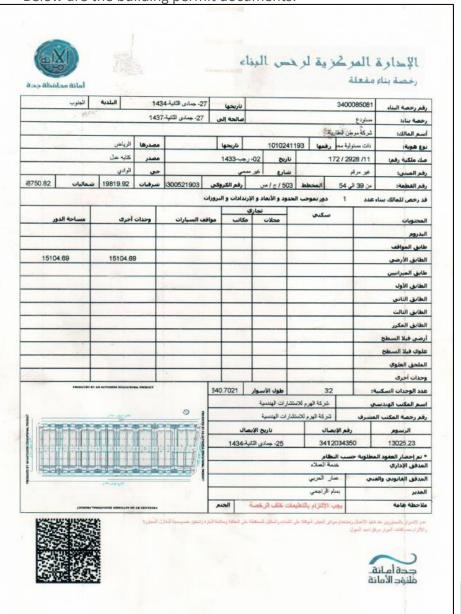
قد انتقلت ملكيتها لـ: شركة الانماء للاستشار بموجب سجل تجاري رقم 1010269764 في 23 / 6/ 1430 هـ .، بثمن وقدره 60620143.14 صفون مليونا و ستمانة و حشرون ألفا و مانة و ثلاثة و أربعون ريال و أربعة حشر هللة وحليه جرى التصديق تحريراً في 12 / 5/ 1438 هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الرفيقة من وزارة الحدل , ويجب التحقق من بياناتها وسريانها عير الخدمات الإلكترونية لوزارة الحدل لمدة مطابع الحكومة-١٩٥١ه ( هذا التموذج محمص الاستخدام بالحاسب الآلي ويعلق تطليف ) نموذج وهم (٢٠١٣-١٠٠) صنفحة رقم 1 من 1





Below are the building permit documents:



Mawten Real Estate Company	Owner Name
3400085061	license number
1434/06/27 H	License date
1434/06/27 H	Expiry date
15104.69 m²	Building Area
33,591.63 m²	Land area
840.7021 m²	Border Area
✓ Build / not Build	Neighbors
√ asphalted / Not asphalted	Street
✓ Lights/ not lights	Street lighting

No	✓ Yes	The Property as per Building Permit
%	100	Construction Ratio

Un occupied	Occupancy Status
Within range	Zone

√ From the outside	√ From the outside	Preview limits
1 Floor		Number of Floors

# **Property Details in Title Deeds**



#### South Property Title Deed

Owner's Name	Alinma Investment
SAK No.	920205026530
SAK Date	1438/05/12
Subdividing Land Plan No.	503 / ج/ ص
Land No.	129 to 142
Land Area Space	31,796.08 m²

City	Jeddah
Property Location	Al Wadi District
Property Type	Land & Building
Property Description	Warehouse Use

Borders & Lengths		
North	Street 32 m	107.07 m
South	Street 60 m	107.02 m
East	Street 32 m	288.25 m
West	Street 25 m	285.02 m
Area 31,796.08 m <sup>2</sup>		

#### Title Deed



الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الارض 129 و قطعة الارض 130 و قطعة الارض 131 و قطعة الارض 138 و قطعة الارض 138 و قطعة الارض 137 و الارض 133 و قطعة الارض 139 و قطعة الارض 135 و قطعة الارض 136 و قطعة الارض 136 و قطعة الارض 139 و قطعة الارض 138 و قطعة الارض 139 و قطعة الارض 140 و قطعة الارض 141 و قطعة الارض 142 من المخطط رقم 503 / ج/ ص الواقع في حي الوادي بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض 32م بطول: (100) بطول مائة متر ثم ينكسر جنوب غرب بطول 7.07م جنوباً: شارع عرض 60م بطول: (100.06) بطول مائة متر و ستة سنتمتر ثم ينكسر شمال شرق بطول 96 مه

شرقاً: شارع عرض 32م بطول: (281.18) بطول منتين و واحد و شمانون متر و ثمانية عشر سنتمتر ثم ينكسر شمل غرب بطول 7.07م

غرباً: شارع عرض <mark>25م بطول: (277.84) بطول منتين و سبعة و سبعون متراً و أربعة و ثمانون سنتمتراً. ثم ينكسر جنوب شرق بطول 7.18م</mark>

ومُساحتُها :(31,796.08) واحد و ثلاثون ألفا و سبعمائة و ستة و تسعون متر مربعاً و ثمانية سنتمتر أ ما بعاً فقط

و المستند في افراغها على الصك الصادر من هذه الإدارة برقم 420204018426 في 25 / 5/ 1435 هـ

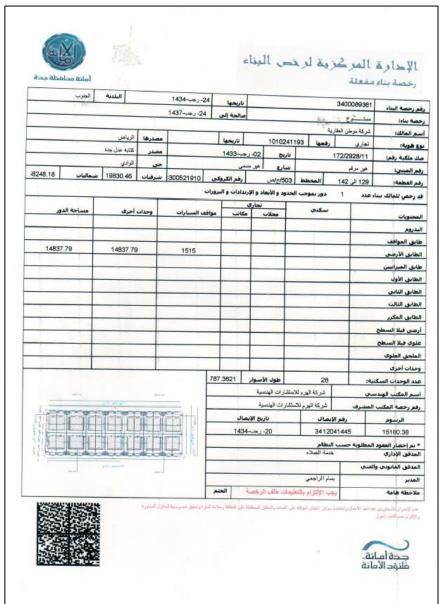
قد انتقلت ملكيتها لـ: شركة الانماء للاستثمار بموجب سجل تجاري رقم 1010269764 في 23 / 6/ 1430 هـ ، بثمن وقدره 57379856.86 سبعة و خمسون مليونا و ثلاثمائة و تسعة و سبعون ألفا و ثمانمائة و ستة و خمسون ريال و ستة و ثمانون هللة و طيه جرى التصديق تحريراً في 12 / 5/ 1438 هـ لاعتماده ، وصلى الله على نبينا محمد و آله و صحيه و سلم.

صدرت هذه الوثيقة من وزارة الحدل , ويجب التحقق من بياداتها وسريانها عبر الخدمات الإلكترونية لوزارة الحدل سندة مطابع المكومة-١٩٥١ه ( هذا فلموذج مخصص للاستشام بالحاسب الآبي ويعلق تقليفه ) صفحة رقم 1 من 1





#### Below are the building permit documents:



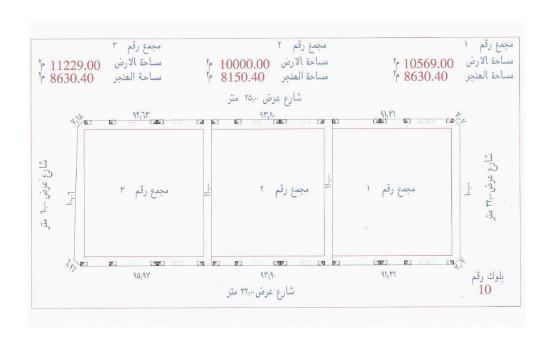
Owner Name	Mawten Real Estate Company
license number	3400089361
License date	1434/07/24 H
Expiry date	1437/07/24 H
Building Area	14837.79 m²
Land area	31,796.08 m²
Border Area	787.3621 m²
Neighbors	✓ Build / not Build
Street	√ asphalted / Not asphalted
Street lighting	✓ Lights/ not lights

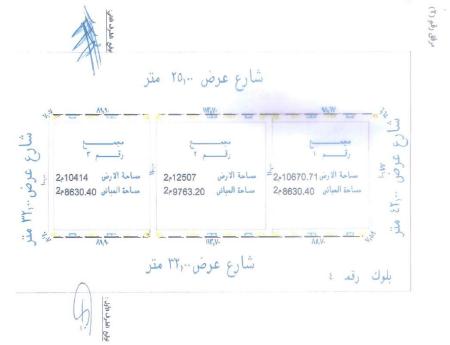
No	✓ Yes	The Property as per Building Permit
%	100	Construction Ratio

Un occupied	Occupancy Status
Within range	Zone

✓ From the outside	√ From the outside	Preview limits
1	Floor	Number of Floors







Southern warehouse					
Property type	Building area m2	Land area m2			
Warehouse 1	8,630.40	10,569			
Warehouse 2	8,150.40	10,000			
Warehouse 3	8,630.40	11,798			
The total	25,411.20 م2	31,798			

Northern warehouse					
Property type	Building area m2	Land area m2			
Warehouse 1	8,630.40	10,670.71			
Warehouse 2	9,763.20	12,507			
Warehouse 3	8,630.40	10,414			
The total	27,024 م2	33,591.63 ۾ 2			





# Market method - comparison



The following table shows the comparisons used to estimate the value of land:

# Northern warehouse: -

Element	Property Rating - Site	Example 1	Variation Rate	Example 2	Variation Rate	Example 3	Variation Rate
Land For Sale Date	-	Jul-24	-	Jul-24	-	Jul-24	-
Price SAR/m²	***	1,800	-	1,600	-	900	-
Land Area m²	33,591.63	48,000	7%	1,250	-15%	25,664	-4%
Land Use	Warehouse	Warehouse	0%	Warehouse	0%	Warehouse	0%
Neighborhood	Al Wadi	Al Wadi	0%	Al Wadi	0%	Al Wadi	0%
No of Streets	4	3	3%	3	3%	4	0%
Street Width m	42	100	-19%	35	2%	40	1%
Façade m	819	400	1%	500	1%	480	-1%
Ease Access	Moderate	High	-10%	Moderate	0%	Moderate	0%
Characteristics of Land	Moderate	High	-5%	Moderate	0%	Moderate	0%
Market Status	-	Moderate	0%	Moderate	0%	Moderate	0%
Deviation		-427	-24%	-149	-9%	-33	-4%
Net value after adjusting comparable		1,373		1,451		867	
The value SAR/m <sup>2</sup> after taking the average	_	1,140					
The value SAR/m <sup>2</sup> after rounding				1,140			

# Cost method - replacement



The following table shows the replacement method used to estimate the fair value of the property:

# Northern warehouse: -

Land Value by Comparison Method						
Total Land Area	33,591.63	m²				
Land Price/m <sup>2</sup>	1,140	SAR/m²				
Total Land Price	38,282,114	SAR				
Build Value						
Approximate Build Area	27,024	m²				
Approximate Build Price	600	SAR/m²				
Total Build Price	16,214,400	SAR				
Property Age	11	Years				
Depreciation Rate	3.33%	Yearly				
Total Build Value After Depreciation	10,275,065	SAR				
Value of the Property	48,557,179	SAR				

# Market method - comparison method:



# The following table shows the comparisons used to estimate the value of land: <u>Southern warehouse: -</u>

Element	Property Rating - Site	Example 1	Variation Rate	Example 2	Variation Rate	Example 3	Variation Rate	
Land For Sale Date	-	Jul-24	-	Jul-24	-	Jul-24	-	
Price SAR/m²	***	1,800	-	1,600	-	900	-	
Land Area m²	31,796.08	48,000	8%	1,250	-15%	25,664	-3%	
Land Use	Warehouse	Warehouse	0%	Warehouse	0%	Warehouse	0%	
Neighborhood	Al Wadi	Al Wadi	5%	Al Wadi	0%	Al Wadi	0%	
No of Streets	4	3	-13%	3	5%	4	0%	
Street Width m	60	100	1%	35	8%	40	7%	
Façade m	819	400	-10%	500	1%	1,100	-1%	
Ease Access	Moderate	High	-5%	Moderate	0%	Moderate	0%	
Characteristics of Land	Moderate	High	0%	Moderate	0%	Moderate	0%	
Market Status	-	Moderate	0%	Moderate	0%	Moderate	0%	
Deviation		-259	-14%	-20	-1%	-33	3%	
Net value after adjusting comparable		1,541 1,150		927				
The value SAR/m <sup>2</sup> after taking the average	-	1,150						
The value SAR/m <sup>2</sup> after rounding				1,150	1			



The following table shows the replacement method used to estimate the fair value of the property:

# Southern warehouse: -

Land Value by Comparison Method						
Total Land Area	31,796.08	m²				
Land Price/m <sup>2</sup>	1,150	SAR/m²				
Total Land Price	36,554,266	SAR				
Build	d Value					
Approximate Build Area	25,411.2	m²				
Approximate Build Price	600	SAR/m²				
Total Build Price	15,246,720	SAR				
Property Age	11	Years				
Depreciation Rate	3.33%	Yearly				
Total Build Value After Depreciation	9,656,256	SAR				
Value of the Property	46,210,522	SAR				

# **Capitalization Rate**



The following table determines the capitalization rate for the property being evaluated based on comparative offers for similar investment properties in the same area and with the following specifications:

	Comparative view 6	Comparative view 5	Comparative view 4	Comparative view 3	Comparative view 2	Comparative view 1		
Area m2	2,650	10,600	11,000	2,600	2,400	8,000		
Price per rental meter	113	75	80	100	110	100		
Selling price per meter	1,200	900	1,000	1,300	1,310	1,200		
Net rental income	299,450	795,000	880,000	260,000	264,000	800,000		
selling price	3,180,000	9,540,000	11,000,000	3,380,000	3,144,000	9,600,000		
Capitalization Rate	9	8	8	8	8	8		
Capitalization Rate		8%						





# Market method - comparison



The following table shows the comparisons used to estimate the price per rental meter:

# Northern warehouse: -

Element	Property Rating - Site	Example 1	Variation Rate	Example 2	Variation Rate	Example 3	Variation Rate
Land For Sale Date	-	Jul-24	-	Jul-24	-	Jul-24	-
Price SAR/m²	***	140	-	120	-	140	-
Land Area m²	33,591.63	4,000	-11%	2,700	-11%	10,575	-9%
Land Use	Warehouse	Warehouse	0%	Warehouse	0%	Warehouse	0%
Neighborhood	Al Wadi	Al Wadi	0%	Al Wadi	0%	Al Wadi	0%
No of Streets	4	3	2%	1	6%	3	2%
Street Width m	42	35	0%	32	1%	65	-1%
Ease Access	High	Moderate	0%	Moderate	0%	High	-15%
Characteristics of Land	Moderate	Moderate	0%	Moderate	0%	Moderate	0%
Market Status	-	Moderate	0%	Moderate	0%	Moderate	0%
Deviation		-12	-9%	-6	-5%	-32	-23%
Net value after adjusting comparable		128		114			
The value SAR/m <sup>2</sup> after taking the average	-	116					
The value SAR/m <sup>2</sup> after rounding				116			



# Northern warehouse: -

warehouse	Rental space	Income as per Contract
	10,414.00	1,145,540.00
Northern warehouse	10,670.71	853,657.00
	12,507.00	1,000,560.00
	33,591.71	
Price per rent	89.30	

The following table shows the income approach - the income capitalization method used to estimate the fair value of the property:

Property Value by Income Method					
Income as per Contract	2,999,757.00	SAR/Yearly			
Operation and Maintenance Expenses	3%	Yearly			
Net Income	2,909,764	SAR/Yearly			
Capitalization Rate	8.00%	Yearly			
Value of the Property	36,372,054	SAR			

# Market method - comparison method:



# The following table shows the comparisons used to estimate the price per rental meter:

# Southern warehouse: -

Element	Property Rating - Site	Example 1	Variation Rate	Example 2	Variation Rate	Example 3	Variation Rate
Land For Sale Date	-	Jul-24	-	Jul-24	-	Jul-24	-
Price SAR/m²	***	140	-	120	-	140	-
Land Area m²	31,796.08	4,000	-12%	2,700	-13%	10,575	-10%
Land Use	Warehouse	Warehouse	0%	Warehouse	0%	Warehouse	0%
Neighborhood	Al Wadi	Al Wadi	0%	Al Wadi	0%	Al Wadi	0%
No of Streets	4	3	2%	1	6%	3	2%
Street Width m	60	35	1%	32	1%	65	0%
Ease Access	High	Moderate	0%	Moderate	0%	High	-15%
Characteristics of Land	Moderate	Moderate	0%	Moderate	0%	Moderate	0%
Market Status	-	Moderate	0%	Moderate	0%	Moderate	0%
Deviation		-13	-9%	-7	-6%	-32	-23%
Net value after adjusting comparable		127		113 108			
The value SAR/m² after taking the average	-	116					
The value SAR/m² after rounding				116			

### **Income method**



### Southern warehouse: -

warehouse	Rental space	Income as per Contract
Southern warehouse	10,584.43	1,481,820.20
	10,000.00	850,000.00
	11,229.00	898,320.00
	31,813.43	3,230,140.20
Price per rental meter (SAR)		101.53

The following table shows the income approach - the income capitalization method used to estimate the fair value of the property:

Property Value by Income Method				
Income as per Contract	3,230,140	SAR/Yearly		
Operation and Maintenance Expenses	3%	Yearly		
Net Income	3,133,236	SAR/Yearly		
Capitalization Rate	8.00%	Yearly		
Value of the Property	39,165,450	SAR		

#### **Final Value Estimate**



Based on the previous study in this report, the final value was determined as follows:

The fair value of the property using the cost method – replacement method		
The total value of the north Warehouse	48,557,179	SAR
The total value of the South Warehouse	46,210,522	SAR
The Total fair value of both warehouses	94,767,701	SAR
	•	·
The fair value of the property using the	income method - the income ca	oitalization method
The fair value of the property using the	income method - the income cap 36,372,054	oitalization method SAR

# Weighting of results and value adjustment:

Based on the purpose of the evaluation (accounting purposes), the cost method was adopted because the property subject to evaluation was rented at a value lower than what was offered in the market. And therefore it will be weighted with a relative weight of 100% as a basis for the fair value of the property subject to evaluation. The fair value of the property is estimated at 94,767,701 Saudi Riyals.

#### Final opinion on value:

After considering all the relevant information and factors in estimating the fair value of the property under evaluation, which is located in the Al-Wadi neighborhood - Jeddah City, and which is absolutely and unrestrictedly owned... and in accordance with the conditions and assumptions contained in this report, the fair value was reached, estimated at **94,767,701** Saudi Riyals.



#### Final opinion about value:

After considering all the relevant information and factors in estimating the market value of the property being evaluated, located in Al-Wadi District, in the city of Jeddah, with the absolute ownership. According to the conditions contained in this report, it was concluded that the value of the property is estimated at 94,767,701 SAR.

General Manager			
Turki Ibrahim Al Zoghaibi	Name		
	Signature		
Saudi Authority for Accredited Valuers – Real Estate			
Associate Member	Membership Type		
1210000030	Membership No.		
2024/12/31	Membership Expiry Date		

Real Estate Appraiser		
Mansour Al-Sanad	Name	
Los	Signature	
Saudi Authority for Accredited Valuers  – Real Estate		
Associate Member	Membership Type	
1210000547	Membership No.	
2024/12/31	Membership Expiry Date	

Real Estate Appraiser		
Faisal Al Harbi	Name	
(فيط	Signature	
Saudi Authority for Accredited Valuers – Real Estate		
Temporary Member	Membership Type	
1210001021	Membership No.	
2024/12/31	Membership Expiry Date	



#### **Notes and recommendations:**

In this part, the evaluator presents some observations and recommendations related to the findings of this report.

The property is located in an area close to the industrial area and Jeddah Islamic Port, and this is a strong point of qualitative advantage for the property.

All basic services are available in the vicinity of the site.

It should be taken into account that the value of the property may be affected by several factors, including:

- Municipal decisions and legislation limit the advantages of the property and the ease of access to the property.
- Decisions and legislation of the Ministry of Labor on employment and the labor market.
- Local market conditions such as oversupply and lack of demand.
- The emergence of price competition in the surrounding area.
- Bad weather conditions and natural disasters.

# **Property View**



The following images show the north warehouse's condition and view.



















# **Property View**



The following images show the south warehouse's condition and view.





















#### بوابة الخدمات الالكترونية

رقم التقرير: 1104042

منشأه التقييم: شركة أمام للتقييم العقاري

العميل: صندوق الجزيرة ريت

الغرض من التقييم: أخرى

عدد الأصول: 1

**نوع التقرير:** ملخص التقرير

تاريخ إصدار التقرير: Wed 24 Jul, 2024



للتحقق من صحة شهادة التسجيل:



Valuation Report: Warehouse

Presented to: Al-Jazira REIT Fund

Warehouse - 33591.63

**Report No:** DC24012560

Report Date: 2024-07-29



2024-07-29

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Valuation - Income Approach (Direct Capitalization Method)	5.1
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Conclusion	

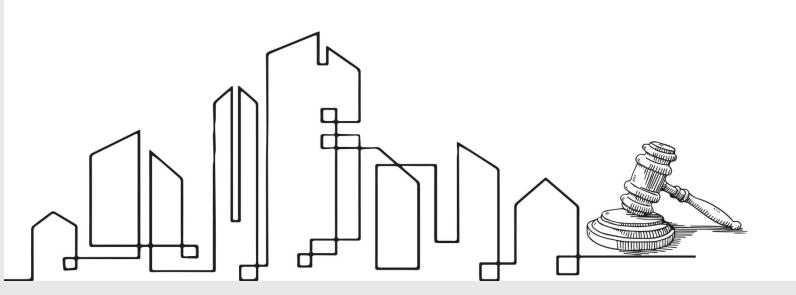








# Introduction, Technical and Legal Principles



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#### Dear/ Al-Jazira REIT Fund

Greetings,

Based on your job approval for Barcode Co. on 2024/07/02 to value aWarehouse located in Jeddah for the purpose of Periodic evaluation of the AlJazira REIT traded fund, the inspection was conducted on 2024/07/18.

This valuation was carried out based on the international valuation standards (IVS 2022) issued by the International Valuation Standards Council (IVSC) translated by (Taqeem) – 2022, and in accordance with the professional procedures and regulations recognized in valuation of real estate assets. As it is our endeavor to determine the appropriate value of the property for the purpose for which the valuation report is prepared. This report is a reliable certificate, and is considered one unit and indivisible. (IVS2022)

Warm regards,

Abdulkarim Abanumay

CEO

**Barcode Valuation Company** 

Valuer Holding a Fellowship in Real Estate Valuation

Membership No.: 1210000001

License No.: 1210000001

License Date: 1433/03/01 AH

Valuer Holding a Fellowship in Machinery & Equipment Valuation

Membership No.: 4210000001

License No.: 4114000016

License Date: 1441/07/24 AH





Info of Valuation Company			
Company Name	Barcode Valuation Company		
No of Commercial Registration	1010468077		
Date of Commercial Registration	1438/05/15 AH		
License Number of Real Estate Valuation	1210000001		
License Date	1433/03/01 AH		
License Number of Machinery and Equipment Valuation	4114000016		
License Date	1441/07/24 AH		

We would to emphasize that the accredited valuer is independent. In addition, there is no conflict of interests with any of the parties of the valuation process or the assets under valuation. The valuer has maintained the principles of impartiality, transparency and professionalism, without any external influence of any party.







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#### Technical and Legal Principles

1- Date of Assignment:

2024/07/02

2- Requester (Client):

Al-Jazira REIT Fund

3- Beneficiary (Users of Report):

Al-Jazira REIT Fund

#### 4- Other Users of Report:

A public report published for unitholders of Aljazira REIT Fund that is used by the fund manager (Aljazira Capital) for periodic evaluation of the fund

#### 5- Purpose of Valuation:

Periodic evaluation of the AlJazira REIT traded fund

#### 6- Ability to Value the Asset :

Barcode has a professional staff that can value this type of asset, and has the required competence to identify the market value on the required date, and accordingly it has accepted the work.

#### 7 - Professional Standards of Valuation :

This valuation was carried out based on the international valuation standards (IVS 2022) issued by the International Valuation Standards Council (IVSC) — translated by (TAQEEM) 2022 — and in accordance with the professional procedures and regulations recognized in valuation of real estate assets. The procedures are based on analysis, comparison and direct inspection of each asset. In addition, the valuer searches as much as possible for positive and negative influences and characteristics of the asset being valued.

#### 8 - Basis of Value:

Market Value: "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." Market Value: "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." Market Value: "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."

> **Barcode Company** for Valuation

1210000001

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### Technical and Legal Principles

9- Premise of Value:

Current Use

10- Effective Date of Value:

2024/06/30

11- Date of Inspection:

2024/07/18

#### 12-Limits of Inspection, Examination, Research and Investigation

To carry out the valuation and fulfill the purpose of this report, the subject assets were inspected. The data available from the inspection, collected by the valuer in accordance with international valuation standards, were analyzed. It is important to note that this inspection is not relied upon for the purposes of technical or engineering examination and testing. Additionally, the valuer does not provide any warranties regarding the absence of non-apparent defects in the asset under valuation.

#### 13. Currency of Valuation:

The currency used in the report Saudi Riyal

#### 14- Valuer's Scope of Research:

The research and analysis encompassed in preparing the report align with the intended purpose in accordance with international valuation standards. The property was thoroughly examined both internally and externally on the day of inspection, and all necessary data were obtained to facilitate the report preparation.

#### 15-Valuation Approach:

The Market Approach has been adopted in property valuation. Cost Approach:- It is a approach used for finding an index of the value where the purchaser would not pay more for a property than the cost of another comparable property either by purchase or construction. Income Approach: - Method of finding a value index is by converting future cash flows into a capital value

#### 16-Sources and Nature of Information:

In preparing the valuation report, we relied on a variety of resources and information mentioned in Appendix C and office data that we believe corresponds to the purpose and time of the valuation. Some resources of information for this report have been mentioned throughout the report.

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### Technical and Legal Principles

#### 17 - Ownership Documents:

A copy of the ownership deed was previewed and it is assumed that it is authentic and we disclaim any responsibility form any replica or counterfeit.

#### 18 - Freedom of Disposition :

it is assumed that there are no restricting conditions such as : religious constraints, legal, or business rules & regulations that restrict either the assignment or use of the

#### 19 - Privileges of the Insurance Policy:

No insurance policy document was received for the property under valuation.

#### 20 - Legal Uses of Property:

Based on the inspection of our team, the subject property under valuation is for warehouse use .

#### 21 -Limitation of Liability and Independence :

This valuation process and the report are considered advisory work in which we maintain the principles of neutrality, transparency, and professionalism, without external influence from any party.

#### 22. Type of Report:

Narrative (detailed) report

This report has been prepared in a narrative manner, taking into account all details affecting the asset being valued.

#### 23. Intellectual Property and Reuse:

This report, in form and content, is the intellectual property of Barcode Company, and no party - including the requester and the beneficiary of the report - may republish all or some parts of the report without obtaining written consent from the company.

#### 24- Confidentiality and Preservation of Information :

The report was prepared as a special request and for consulting purposes. Barcode acknowledges the utmost importance for the client to maintain the confidentiality of the report's data and outcomes. It is committed to preserving confidentiality, ensuring that the client's information will only be used within the report. The provided information is considered the exclusive property of the client and the designated users specified in the report, with no right granted to any third party to access it.

License Number of Machinery and Equipment Valuation 4114000016 License Number of Barcode Company Date of License Real Estate Valuation 1/3/1433 H for Valuation 1210000001

2024-07-29



#### Team Members

Our team has previous experience in valuation and has accreditations in valuation from the competent authorities. It has sufficient experience in the regions and categories of real estate that have been valued. The team can prepare reports without any difficulties in accordance with the requirements of international valuation standards.

Name of Valuer	Membership No.	Category of Membership	Type of Membership	Signature
Ahmed Balubaid	1220001204	Realestate	Essential fellow	<u> </u>
Abdulkarim Sheikh	1210001409	Realestate	Essential fellow	As a second
Abdulkarim Abanumay	1210000001	Realestate	Certified Fellow	Combre
Salem Alharbi	1210003141	Realestate	Affiliate	

Approval			
Stamp	عود المورد المو		
No & Date of Commercial Registration	1010468077	1438/05/15AH	
No & Date of Real Estate Valuation License	1210000001	1433/03/01AH	
No & Date of Machinery and Equipment Valuation License	4114000016	1441/07/24AH	

License Number of Real Estate Valuation 1210000001







# **Executive Summary**



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## Executive Summary

,			
Requester (Client)	Beneficiary (Users of Report)		
Al-Jazira REIT Fund	Al-Jazira REIT Fund		
Purpose of Valuation	Premise of Value		
Periodic evaluation of the AlJazira REIT traded fund	Current Use		
Location of Property	Type of Property		
Jeddah - Alwadi District	Warehouse		
Land Area Based on Deed	Name of Owner		
33,591.6m²	Al-Anmaa Investment Company		
No of Title Deed	Date of Title Deed		
420205026531	1438-05-12H		
Type of Ownership	Basis of Value		
absolute	Market value		
Valuation Approach & Mathed			

#### Valuation Approach & Method

. Cost Approach - Replacement cost method . Income Approach - Direct Capitalization Method

#### Valuation Standards

#### (Valuation standards (IVSs 2022

Date of Assignment	Date of Inspection	Effective Date of Value
2024/07/02	2024/07/18	2024/06/30
V. J. (2)	Value of Property (Amount in Numbers)	Value of Property (Amount in Words)
Value of Property	45,681,574.0	Forty Five Million Six Hundred Eighty One Thousand Five Hundred Seventy Four



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## Hypotheses and Determinants of Report

Based on the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as fact in the context of valuation without checking them in a specific way. These matters are accepted once they are mentioned and these assumptions are necessary to understand the valuation or advice provided. Special assumptions are assumptions that differ from the actual facts existing at the valuation date, or those that an ordinary market participant in a transaction would not assume at the valuation date."

In this valuation process, the following was assumed:

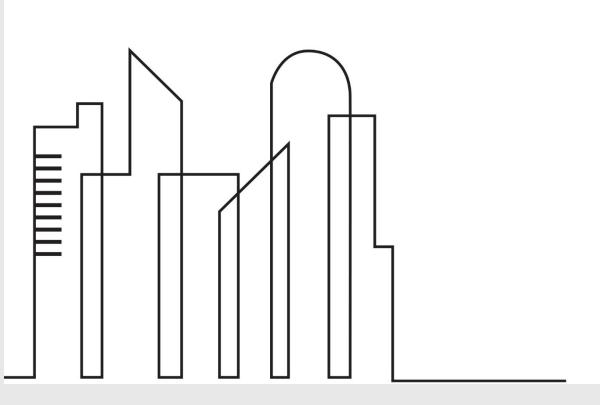
1	The boundaries and lengths were approved according to the title deed
2	Analyzes and conclusions as disclosed by the client.
3	The cost method was adopted because the income does not reflect the value of the property.

Note: The asterisk (\*) denotes a specific assumption. The estimated value in this report is contingent upon the fulfillment of the specific assumption.





# **Info & Location of Property**



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### Location of Asset

Type of Asset	Master Plan
Warehouse	Inside Urban Zone
Region	City
Makkah Region	Jeddah
District	No of Multiple-Plots Land
Alwadi District	ج/ص/503
Block No.	Plot No.
4	from 39 to 54
Unit No.	Nearest Commercial Street
-	-

#### Site Coordinates

#### 39.18870953841292 21.328459525794273

#### Remarks on Location

The property was inspected according to the location attached by the client

#### Name of Owner

#### Al-Anmaa Investment Company

#### Ownership Info

Owner ID	Type of Ownership	
1010269764	absolute	
Title Deed No.	Date of Title Deed	
420205026531	1438-05-12H	
Building Permit No.	Date of Building Permit	
3400085081	1434/06/27	
Remarks on Documents and Ownership		





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2024-07-29





## Info of Land

Land Area (Based on Deed) Land Use Ba		Land Use Bas	Land Use Based on System Land Use B		Based on Nature (Inspection)
33,591.6 m <sup>2</sup>	33,591.6 m <sup>2</sup> ware		warehouse warehouse		warehouse
Land Shape	Land Shape Ground level		Develo	Development of Adjacent Parcel	
✓ Regular	□Irregular	✓ Even	□Uneven	✓ Built	□ Not Built
Boundaries and Lengths (based on title deed)					
Direction	Boun	ndary	Street	width	Length of Side
north	stre	eet	42	m	100.78 m then turns southwest for a length of 6.64 m
South	street		32	m	100 m then turns northeast for a length of 7.07 m
East	street		32	m	298.3 m then turns northwest for a length of 7.48 m
West	street		25	m	302.36  m then turns southeast for a length of $7.07  m$
Remarks					







#### Aerial Photo of Site



An aerial photo showing the location of the property at the city level.



An aerial photograph showing the location of the property in relation to surrounding sites.





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## Info of Building & Finishings

Info of Building & Finishings	Age	of Building (Based on date of electricity installation)	
concrete	10 Years		
No of Floors	Basement		
1	0		
Use Purpose of Building		Buildings Area	
warehouse		26550 m <sup>2</sup>	
Condition of Construction		Level of Finishing	
good	-		
Type of Air Conditioning	-		
Finishing of Floor	-		
Finishing of Walls	-		
Finishing of Ceilings	-		
Percentage of Completion of Construction & Finishing	100 %		
Remaining Work	-		
Property Utilities			
<b>√</b> Telephone	✓	Electricity	
✓ Water	✓	Sewage	

## Description of Property

The property is a warehouse on 33,591.63  $\,m^2\,of\,land$ 

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## Photos of Property









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تقييم الأصول Assets Valuation

## Photos of Property









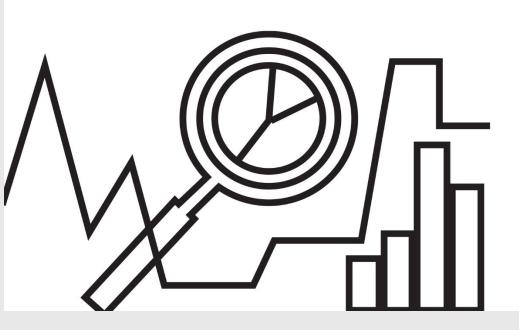








# Study and Analysis of Market





## Services and Facilities Surrounding the Property

On-site Facilities					
	✓ Government Services				
Public Services	✓ Banks				
	✓ Medical Centers				
	✓ Malls				
Commercial Services	✓ Restaurants				
	✓ Gas Stations				
	✓ Electricity System				
	Sewage System				
Infrastructure Services	✓ Water System				
	✓ Telephone System				
	✓ Flood Drainage System				
	✓ Mosques				
Public Utility	✓ Gardens				
	X Educational Services				
	✓ Asphalting				
	✓ Paving				
	✓ Lighting				
On-site Facilities	<b>X</b> Afforestation				
On-site Facilities	<b>√</b> Water				
	✓ Telephone				
	✓ Electricity				
	✓ Sewage				
Remarks					





## Study & Analysis of Market

After conducting a field survey of current market prices of properties located in the vicinity of the subject property under valuation, the prices of lands of similar uses have been determined. Below are samples of field and desk survey.

	Type of Property	Land Area	Price of a Meter	Total Value	Type of Sample	Source	Coordinate	Remarks
1	Warehouse Land	23,240 m <sup>2</sup>	845	19,637,800	Sold	Ministry of Justice	-	-
2	Warehouse Land	13,550 m <sup>2</sup>	1,200	16,260,000	Sold	Ministry of Justice	-	-
3	Warehouse Land	47,000 m <sup>2</sup>	910	42,770,000	Sold	Ministry of Justice	-	-
4	Warehouse Land	10,000 m <sup>2</sup>	1,400	14,000,000	Sold	Ministry of Justice	-	-
5	Warehouse Land	1,450 m <sup>2</sup>	3,448	5,000,000	Sell Price	Aqar	-	Return 7.5%
6	Warehouse Land	1,200 m <sup>2</sup>	2,833	3,400,000	Sell Price	Aqar	-	Return 6.5%



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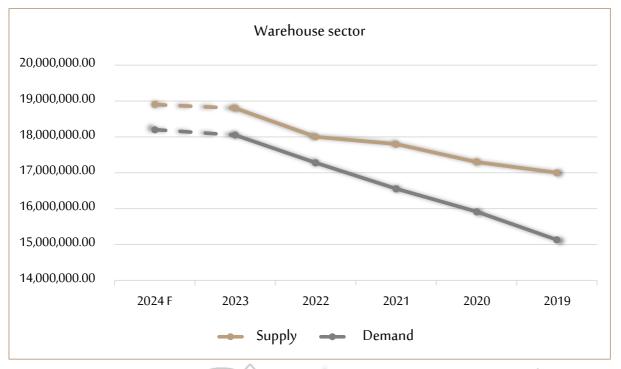
2024-07-29



#### Supply and demand



### Supply and demand



%95 Occupancy rate in the warehouse sector

18.3 million m<sup>2</sup> Total spaces of warehouse

Analysis of transactions executed in Jeddah



The data provided showed that the warehouse market in Jeddah has witnessed remarkable developments in recent years.

The occupancy rate of warehouses in Jeddah is expected to increase by 8% by 2025.

02

There is a shortage of modern, high-quality warehouses, which has led to high rental prices. And building new projects to meet the increasing demand.

Low to medium quality dry warehouses dominate the market and the demand for refrigerated warehouses and refrigerated warehouses is increasing with the growth of sectors such as food and pharmaceuticals.

Investments in the Saudi warehouse market are attractive due to the expected growth and high demand for modern, highquality spaces.

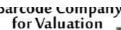
The expected growth in the warehouse occupancy rate in Jeddah and the increasing demand for modern, high-quality spaces make investmen in the Saudi warehouse market desirable.

Source | Barcode data 2024, Ministry of Justice 2024

Equipment Valuation 4114000016

Date of License 1/3/1433 H

Real Estate Valuation 1210000001





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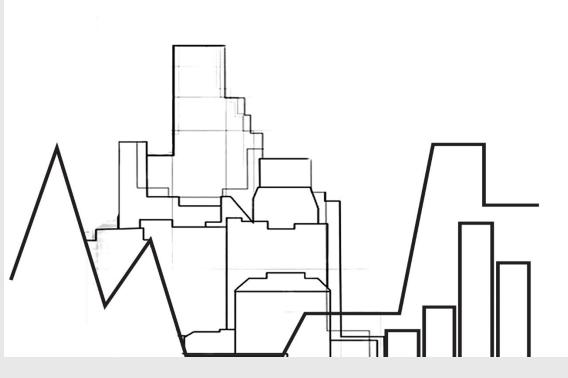
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## **Estimation of Value**



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#### Valuation - Cost Approach (Replacement Method)

The value of the property has been determined using the cost approach - replacement cost method. This method relies on determining the land value in addition to the total cost of replacing and constructing the building at prevailing prices on the valuation date. The calculation involves determining the construction unit price based on the type of construction, finishes, total built-up area, and deducting the depreciation value that has occurred since its construction. This process will be carried out through the following stages:

- 1-Determine the Land Value Using the Comparable Method
- 2-Determine the Direct Cost
- 3-Determine the Indirect Cost
- 4-Calculate Building Depreciation

#### First: Determine the Land Value Using the Comparable Method:

In the first stage, the land value is determined using the comparable method. A survey and analysis were conducted on samples of current market prices for sold and available lands similar to the subject property under valuation. Given the impossibility of finding identical properties, appropriate adjustments were made to the prices of comparable lands by deducting the value of items representing an advantage for the comparable land and adding the value of items representing an advantage for the land under valuation.

Based on this, field survey samples were taken for comparison with the land under valuation. The table below illustrates the method of estimating the land value:

Factors	Property Under Valuation	Comparable No. (1)				Comparable No. (2)		Comparable No. (3)	
Market Conditions		Sold		%0		Sold %0		Sold	%0
Terms of Financing	The property being evaluated	Not available		%0		Not available %0		Not available	%0
Price of Square Meter Afto Financing, and M	er Adjusting Time, Term Market Conditions	is of	0			0			0
Price of Square Meter Afto Financing, and M	er Adjusting Time, Term Market Conditions	is of	845		1,200		910		
Comparison Date			2024-07-25	%0		2024-07-25	%0	2024- 07-25	%0
Square Meter Value	0		845	%0		1200	%0	910	%0
Land Area	33591.63	23240		%-5		13550	%- 10	47000	%5
Location advantages	Excellent	Good		%10		Very good	%5	Very good	%5
Total of Adjustment Rates		<b>%</b> 5				<b>%</b> -5		<b>%</b> 10	
Price of Comparable Meter after Adjusting the Factors of Variation/SAR		887.25 SAR				1,140 SAR		1,001 SAR	
Weight of Each Comparable in Value		%35				%35		%30	
Market value of the meter being evaluated / SAR					1,0	009.8375 SAR			
		In Numbers		33,922,172 SAR					
Total Value of Land			In Words	Thirty-T	Thirty-Three Million Nine Hundred Twenty-Two Thousand One Hundre Seventy-Two				ne Hundred

License Number of Machinery and Equipment Valuation 4114000016 24/7/1441 H

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### || || Valuation - Cost Approach (Replacement Method)

#### Second: Determine the Direct Cost:

After the land value is determined in the first stage, the direct construction costs will be determined. This includes the cost of construction materials and labor costs.

Valuation of Property Using Cost Method						
	Direct Construction Costs					
Description	Description Area Price of Square Meter Calculation					
Ground Floor	25,500 m <sup>2</sup>	500 SAR/m²	Price of Meter (500) * (25,500) Area	12,750,000		
Annexes	550 m <sup>2</sup>	500 SAR/m²	Price of Meter (500) * (550) Area	275,000		
Wall	Wall         500 m²         450 SAR/m²         Price of Meter (450) * (500) Area					
	26,550					
Total of Direct Costs				13,250,000		

#### Third: Determine Indirect Costs:

After the direct costs are determined in the second stage, indirect costs are calculated, which may include, for example, (costs of transportation, installation, professional fees, design, architectural & legal consultations, fees, taxes, financing, other expenses such as commissions, general expenses and fees, permits, profit margin or commercial profit such as return on investment).

Indirect Costs						
Administrative Fees	Fee Percentage (5 %) * (13,250,000) Total of Indirect Costs	662,500				
Utility Fees	ity Fees Fee Percentage (3 %) * (13,250,000) Total of Indirect Costs					
Professional Fees	Professional Fees Fee Percentage (3 %) * (13,250,000) Total of Indirect Costs					
	Total of Indirect Costs 1,722,500					
Total of Direct and Indirect Costs 14,972,500						
Development Profit Margin 10 %	Profit Margin Percentage (10 %) * (14,972,500) Total Direct and Indirect Costs	1,497,250				
Total of Building Value Before Depreciation	Total Direct and Indirect Costs (14,972,500) + (1,497,250)) Profit Margin	16,469,750				

#### Fourth: Calculate Building Depreciation:

After the indirect costs are determined in the third stage and added to the direct costs, the depreciation of the building is calculated using the extended life of the percentage mentioned in the table below. An assumed fixed annual rate is applied over the assumed useful life, with no residual value for the building at the end of the assumed useful life.

Depreciation Using Extended Life Method						
Useful Life of Property (Year)	35	Depreciation Rate	Remaining Useful Life(10)/(35) Useful Life	% 28.6		
Actual Age of Property (Year)	10	Value of Depreciation	Depreciation Rate (% 28.6) * (16,469,750) Total value of buildings before depreciation	4,710,348.5		
Remaining Useful Life (Year)	25	Value of Building After Depreciation	Total value of buildings before depreciation (16,469,750) - (4,710,348.5) Value of Depreciation	11,759,401.5		
Land Value (Saudi Riyal) Land Area (33591.63) * (1,009.8375)Price of Meter 33,922,172						
Total Value of Property		Land Value (33,922,172) + (11,759,401.5) Bu	ilding Value After Depreciation	45,681,574		

Date of License 24/7/1441 H

License Number of Machinery and Equipment Valuation 4114000016

Date of License 1/3/1433 H

License Number of Real Estate Valuation 1210000001









#### Valuation - Income Approach (Direct Capitalization Method)

#### **Direct Capitalization Method**

After conducting a field survey on current market prices to determine rental prices of properties located in the vicinity of the subject property under valuation, and as the average rate of capitalization and vacancy is determined and the financial data of the property is analyzed, the following assumptions have been concluded:

#### Permanent Vacancies:

A permanent vacancy rate of 0% has been assumed for the property 0 %

#### Maintenance and Operation Expenses:

The total value of expenses was determined based on the prevailing market norms and similar properties with characteristics matching the property under valuation, at a rate of 0% 0%

#### Capitalization Rate:

A capitalization rate has been adopted. It is deemed suitable for the property in the current condition and actual remaining useful life, determined at a rate of: 7 %

Direct Capitalization Method				
Total Income	2,426,992.0 SAR			
Vacancy Rate	0.0 %			
Value of Vacancy Rate	0.0 SAR			
Active Income	2,426,992.0 SAR			
Expenses Rate	%			
Value of Expenses Rate	242,699.2 SAR			
Net Income	2,184,292.8 SAR			
Capitalization Rate	7 %			
Market Value of Property Using Income Approach	31,204,183.0 SAR			
Market Value of Property After Rounding	31,204,183.0 SAR			
Net Income Capitalization Rate Market Value of Property Using Income Approach	2,184,292.8 SAR 7 % 31,204,183.0 SAR			

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## Total Value

#### Opinion on Value:

Taking into consideration all the information and relevant factors in determining the current market value of the real property located in Jeddah city, Alwadi District district, and in addition to considering the property's condition and current valuation in accordance with the terms outlined in this report, it has been determined that the market value of the property is:

Weighted Value	In Numbers	45,681,574.0 SAR
	In Words	Forty Five Million Six Hundred Eighty One Thousand Five Hundred Seventy Four



License Number of Real Estate Valuation 1210000001



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# **Appendices**



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(Appendix A) Fund risks





#### General risks to the Fund

#### Local economic risks



The Fund's forecasts may be affected by changes in economic conditions, including, but not limited to, inflation rates, new government regulations and decisions, political events and trends, and tax legislation.

#### Change in interest rates



The Fund will be affected by changes in interest rates if it invests in Murabaha securities or obtains a loan to finance and develop the Fund's assets.

#### Real estate market risks



These are the conditions that affect the real estate market through the volume of supply and demand and the presence of new competitors in different sectors, which affects rental values and occupancy rates in the future.

#### Liquidity and asset impairment risks



The low level of liquidity in the real estate market could affect the valuation of the Fund's properties or make it more difficult to exit any of the Fund's assets with the required returns, with the possibility of a decline in the value of the assets in the future as a result of market conditions.

#### The risk of not having long-term contracts



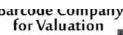
To obtain stable returns, it is necessary for the fund's portfolio to include investments in properties that have long-term leases to ensure the required cash flows occur.

#### There is no guarantee of achieving revenues in the future



This means not achieving the expected occupancy rates in the future, which would affect the fund's revenues.

Date of License 24/7/1441 H Equipment Valuation 4114000016 Date of License 1/3/1433 H Real Estate Valuation 1210000001





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#### Special risks to the property

#### Risks of obsolescence and lack of maintenance



Over the years and continuous operation, the property is affected by climatic and environmental conditions and the consumption of the building by the beneficiaries, which could affect the quality and reputation of the property in the future if regular maintenance is not paid attention to.

#### Quality risk and development management



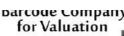
The risks related to the hospitality sector include several risks, the most important of which are: the risks of choosing an experienced developer and a management and monitoring team for the hotel to maintain the estimated operational costs of development and maintenance and the reputation of the project.

#### **Competitor risks**



An increase in future projects, which will attract many future competitors in Jeddah, which may affect the occupancy rates and annual income of the property in the future.

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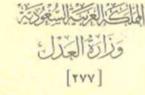
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المروال الرام الأرام



#### (Appendix A) Title deeds





## كئابتر العليل الاويلي يخلية

## (UP-16410) (19 (U) (M 64 III ) III (B B B I II 3 III )

الرقم: ٢٠٢١٥٠١؛ ٢٠٢١ التاريخ: ١٢ / ٥ / ١٤٢٨ هـ

#### صىك

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

فإن قطعة الارض ٢٩ و قطعة الارض ٤٠ و قطعة الارض ٤١ و قطعة الارض ٢٢ و قطعة الارض ٣٣ و قطعة الارض ٤٤ و قطعة الارض ٤٠ و قطعة الارض ٢٠ و قطعة الارض ٢٧ و قطعة الارض ٢٨ و قطعة الارض ٤٩ و قطعة الارض ٥٠ و قطعة الارض ١٥ و قطعة الارض ٥٢ و قطعة الارض ٥٣ و قطعة الارض ٥٤ من المخطط رقم ٥٠٣ / ج/ ص الواقع في حي الوادي بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢١٨ بطول: (۱۰۰,۷۸) بطول مائة متر و ثمانية و سبعون سنتمتر ثم يتكسر جنوب غرب بطول

\$7,76

بطول: (۱۰۰) بطول مائة متر ثم ينكسر شمال شرق بطول ٧٠،٧٨ جنوباً: شارع عرض ٢٢م

شرقاً: شارع عرض ٢٢م بطول: (۲۸۹,۳) بطول مئتين و تسعة و ثمانون مثر و ثلاثون سنتمتر ثم ينكسر شمال

غرب بطول ۷,۱۸م

غرباً: شارع عرض ٢٥مر بطول: (٣٠٢,٣٦) بطول ثلاثمانة و اثنين متراً و ستة و ثلاثون سنتمتراً ثم ينكسر جنوب

شرق بطول ۷۰۰۷م

ومساحتها :( ٣٣,٥٩١,٦٣) ثلاثة و ثلاثون ألفا و خمسمائة و واحد و تسعون متر مربعاً و ثلاثة و ستون سنتمترا مربعاً فقط والمستند في افراغها على الصك الصادر من هذه الإدارة برقم ٢٠١٨٤٠ ٨٢٠٢٠٤ في ٢٥ / ١٤٣٥ هـ

قد انتقلت ملكيتها لـ: شركة الانماء للاستثمار بموجب سجل تجاري رقم ١٠١٠٢٦٩٧٦٤ في ٢٢ / ٢٦. ١٤٣٠ هـ ١٠ بشمن وقدره ٢٠٦٢٠١٤٣،١٤ ستون مليونا و ستمانة و عشرون ألفا و مائة و ثلاثة و أربعون ريال و أربعة عشر هللة وعليه جرى التصديق تحريرا يِّ ١٢ / ٥/ ١٤٣٨ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.



نعوذج رهم (۱۹۰-۳-۱۰)

( هذا التعودج محصص للاستخدام بالصاسب الألي ويعنع تغليفه )

ملحة عطابع الحكومة - ٢٥٢٥٧٦

عجافظة جدة





#### Appendix B (Information Recourses)

In the report, it was relied upon several sources of information, both official and unofficial. These include information received from the client, open data, and publicly announced reports, such as:

- 1. Regulations of Accredited Valuers issued by Royal Decree No. (M/43) on 9/7/1433 AH.
- 2. Executive regulations of accredited valuers regulations
- 3. Rules of conduct and ethics of valuation profession issued by TAQEEM
- 4. International Valuation Standards 2022.
- 5. Summary of Changes in International Valuation Standards 2022.
- 6. The International Valuation Standards of the Royal Institution of Chartered Surveyors (RICS) RICS
- 7. Guide of professional practice for real estate valuers issued by TAQEEM, February 2022.
- 8. Guide of valuating the market rent for telecom tower sites issued by TAQEEM.
- 9. Professional guide of valuation for the purposes of expropriation of real estate for public benefit issued TAQEEM.
- 10. Pricing guide of cost of constructions, improvements, planting and components for the purposes of expropriation issued by TAQEEM.
- 11. Guide of reviewing valuation reports issued by TAQEEM, May 2022.
- 12. Indicators of the Ministry of Justice.
- 13. Real estate indicators of the General Authority for Real Estate.
- 14. National Geospatial Data.
- 15. Municipalities of Saudi Cities and Governates.
- 16. Real estate indicators and data drawn from Paseetah platform which is specialized in real estate data.
- 17. Barcode Database.
- 18. Field surveys and personal interviews for each site being valued.
- 19. Some sources were not initially referenced but have been acknowledged within the details of the report. Although not initially cited, some sources have been duly acknowledged within the content of the report



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#### Appendix C (Technical and Professional Terms)

This glossary defines certain terms used in the International Valuation Standards. It is only applicable to the International Valuation Standards

#### 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".

#### Basis (bases) of Value

The fundamental premises on which the reported values are or will be based (see IVS 105 Valuation Approaches and Methods, para 10.1).

#### 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 thirdparty client) as well as internal clients (ie, valuations performed for an employer).

### Cost

The consideration or expenditure required to acquire or create an asset.

#### Discount Rate(s)

A rate of return used to convert a monetary sum, payable or receivable in the future, into a present value.

#### Equitable Value

This is the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.

#### Fair Market Value

- 1- OECD ) The Organisation for Economic Co-operation and Development (OECD) defines "fair market value" as the price a willing buyer would pay a willing seller in a transaction on the open market.
- 2- For United States tax purposes, Regulation No. 20.2031-1 states: "The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts".

#### Fair Value (International Financial Reporting Standards)

IFRS 13 defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 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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#### Appendix C (Technical and Professional Terms)

#### Investment Value

The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).

#### lurisdiction

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).

#### Liquidation Value

The amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation value can be determined under two different premises of value (see IVS 104 Bases of Value, section 80):

- (a) an orderly transaction with a typical marketing period; or
- (b) a forced transaction with a shortened marketing period.

#### Market Value

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.

#### Synergistic Value

The result of a combination of two or more assets or interests where the combined value is more than the sum of the separate values. If the synergies are only available to one specific buyer, then synergistic value will differ from market value, as the synergistic value will reflect particular attributes of an asset that are only of value to a specific purchaser. The added value above the aggregate of the respective interests is often referred to as marriage value.

#### 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.

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).

#### Price

The monetary or other consideration asked, offered or paid for an asset, which may be different from the value.

#### Purpose

Date of License 24/7/1441 H

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





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# Appendix C (Technical and Professional Terms)

#### 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

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

The act or process of determining an opinion or conclusion of value of an asset on a stated basis of value at a specified date in compliance with IVS.

# Valuation Approach

In general, a way of estimating value that employs one or more specific valuation methods (see IVS 105 Valuation Approaches and Methods).

#### Valuation Method

Within valuation approaches, a specific way to estimate a value.

# 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

The opinion resulting from a valuation process that is compliant with IVS. It is an estimate of either the most probable monetary consideration for an interest in an asset or the economic benefits of holding an interest in an asset on a stated basis of value.

# Valuer

A "valuer" is an individual, group of individuals or individual within an entity, regardless of whether employed (internal) or engaged (contracted/external),

possessing the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased, ethical and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

License Number of Real Estate Valuation 1210000001







# Appendix C (Technical and Professional Terms)

# 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.

#### Worth

See investment value.



# Conclusion

At the end of the report, we would like to affirm the following:

- \* Analyses and conclusions are solely based on disclosed assumptions and conditions.
- \* Barcode valuers have no vested interest in the valuation.
- \* Barcode valuers possess all the qualifications necessary for compiling this report
- \* The team has the requisite experience to carry out this task.
- \* Site inspections have been conducted by Barcode team

We are confident that the valuation was conducted in accordance with the international valuation standards. For any inquiries, please contact us through the provided contact information below.

Riyadh	Khobar	Jeddah
The intersection of University Road with Othman bin  Affan Road	Prince Faisal bin Fahd Street	Prince Sultan Street, north of duaar altaarikh
(966) 11 4000 111	920005564	(966) 12 6544 363



Rfp@barcode-sa.com

www.barcode-sa.com

Universal Number:

920005564

Barcode Company for Valuation



Valuation Report: Warehouse

Presented to: Al-Jazira REIT Fund

Warehouse - 31796.08

Report No: DC24012561

Report Date: 2024-07-29



DC24012561

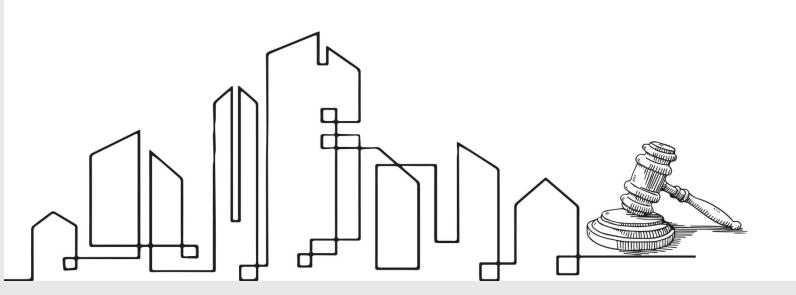
# Body of the Report

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Barcode Company for Valuation License Number of Machinery and Equipment Valuation 4114000016 License Number of Real Estate Valuation 1210000001 Date of License 1/3/1433 H



# Introduction, Technical and Legal Principles



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### Dear/ Al-Jazira REIT Fund

Greetings,

Based on your job approval for Barcode Co. on 2024/07/02 to value aWarehouse located in Jeddah for the purpose of Periodic evaluation of the AlJazira REIT traded fund, the inspection was conducted on 2024/07/18.

This valuation was carried out based on the international valuation standards (IVS 2022) issued by the International Valuation Standards Council (IVSC) translated by (Taqeem) – 2022, and in accordance with the professional procedures and regulations recognized in valuation of real estate assets. As it is our endeavor to determine the appropriate value of the property for the purpose for which the valuation report is prepared. This report is a reliable certificate, and is considered one unit and indivisible. (IVS2022)

Warm regards,

Abdulkarim Abanumay

CEO

**Barcode Valuation Company** 

Valuer Holding a Fellowship in Real Estate Valuation

Membership No.: 1210000001

License No.: 1210000001

License Date: 1433/03/01 AH

Valuer Holding a Fellowship in Machinery & Equipment Valuation

Membership No.: 4210000001

License No.: 4114000016

License Date: 1441/07/24 AH



# Info of Valuer & Client

Info of Valuation Company			
Company Name	Barcode Valuation Company		
No of Commercial Registration	1010468077		
Date of Commercial Registration	1438/05/15 AH		
License Number of Real Estate Valuation	1210000001		
License Date	1433/03/01 AH		
License Number of Machinery and Equipment Valuation	4114000016		
License Date	1441/07/24 AH		

We would to emphasize that the accredited valuer is independent. In addition, there is no conflict of interests with any of the parties of the valuation process or the assets under valuation. The valuer has maintained the principles of impartiality, transparency and professionalism, without any external influence of any party.







Report No DC24012561 Report Date

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92 000 5564	بارکود BARCODE
Assets Valuation	

# Technical and Legal Principles

1- Date of Assignment:

2024/07/02

2- Requester (Client):

Al-Jazira REIT Fund

3- Beneficiary (Users of Report):

Al-Jazira REIT Fund

4- Other Users of Report:

A public report published for unitholders of Aljazira REIT Fund that is used by the fund manager (Aljazira Capital) for periodic evaluation of the fund

5- Purpose of Valuation :

Periodic evaluation of the AlJazira REIT traded fund

6- Ability to Value the Asset:

Barcode has a professional staff that can value this type of asset, and has the required competence to identify the market value on the required date, and accordingly it has accepted the work.

7 - Professional Standards of Valuation :

This valuation was carried out based on the international valuation standards (IVS 2022) issued by the International Valuation Standards Council (IVSC) — translated by (TAQEEM) 2022 — and in accordance with the professional procedures and regulations recognized in valuation of real estate assets. The procedures are based on analysis, comparison and direct inspection of each asset. In addition, the valuer searches as much as possible for positive and negative influences and characteristics of the asset being valued.

8-Basis of Value:

Market Value: "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."



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# Technical and Legal Principles

9- Premise of Value:

Current usage

10- Effective Date of Value:

2024/06/30

11- Date of Inspection:

2024/07/18

#### 12-Limits of Inspection, Examination, Research and Investigation

To carry out the valuation and fulfill the purpose of this report, the subject assets were inspected. The data available from the inspection, collected by the valuer in accordance with international valuation standards, were analyzed. It is important to note that this inspection is not relied upon for the purposes of technical or engineering examination and testing. Additionally, the valuer does not provide any warranties regarding the absence of non-apparent defects in the asset under valuation.

# 13. Currency of Valuation:

The currency used in the report Saudi Riyal

# 14- Valuer's Scope of Research:

The research and analysis encompassed in preparing the report align with the intended purpose in accordance with international valuation standards. The property was thoroughly examined both internally and externally on the day of inspection, and all necessary data were obtained to facilitate the report preparation.

# 15-Valuation Approach:

The Market Approach has been adopted in property valuation. Income Approach:- Method of finding a value index is by converting future cash flows into a capital valueCost Approach:- It is a approach used for finding an index of the value where the purchaser would not pay more for a property than the cost of another comparable property either by purchase or construction.

# 16-Sources and Nature of Information:

In preparing the valuation report, we relied on a variety of resources and information mentioned in Appendix C and office data that we believe corresponds to the purpose and time of the valuation. Some resources of information for this report have been mentioned throughout the report.







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# Technical and Legal Principles

# 17 - Ownership Documents:

A copy of the ownership deed was previewed and it is assumed that it is authentic and we disclaim any responsibility form any replica or counterfeit.

# 18 - Freedom of Disposition :

it is assumed that there are no restricting conditions such as : religious constraints, legal, or business rules & regulations that restrict either the assignment or use of the

#### 19 - Privileges of the Insurance Policy:

No insurance policy document was received for the property under valuation.

# 20 - Legal Uses of Property:

Based on the inspection of our team, the subject property under valuation is for warehouse use .

# 21 -Limitation of Liability and Independence :

This valuation process and the report are considered advisory work in which we maintain the principles of neutrality, transparency, and professionalism, without external influence from any party.

#### 22. Type of Report:

Narrative (detailed) report

This report has been prepared in a narrative manner, taking into account all details affecting the asset being valued.

#### 23. Intellectual Property and Reuse:

This report, in form and content, is the intellectual property of Barcode Company, and no party - including the requester and the beneficiary of the report - may republish all or some parts of the report without obtaining written consent from the company.

# 24- Confidentiality and Preservation of Information :

The report was prepared as a special request and for consulting purposes. Barcode acknowledges the utmost importance for the client to maintain the confidentiality of the report's data and outcomes. It is committed to preserving confidentiality, ensuring that the client's information will only be used within the report. The provided information is considered the exclusive property of the client and the designated users specified in the report, with no right granted to any third party to access it.



2024-07-29





Our team has previous experience in valuation and has accreditations in valuation from the competent authorities. It has sufficient experience in the regions and categories of real estate that have been valued. The team can prepare reports without any difficulties in accordance with the requirements of international valuation standards.

Name of Valuer	Membership No.	Category of Membership	Type of Membership	Signature
Salem Alharbi	1210003141	Realestate	Affiliate	
Abdulkarim Abanumay	1210000001	Realestate	Certified Fellow	Combale
Ahmed Balubaid	1220001204	Realestate	Essential fellow	<u>si</u>
Abdulkarim Sheikh	1210001409	Realestate	Essential fellow	A.

Approval			
Stamp	عود المورد المو		
No & Date of Commercial Registration	1010468077	1438/05/15AH	
No & Date of Real Estate Valuation License	1210000001	1433/03/01AH	
No & Date of Machinery and Equipment Valuation License	4114000016	1441/07/24AH	







# **Executive Summary**



DC24012561

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# Executive Summary

=				
Requester (Client)	Beneficiary (Users of Report)			
Al-Jazira REIT Fund	Al-Jazira REIT Fund			
Purpose of Valuation	Premise of Value			
Periodic evaluation of the AlJazira REIT traded fund	Current usage			
Location of Property	Type of Property			
Jeddah - Alwadi District	Warehouse			
Land Area Based on Deed	Name of Owner			
31,796.1m <sup>2</sup>	Al-Anmaa Investment Company			
No of Title Deed	Date of Title Deed			
920205026530	1438-05-12H			
Type of Ownership	Basis of Value			
absolute	Market value			
Valuation Approach & Mathod				

# Valuation Approach & Method

. Income Approach - Direct Capitalization Method . Cost Approach - Replacement cost method

### Valuation Standards

# (Valuation standards (IVSs 2022

Date of Assignment	Date of Inspection	Effective Date of Value
2024/07/02	2024/07/18	2024/06/30
V. J. (2)	Value of Property (Amount in Numbers)	Value of Property (Amount in Words)
Value of Property	43,939,355.0	Forty Three Million Nine Hundred Thirty Nine Thousand Three Hundred Fifty Five





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# Hypotheses and Determinants of Report

Based on the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as fact in the context of valuation without checking them in a specific way. These matters are accepted once they are mentioned and these assumptions are necessary to understand the valuation or advice provided. Special assumptions are assumptions that differ from the actual facts existing at the valuation date, or those that an ordinary market participant in a transaction would not assume at the valuation date."

In this valuation process, the following was assumed:

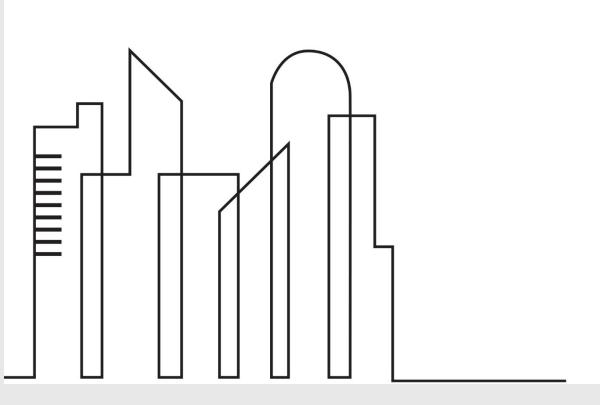
1	Analyzes and conclusions as disclosed by the client.
2	The cost method was adopted because the income does not reflect the value of the property.
3	The boundaries and lengths were approved according to the title deed

Note: The asterisk (\*) denotes a specific assumption. The estimated value in this report is contingent upon the fulfillment of the specific assumption.





# **Info & Location of Property**



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# Location of Asset

Type of Asset	Master Plan
Warehouse	Inside Urban Zone
Region	City
Makkah Region	Jeddah
District	No of Multiple-Plots Land
Alwadi District	ج /ص/ 503
Block No.	Plot No.
10	From 129 to 142
Unit No.	Nearest Commercial Street
-	-

# Site Coordinates

# 39.18868365383875 21.324052605416753

#### Remarks on Location

The property was located according to the location provided by the client.

# Name of Owner

# Al-Anmaa Investment Company

# Ownership Info

Owner ID	Type of Ownership		
1010269764	absolute		
Title Deed No.	Date of Title Deed		
920205026530	1438-05-12H		
Building Permit No.	Date of Building Permit		
3400089361 1434/07/24			
Remarks on Documents and Ownership			

Remarks on Documents and Ownership





License Number of Real Estate Valuation 1210000001





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92 000 5564 BARCODE تقییم الأصول Assets Valuation

# Info of Land

Land Area (Based on Deed)		Land Use Based on System		Land Use Based on Nature (Inspection)	
31,796.1 m <sup>2</sup>		warehouse		warehouse	
Land Shape		Ground level		Development of Adjacent Parcel	
✓ Regular	□Irregular	✓ Even 🗆 Uneven		✓ Built	□ Not Built
	Boundaries and Lengths (based on title deed)				
Direction	Boundary		Street width		Length of Side
north	Street		32	m	100 m then it breaks south west with a length of 7,07 m $$
South	Street		60	m	100.06 m then it breaks north east with a length of 6,96 m
East	Street		32	m	281.18 m then it breaks north west with a length of 7,07 m
West	Street		25	m	277.84 m then it breaks south east with a length of 7,18 m
Remarks					

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# Aerial Photo of Site



An aerial photo showing the location of the property at the city level.



An aerial photograph showing the location of the property in relation to surrounding sites.





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# Info of Building & Finishings

Info of Building & Finishings	Age of Building (Ba	ased on estimate of the valuation assessor for lack of construction permit)	
concrete		10 Years	
No of Floors		Basement	
1		0	
Use Purpose of Building		Buildings Area	
warehouse	28480 m²		
Condition of Construction		Level of Finishing	
good	-		
Type of Air Conditioning	-		
Finishing of Floor		-	
Finishing of Walls		-	
Finishing of Ceilings			
Percentage of Completion of Construction & Finishing	100 %		
Remaining Work			
Property Utilities			
<b>√</b> Telephone	✓	Electricity	
✓ Water	×	Sewage	

# Description of Property

The property is a warehouse with a land area of 31,796.08  $m^2$ , in Al Wadi district, south of Jeddah.

# Photos of Property







2024-07-29

# **Photos of Property**











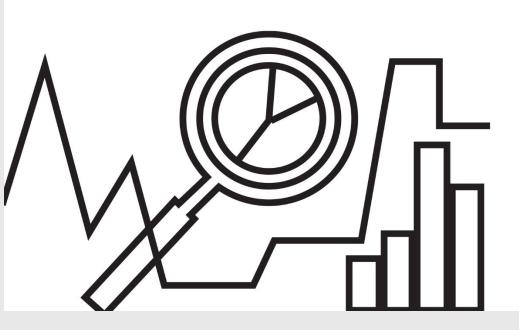








# Study and Analysis of Market



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# Services and Facilities Surrounding the Property

On-site Facilities		
Public Services	<ul><li>✓ Government Services</li><li>✓ Banks</li><li>✓ Medical Centers</li></ul>	
Commercial Services	✓ Malls ✓ Restaurants ✓ Gas Stations	
Infrastructure Services	✓ Electricity System  Sewage System  ✓ Water System  ✓ Telephone System  ✓ Flood Drainage System	
Public Utility	<ul><li>✓ Mosques</li><li>✗ Gardens</li><li>✗ Educational Services</li></ul>	
On-site Facilities	✓ Asphalting  ✓ Paving  ✓ Lighting  X Afforestation  ✓ Water  ✓ Telephone  ✓ Electricity  X Sewage	
Remarks		







# Study & Analysis of Market

After conducting a field survey of current market prices of properties located in the vicinity of the subject property under valuation, the prices of lands of similar uses have been determined. Below are samples of field and desk survey.

	Type of Property	Land Area	Price of a Meter	Total Value	Type of Sample	Source	Coordinate	Remarks
1	Warehouse Land	23,240 m²	845	19,600,000	Sold	Ministry of Justice	-	
2	Warehouse Land	13,550 m <sup>2</sup>	1,200	16,300,000	Sold	Ministry of Justice	-	
3	Warehouse Land	47,000 m <sup>2</sup>	910	42,800,000	Sold	Ministry of Justice	-	
4	Warehouse Land	10,000 m <sup>2</sup>	1,400	14,000,000	Sold	Ministry of Justice	-	
5	Warehouse	1,450 m <sup>2</sup>	3,448	5,000,000	Sell Price	aqar	-	
6	Warehouse	1,200 m <sup>2</sup>	2,833	3,400,000	Sell Price	aqar	-	



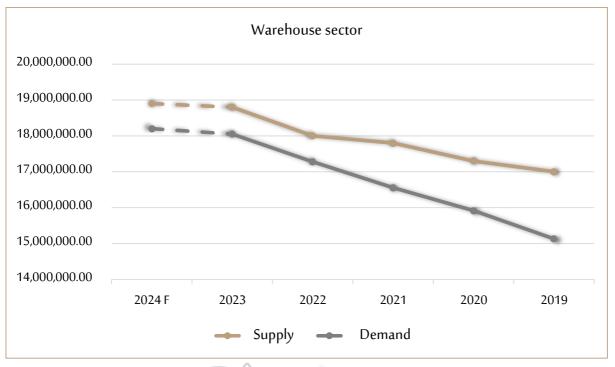




# Supply and demand



# Supply and demand



%95 Occupancy rate in the warehouse sector

18.3 million m<sup>2</sup> Total spaces of warehouse

Analysis of transactions executed in Jeddah



The data provided showed that the warehouse market in Jeddah has witnessed remarkable developments in recent years.



The occupancy rate of warehouses in Jeddah is expected to increase by 8% by 2025.

02

There is a shortage of modern, high-quality warehouses, which has led to high rental prices. And building new projects to meet the increasing demand.

Low to medium quality dry warehouses dominate the market and the demand for refrigerated warehouses and refrigerated warehouses is increasing with the growth of sectors such as food and pharmaceuticals.

Investments in the Saudi warehouse market are attractive due to the expected growth and high demand for modern, highquality spaces.



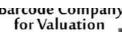
The expected growth in the warehouse occupancy rate in Jeddah and the increasing demand for modern, high-quality spaces make investmen in the Saudi warehouse market desirable.

Source | Barcode data 2024, Ministry of Justice 2024

Equipment Valuation 4114000016

Date of License 1/3/1433 H

Real Estate Valuation 1210000001



DC24012561

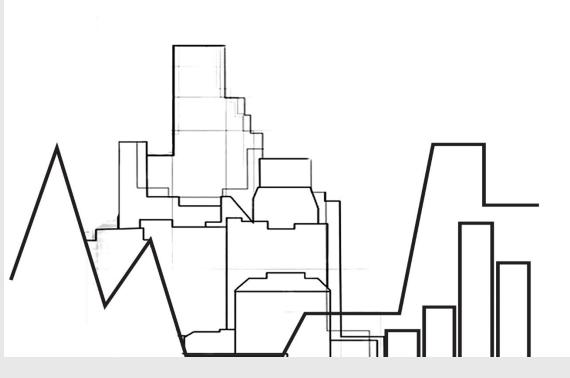
Report Date

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# **Estimation of Value**



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# يـم الأصــول Assets Valuation

# Valuation - Cost Approach (Replacement Method)

The value of the property has been determined using the cost approach - replacement cost method. This method relies on determining the land value in addition to the total cost of replacing and constructing the building at prevailing prices on the valuation date. The calculation involves determining the construction unit price based on the type of construction, finishes, total built-up area, and deducting the depreciation value that has occurred since its construction. This process will be carried out through the following stages:

- 1-Determine the Land Value Using the Comparable Method
- 2-Determine the Direct Cost
- 3-Determine the Indirect Cost
- 4-Calculate Building Depreciation

# First: Determine the Land Value Using the Comparable Method:

In the first stage, the land value is determined using the comparable method. A survey and analysis were conducted on samples of current market prices for sold and available lands similar to the subject property under valuation. Given the impossibility of finding identical properties, appropriate adjustments were made to the prices of comparable lands by deducting the value of items representing an advantage for the comparable land and adding the value of items representing an advantage for the land under valuation.

Based on this, field survey samples were taken for comparison with the land under valuation. The table below illustrates the method of estimating the land value:

Factors	Property Under Valuation	Comparable No. (1)			Comparable No. (2)		Comparable No. (3)		
Market Conditions	0		Sold	%0		Sold	%0	Sold	%0
Terms of Financing	The property being evaluated		Not Available	%0		Not Available	%0	Not Available	%0
*	After Adjusting Time, Tern d Market Conditions	ms of	0		0			0	
	After Adjusting Time, Tern d Market Conditions	ms of	1,200	)		910			845
Location advantage	Excellent		Very good	%5		Very good	%5	Good	%10
Square Meter Value	0		1200	%0		910	%0	845	%0
Comparison Date			2024-07-18	%0		2024-07-18	%0	2024- 07-18	%0
Land Area	31796.08		13550	%-10		47000	%5	23240	<b>%-5</b>
Total of Adjustment Rates			<b>%</b> -5			% 10		•	<b>%</b> 5
Price of Comparable Meter after Adjusting the Factors of Variation/SAR			1,140 SAR			1,001 SAR		887.	25 SAR
Weight of Each Comparable in Value		%35				%30		%	535
Market value of the meter being evaluated / SAR					1,	009.8375 SAR			
		In Numbers	n Numbers 32,108,953 SAR						
Total	Value of Land		In Words	Thirty-	-Two Mill	ion One Hundred Eight Tho Three	usan	d Nine Hun	dred Fifty-

# || || Valuation - Cost Approach (Replacement Method)

#### Second: Determine the Direct Cost:

After the land value is determined in the first stage, the direct construction costs will be determined. This includes the cost of construction materials and labor costs.

	Valuation of Property Using Cost Method				
	Direct Construction Costs				
Description	Area	Price of Square Meter	Calculation	Total	
Total Area	1,740 m²	0 SAR/m²	Price of Meter (0) * (1,740) Area	0	
Ground Floor	25,500 m <sup>2</sup>	500 SAR/m²	Price of Meter (500) * (25,500) Area	12,750,000	
Wall	800 m <sup>2</sup>	450 SAR/m²	Price of Meter (450) * (800) Area	360,000	
Annexes	440 m²	500 SAR/m²	Price of Meter (500) * (440) Area	220,000	
	28,480				
	Total of Direct Costs			13,330,000	

#### Third: Determine Indirect Costs:

After the direct costs are determined in the second stage, indirect costs are calculated, which may include, for example, (costs of transportation, installation, professional fees, design, architectural & legal consultations, fees, taxes, financing, other expenses such as commissions, general expenses and fees, permits, profit margin or commercial profit such as return on investment).

	Indirect Costs			
Administrative Fees	Fee Percentage (3 %) * (13,330,000) Total of Indirect Costs	399,900		
Utility Fees	Fee Percentage (5 %) * (13,330,000) Total of Indirect Costs	666,500		
Professional Fees	Fee Percentage (5 %) * (13,330,000) Total of Indirect Costs	666,500		
	Total of Indirect Costs	1,732,900		
	Total of Direct and Indirect Costs 15,062,900			
Development Profit Margin 10 %	Profit Margin Percentage (10 %) * (15,062,900) Total Direct and Indirect Costs	1,506,290		
Total of Building Value Before Depreciation	Total Direct and Indirect Costs (15,062,900) + (1,506,290)) Profit Margin	16,569,190		

#### Fourth: Calculate Building Depreciation:

After the indirect costs are determined in the third stage and added to the direct costs, the depreciation of the building is calculated using the extended life of the percentage mentioned in the table below. An assumed fixed annual rate is applied over the assumed useful life, with no residual value for the building at the end of the assumed useful life.

	Depreciation Using Extended Life Method				
Useful Life of Property (Year)	35	Depreciation Rate	Remaining Useful Life(10)/(35) Useful Life	% 28.6	
Actual Age of Property (Year)	10	Value of Depreciation	Depreciation Rate (% 28.6) * (16,569,190) Total value of buildings before depreciation	4,738,788.34	
Remaining Useful Life (Year)	25	Value of Building After Depreciation	Total value of buildings before depreciation (16,569,190) - (4,738,788.34) Value of Depreciation	11,830,401.66	
Land Value (Saudi Riyal)  Land Area (31796.08) * (1,009.8375)Price of Meter 32,108,953			32,108,953		
Total Value of Property  Land Value (32,108,953) + (11,830,401.66) Building Value After Depreciation  43,939,355			43,939,355		

Date of License 24/7/1441 H

License Number of Machinery and Equipment Valuation 4114000016

Date of License 1/3/1433 H

License Number of Real Estate Valuation 1210000001









# Valuation - Income Approach (Direct Capitalization Method)

#### **Direct Capitalization Method**

After conducting a field survey on current market prices to determine rental prices of properties located in the vicinity of the subject property under valuation, and as the average rate of capitalization and vacancy is determined and the financial data of the property is analyzed, the following assumptions have been concluded:

#### Permanent Vacancies:

A permanent vacancy rate of 0% has been assumed for the property 0 %

#### Maintenance and Operation Expenses:

The total value of expenses was determined based on the prevailing market norms and similar properties with characteristics matching the property under valuation, at a rate of 0% 0%

#### Capitalization Rate:

A capitalization rate has been adopted. It is deemed suitable for the property in the current condition and actual remaining useful life, determined at a rate of: 7 %

Direct Capitalization Method				
Total Income	3,230,140.0 SAR			
Vacancy Rate	0.0 %			
Value of Vacancy Rate	0.0 SAR			
Active Income	3,230,140.0 SAR			
Expenses Rate	%			
Value of Expenses Rate	323,014.0 SAR			
Net Income	2,907,126.0 SAR			
Capitalization Rate	7 %			
Market Value of Property Using Income Approach	41,530,371.0 SAR			
Market Value of Property After Rounding	41,530,371.0 SAR			





# Total Value

# Opinion on Value:

Taking into consideration all the information and relevant factors in determining the current market value of the real property located in Jeddah city, Alwadi District district, and in addition to considering the property's condition and current valuation in accordance with the terms outlined in this report, it has been determined that the market value of the property is:

Weighted Value	In Numbers	43,939,355.0 SAR
	In Words	Forty Three Million Nine Hundred Thirty Nine Thousand Three Hundred Fifty Five









Report No DC24012561 Report Date 2024-07-29 29 - 37



# **Appendices**



DC24012561

Report Date

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# (Appendix A) deed





# كتابت العدال الاولى يخلية

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الرقم: - ٢٥٢٠، ٥٠٠- ٢٠ التاريخ: ١٤٢٨ م ١٨٢٨ هـ

# صىك

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

فإن قطعة الارض ١٣٩ و قطعة الارض ١٣٠ و قطعة الارض ١٣١ و قطعة الارض ١٣٢ و قطعة الارض ١٣٣ و قطعة الارض ١٣٤ و قطعة الارض ١٣٥ و قطعة الارض ١٣٦ و قطعة الارض ١٣٧ و قطعة الارض ١٣٨ و قطعة الارض ١٣٩ و فطعة الارض ١٤٠ و قطعة الارض ١٤١ و قطعة الارض ١٤٢ من المخطط رقم ٥٠٣ م م ص الواقع في حي الوادي بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢٦م بطول: (١٠٠) بطول مائة متر ثم ينكسر جلوب غرب يطول ٧٠،٠٧م

جنوبا: شارع عرض ١٠٠٠ بطول: (١٠٠،٠٦) بطول مائة متر و سنة سنتمثر ثم ينكسر شمال شرق بطول ٦٦،٩٦م

شرقاً: شارع عرض ٢٦م بطول: (۲۸۱٬۱۸) بطول مئتین و واحد و ثمانون متر و ثمانیة عشر سنتمتر ثم پنکسر

شمال غرب بطول ٧٠٠٧هـ

غزباً: شارع عرض ١٥هـ بطول: (۲۷۷٬۸۱) بطول مثنين و سبعة و سبعون متراً و أربعة و ثمانون سنتمثراً ثم بنكسر

جنوب شرق بطول ۱۸ ۷٫۱۸

ومساحتها :( ٢١،٧٩٦،٠٨) واحد و ثلاثون ألفا و سبعمائة و ستة و تسعون متر مربعاً و ثمانية سنتمتراً مربعاً فقط والمستند في افراغها على الصك الصادر من هذه الإدارة برقم ٢٠١٨٤٢٦ في ٢٠١٤ في ١٤٣٥ م

قد انتقات ملكيتها لـ: شركة الانماء للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٢٩٧٦٤ في ٢٣٠ / ٢/ ١٤٣٠ هـ ١٠ بثمن وقدره ٥٧٣٢٩٨٥٦،٨٦ سبعة و خمسون مليونا و ثلاثمائة و تسعة و سبعون ألفا و ثمانمائة و سنة و خمسون ريال و سنة و ثمانون هللة وعليه جرى التصديق تحريراً في ١٢ / ٥/ ١٤٣٨ هـ لاعتماده، وصلى الله على نبينا محمد وأله وصحبه وسلم،



( هذا القعودج مخصص للاستخدام بالحاسب الآلي ويمتح تغليقه )

صلحة مطابع المكومة - ٢٠١٠٧٦

Equipment Valuation 4114000016 24/7/1441 H

Date of License 1/3/1433 H

Real Estate Valuation 1210000001

for Valuation







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# General risks to the Fund

#### Local economic risks



The Fund's forecasts may be affected by changes in economic conditions, including, but not limited to, inflation rates, new government regulations and decisions, political events and trends, and tax legislation.

# Change in interest rates



The Fund will be affected by changes in interest rates if it invests in Murabaha securities or obtains a loan to finance and develop the Fund's assets.

#### Real estate market risks



These are the conditions that affect the real estate market through the volume of supply and demand and the presence of new competitors in different sectors, which affects rental values and occupancy rates in the future.

#### Liquidity and asset impairment risks



The low level of liquidity in the real estate market could affect the valuation of the Fund's properties or make it more difficult to exit any of the Fund's assets with the required returns, with the possibility of a decline in the value of the assets in the future as a result of market conditions.

# The risk of not having long-term contracts



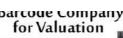
To obtain stable returns, it is necessary for the fund's portfolio to include investments in properties that have long-term leases to ensure the required cash flows occur.

# There is no guarantee of achieving revenues in the future



This means not achieving the expected occupancy rates in the future, which would affect the fund's revenues.

Date of License 24/7/1441 H Equipment Valuation 4114000016 Date of License 1/3/1433 H Real Estate Valuation 1210000001





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(Appendix A) General and specific risks



# Special risks to the property

# Risks of obsolescence and lack of maintenance



Over the years and continuous operation, the property is affected by climatic and environmental conditions and the consumption of the building by the beneficiaries, which could affect the quality and reputation of the property in the future if regular maintenance is not paid attention to.

# Quality risk and development management



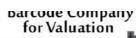
The risks related to the hospitality sector include several risks, the most important of which are: the risks of choosing an experienced developer and a management and monitoring team for the hotel to maintain the estimated operational costs of development and maintenance and the reputation of the project.

### **Competitor risks**



An increase in future projects, which will attract many future competitors in Jeddah, which may affect the occupancy rates and annual income of the property in the future.

Date of License 24/7/1441 H



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# Appendix B (Information Recourses)

In the report, it was relied upon several sources of information, both official and unofficial. These include information received from the client, open data, and publicly announced reports, such as:

- 1. Regulations of Accredited Valuers issued by Royal Decree No. (M/43) on 9/7/1433 AH.
- 2. Executive regulations of accredited valuers regulations
- 3. Rules of conduct and ethics of valuation profession issued by TAQEEM
- 4. International Valuation Standards 2022.
- 5. Summary of Changes in International Valuation Standards 2022.
- 6. The International Valuation Standards of the Royal Institution of Chartered Surveyors (RICS) RICS
- 7. Guide of professional practice for real estate valuers issued by TAQEEM, February 2022.
- 8. Guide of valuating the market rent for telecom tower sites issued by TAQEEM.
- 9. Professional guide of valuation for the purposes of expropriation of real estate for public benefit issued TAQEEM.
- 10. Pricing guide of cost of constructions, improvements, planting and components for the purposes of expropriation issued by TAQEEM.
- 11. Guide of reviewing valuation reports issued by TAQEEM, May 2022.
- 12. Indicators of the Ministry of Justice.
- 13. Real estate indicators of the General Authority for Real Estate.
- 14. National Geospatial Data.
- 15. Municipalities of Saudi Cities and Governates.
- 16. Real estate indicators and data drawn from Paseetah platform which is specialized in real estate data.
- 17. Barcode Database.
- 18. Field surveys and personal interviews for each site being valued.
- 19. Some sources were not initially referenced but have been acknowledged within the details of the report. Although not initially cited, some sources have been duly acknowledged within the content of the report





# Appendix C (Technical and Professional Terms)

This glossary defines certain terms used in the International Valuation Standards. It is only applicable to the International Valuation Standards

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#### 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".

#### Basis (bases) of Value

The fundamental premises on which the reported values are or will be based (see IVS 105 Valuation Approaches and Methods, para 10.1).

#### Client

Cost

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 thirdparty client) as well as internal clients (ie, valuations performed for an employer).

The consideration or expenditure required to acquire or create an asset.

#### Discount Rate(s)

A rate of return used to convert a monetary sum, payable or receivable in the future, into a present value.

#### Equitable Value

This is the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.

#### Fair Market Value

- 1- OECD ) The Organisation for Economic Co-operation and Development (OECD) defines "fair market value" as the price a willing buyer would pay a willing seller in a transaction on the open market.
- 2- For United States tax purposes, Regulation No. 20.2031-1 states: "The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts".

# Fair Value (International Financial Reporting Standards)

IFRS 13 defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 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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# Appendix C (Technical and Professional Terms)

#### Investment Value

The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).

#### 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).

#### Liquidation Value

The amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation value can be determined under two different premises of value (see IVS 104 Bases of Value, section 80):

- (a) an orderly transaction with a typical marketing period; or
- (b) a forced transaction with a shortened marketing period.

#### Market Value

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.

#### Synergistic Value

The result of a combination of two or more assets or interests where the combined value is more than the sum of the separate values. If the synergies are only available to one specific buyer, then synergistic value will differ from market value, as the synergistic value will reflect particular attributes of an asset that are only of value to a specific purchaser. The added value above the aggregate of the respective interests is often referred to as marriage value.

#### 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).

# Price

The monetary or other consideration asked, offered or paid for an asset, which may be different from the 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.

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# Appendix C (Technical and Professional Terms)

#### 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

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

The act or process of determining an opinion or conclusion of value of an asset on a stated basis of value at a specified date in compliance with IVS.

# Valuation Approach

In general, a way of estimating value that employs one or more specific valuation methods (see IVS 105 Valuation Approaches and Methods).

#### Valuation Method

Within valuation approaches, a specific way to estimate a value.

### 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

The opinion resulting from a valuation process that is compliant with IVS. It is an estimate of either the most probable monetary consideration for an interest in an asset or the economic benefits of holding an interest in an asset on a stated basis of value.

# Valuer

A "valuer" is an individual, group of individuals or individual within an entity, regardless of whether employed (internal) or engaged (contracted/external),

possessing the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased, ethical and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.





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# Appendix C (Technical and Professional Terms)

# 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.

#### Worth

See investment value.



# Conclusion

At the end of the report, we would like to affirm the following:

- \* Analyses and conclusions are solely based on disclosed assumptions and conditions.
- \* Barcode valuers have no vested interest in the valuation.
- \* Barcode valuers possess all the qualifications necessary for compiling this report
- \* The team has the requisite experience to carry out this task.
- \* Site inspections have been conducted by Barcode team

We are confident that the valuation was conducted in accordance with the international valuation standards. For any inquiries, please contact us through the provided contact information below.

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