

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 835 | 12| 2024

**Company name : Musharaka Capital**

**Subject: Orouba plaza Evaluation**

Upon your request to evaluate Orouba plaza, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given, clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents

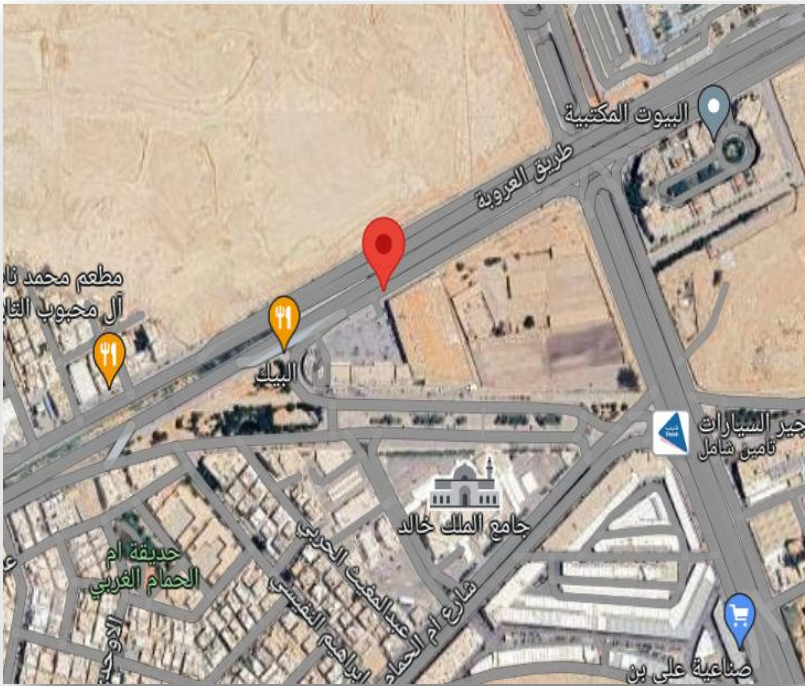
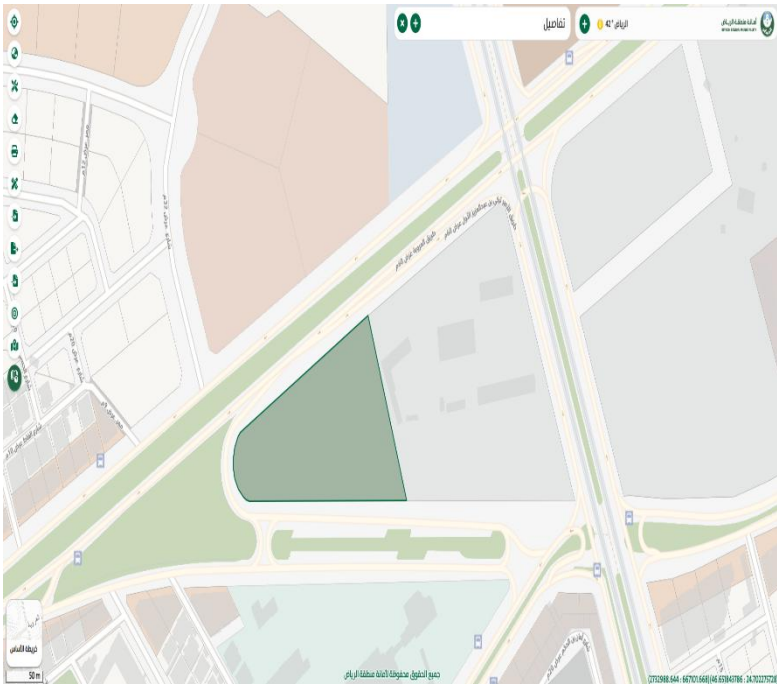
# 01

## Executive Summary

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Piece number without
Property Address:	Riyadh – Um Alhamam
Registration Number in the (Qima) System:	1319730
Land Area:	19,212,22 M
Instrument Number:	410113062475
Instrument Date:	هـ 1436/8/27
Value Assumption:	Current use
Ownership Type:	Restricted ownership
Valuation Method:	Income method
Nature of the Valuated Asset:	Commercial building
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Nov 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	54,228,000
Value in Words:	fifty-four million two hundred twenty-eight thousand

Property Location



Click on the image to go to the location



02

Report Details

# Scope of Work

Instrument Owner	King Khaled Charitable Foundation
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	The financial statements
Assets Nature	Commercial building
Ownership Percentage	Restricted ownership
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	<p>The documents submitted by the client were approved and assumed to be true.</p> <p>The valuation was made on the assumption that the property is free of any alterations or interference.</p> <p>Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value.</p> <p>The property is assumed to comply with all laying out and zoning requirements.</p> <p>The location and area of the property were determined from the documents submitted by the client.</p> <p>The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.</p>
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



Property Description

The property is a **commercial complex**.

- The complex is located in the city of Riyadh at the intersection of Al-Urouba Road with Prince Turki bin Abdulaziz I Road in the western Umm Al-Hamam neighborhood, where the site is considered one of the most important and active sites in the region. It includes a number of commercial exhibitions, including restaurants, cafes and a supermarket.
- Number of exhibitions (19) exhibitions.
- Main tenants: Hyper Panda, Starbucks, Al Baik Restaurants.
- Building surface area: 11,292 m2.
- The estimated age of the property is 7 years.

Description

Direction	Length	Description
North	188,44 m	Road width 60 m
South	206,65 m	Street width 60 m
East	141,36 m	neighbor
West	70,5 m	Street width 15 m

Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.



# Overview of the real estate movement in the Kingdom

## Analysis of the volume of rental supply for commercial sector real estate

According to a recent CBRE report for the Kingdom's real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity continues to be limited due to a lack of supply as strong demand for high-quality office space continued to rise in the capital Riyadh during the second quarter of 2024 as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries in all major cities in Saudi Arabia during the second quarter of 2024, as the trend to reuse existing and upcoming properties in office space in an attempt to meet the expected increased demand during 2024

## Analysis of rental change rates for office sector real estate at the level of main regions

### Riyadh City

In Riyadh, luxury offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square meter. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square meter. The Grade B segment recorded the highest year-on-year increase of 14.6% with average rent reaching SAR 1,686 per square meter. As for the average occupancy rates in Riyadh, the occupancy of Grade B offices remained unchanged at 99.4% and luxury and Grade A offices witnessed increases of 4.5% and 0.1% respectively to 94.7% and Kamal occupancy respectively.

### Dammam City

The office market in Dammam has seen an increase in rents in both market segments. The average rent for Grade A offices was SAR 1,067 per square meter, an increase of 13.3% year-on-year. The Grade B office category also improved by 6.2% to record an average rent of SAR 567 in Al Khobar, and the average rent of Grade A assets reached SAR 1,145 per square meter after an increase of 6.0% during the same period. Average occupancy levels in both cities also recorded increases, with Al Khobar's Grade A office occupancy reaching 86.3% following a year-on-year increase of 5.3 percentage points.

Occupancy rates for Grade A and Grade B offices in Dammam increased by 5.0% and 4.0% respectively to 87.2% and 71.6% respectively.

### Jeddah City

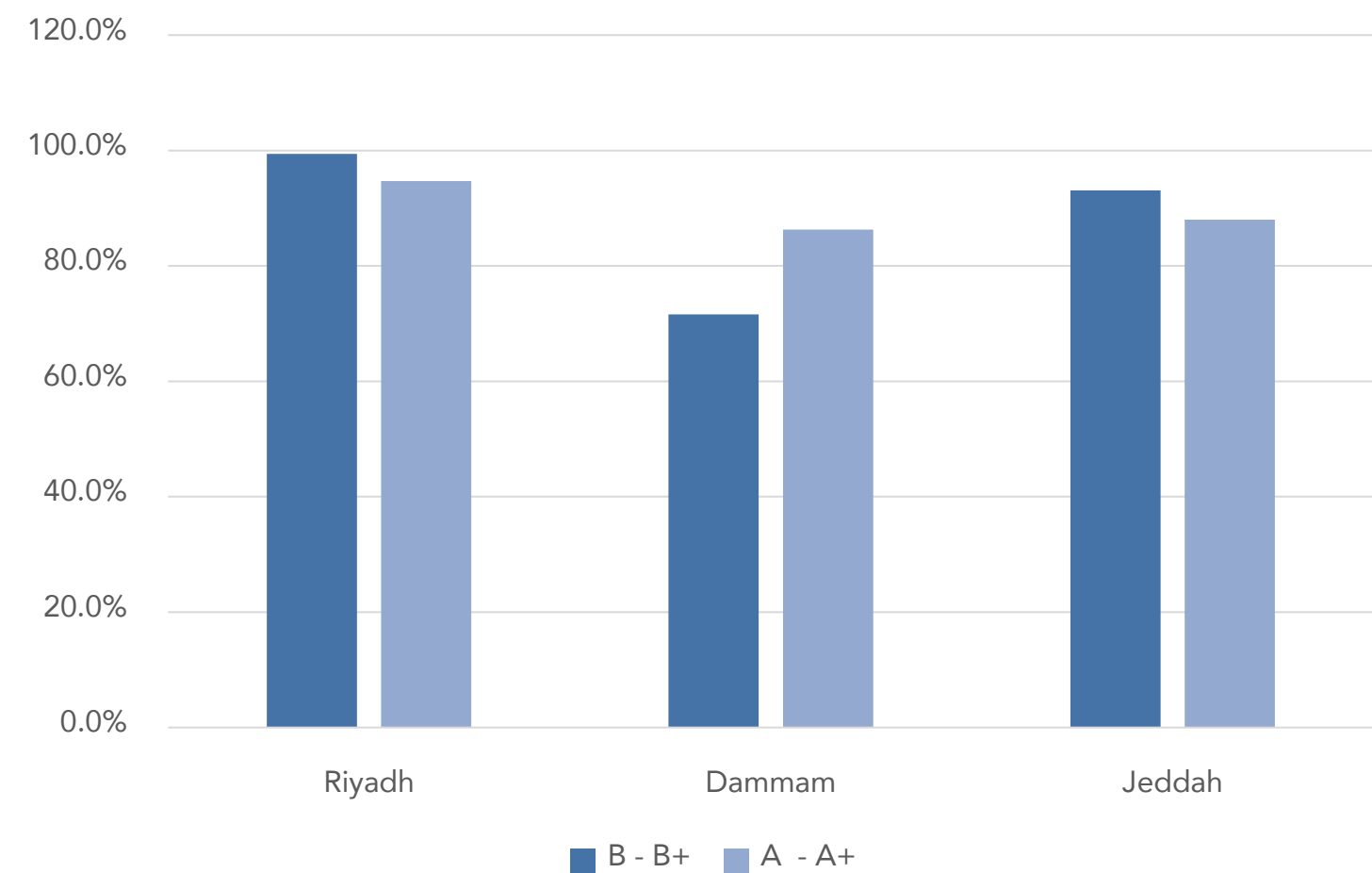
There is a significant improvement in average rental prices for both Grade A and Tier B assets from the beginning of the year to the second quarter of 2024 In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square meter, while Grade B offices increased by 13.1% to SAR 800 per square meter. In terms of average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B, respectively.



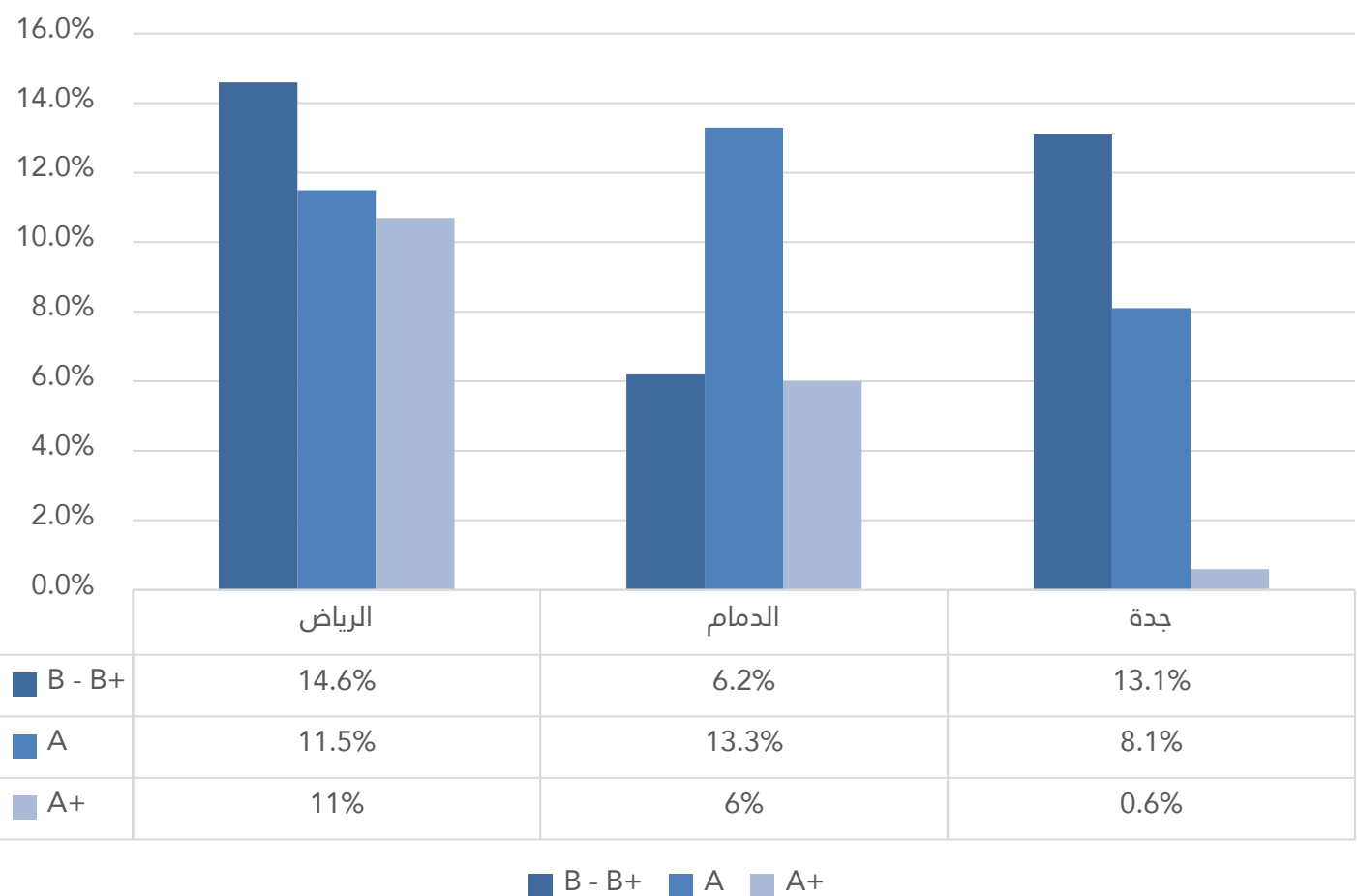
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental meter prices and occupancy rates during 2024

Occupancy rates for the commercial sector



The rate of increase per rental meter for the commercial sector



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

um Al-Hamam Al-Gharbi District



Rental movement of the commercial sector

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December -2024

Rental Transactions Executed by Rental Index		
Number of rental transactions	Average price per meter	Unit Type
102	346	Administrative Office
396	667	store
96	840	Trade show

After reviewing the Wasm team on the rental index data and the supply data in the real estate area, where we found that the average rental prices of a commercial meter are 1,200 riyals

Details of the income of the property according to the data of the rental index

Income calculations for the property		
2m	6,775	Total rental area of the property
2m	6,775	Total exhibition area
riyal	1,200	Rental meter price for exhibitions
riyal	8,130,000	Total annual property income in case of occupancy 100%



Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the valuation method of the property of Al Orouba Plaza, where the data below were used in the cash flow table of the property.

Details of Al Orouba Plaza Complex

Complex Details			
2m	19,212.22	Land Area	
2m	11,292	Total building areas	
%	%60	Percentage of rental areas	
2m	6,775	Total rental area	
number	19	Number of Units	

Market Rates According to Saudi Central Bank Data

Cumulative model method			
Saudi Tadawul Fund	5%	Government bond rate of return	
Saudi Central Bank	1.6%	Inflation rate (current year average)	
Depending on the market situation	1.5%	Market risk premium (recession and recovery)	
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)	
Current discount rate	9.9%	Discount rate after collecting the above data	

Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

10-year future cash flow method assumptions			
%	9.9%	Discount rate	
%	13%	Capitalization rate	
%	3%	Growth rate (every three years)	

After comparing properties similar to the property of the Al Orouba complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 12%, with a rental growth rate every three years for the rental value, provided that it does not exceed 3%.

Details of the income of the property according to the customer's data

Income calculations for the property			
2م	6,775	Total rental area of the property	
2م	6,775	Total exhibition area	
riyal	1,993	Rental meter price for exhibitions	
riyal	13,500,000	Total annual property income in case of occupancy 100%	

Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of Al Orouba Plaza.



## Valuation Result Analysis – Income Analysis

### Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method								Building redemption value
Years	2025	2026	2027	2028	2029	2030	2031	2032	
sequencing	1	2	3	4	5	6	7	8	
Growth rate	0%	0%	0%	3%	0%	0%	3%	0%	
Total Income	13,500,000	13,500,000	13,500,000	13,905,000	13,905,000	13,905,000	14,322,150	14,322,150	
Percentage of occupancy	99%	100%	100%	100%	95%	95%	95%	95%	
Total value of occupancy	13,334,280	13,500,000	13,500,000	13,905,000	13,209,750	13,209,750	13,606,043	13,606,043	
Total Effective Income	13,334,280	13,500,000	13,500,000	13,905,000	13,209,750	13,209,750	13,606,043	13,606,043	
Percentage of operating and maintenance expenses	6%	6%	6%	6%	6%	6%	6%	6%	19,813,943
Value of operating and maintenance expenses	800,057	810,000	810,000	834,300	792,585	792,585	816,363	816,363	
Net income after deduction of operating expenses	12,534,223	12,690,000	12,690,000	13,070,700	12,417,165	12,417,165	12,789,680	12,789,680	
Annual inflation rate	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	
Renting the land of the complex (usufruct) with the addition of the inflation rate (SAR)	3,212,500	6,527,800	6,651,828	6,778,213	6,906,999	7,038,232	7,171,958	7,308,226	
Net Operating Income (NOI)	9,321,723	6,162,200	6,038,172	6,292,487	5,510,166	5,378,933	5,617,722	5,481,454	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	
Present value of cash flows	8,482,005	5,101,999	4,548,963	4,313,517	3,436,974	3,052,882	2,901,191	2,575,813	34,413,344
Total Property Value - Usufruct									54,227,287
Total property value after rounding									54,228,000

**54,228,000 SAR**  
**Total Value of the property**

wasm-utd.sa



03

Documents & Photos

wasm-utd.sa

18

# Property Photos



04

Final opinion on value

## Final opinion on value

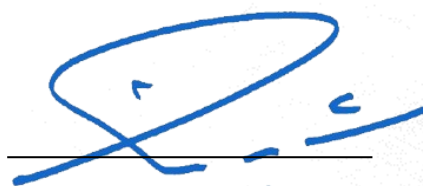
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
fifty-four million two hundred twenty-eight thousand	54,228,000 SAR




Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





شركة المتحدة وسم للتقييم العقاري  
wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 846 | 12 | 2024

**Company name : Musharaka Financial Company**

**Subject: Al Baraka warehouses**

Upon your request to evaluate Al Baraka warehouses, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

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/

3



# 01

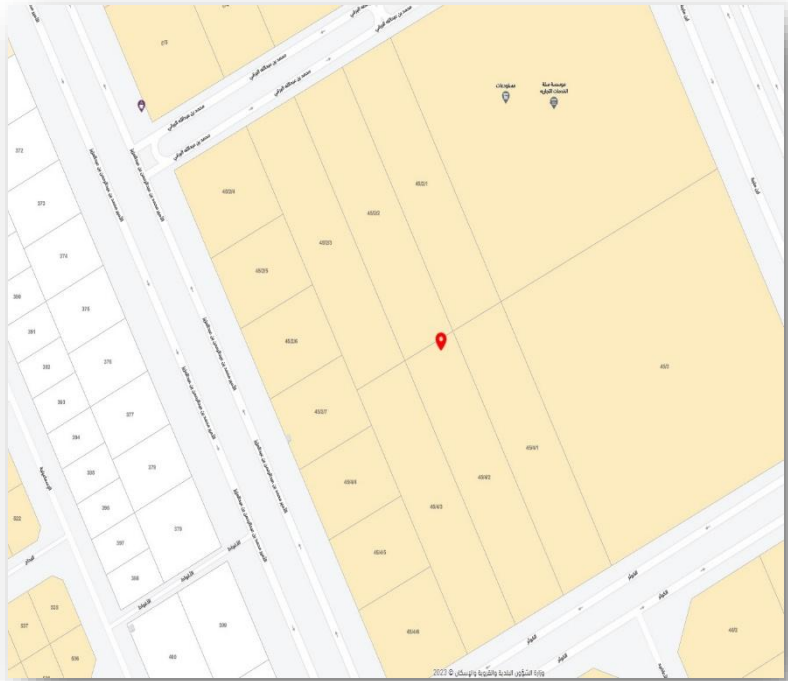
Chapter One

**Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. 1/2/45 – 2/2/45 – 3/4/45 – 1/4/45 – 2/4/45 – 3/2/45 from plan No. 3/1391
Property Address:	Riyadh
Registration Number in the (Qima) System:	1320887
Land Area:	29,955 M
Instrument Number:	910123031387
Instrument Date:	H 1438/11/25
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Al Baraka warehouses
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	90,118,000
Value in Words:	ninety million one hundred eighteen thousand

Property Location



Click on the image to go to the location

02

Report Details

# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	AlBaraka warehouses
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
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Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



Services Evaluation

Direction	Length	Description
North	99,87 m	Street width 30 m
South	99,85 m	Street width 36 m
East	299,95 m	Plot No. 1/45 and No. 3/45
West	299,98 m	Plot No. 4/2/45, 5/2/45, 6/2/45, 7/2/45, 5/4/45, 6/4/45

Property Description

The property is **warehouses**.

The warehouses are located in the Sulay area in the city of Riyadh. They are warehouses built according to the best levels and standards for warehouse equipment, and are considered among the largest and finest warehouses in the region.

The total building area is 27,605 square meters.

Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.



# An overview of the real estate movement in the Kingdom

## Analysis of the size of the rental supply of commercial sector properties

According to a recent report by CBRE Group on the Saudi real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity remains limited due to a shortage of supply. Strong demand for high-quality office space continued to rise in the capital, Riyadh, during the second quarter of 2024, as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries of all major cities in Saudi Arabia during the second quarter of 2024. The trend continued to be to repurpose existing and upcoming properties into office space in an attempt to meet the increased demand expected during 2024.

## Analysis of rental change rates for office sector properties at the level of major areas

### Riyadh City

In Riyadh, prime offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square metre. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square metre. The Grade B sector recorded the highest increase year-on-year of 14.6%, with average rents reaching SAR 1,686 per square metre. As for mid-range occupancy rates in Riyadh, Grade B office occupancy remained unchanged at 99.4%, while prime and Grade A offices saw increases of 4.5% and 0.1% respectively to reach 94.7% and full occupancy respectively.

### Dammam City

The office market in Dammam witnessed an increase in rents across both market segments. The average rent for Grade A offices reached SAR 1,067 per square metre, up 13.3% year-on-year. Grade B offices also improved by 6.2% to SAR 567 per square metre in Al Khobar, while the average rent for Grade A assets reached SAR 1,145 per square metre after a 6.0% increase over the same period. Average occupancy levels in both cities also increased, with Grade A office occupancy in Al Khobar reaching 86.3% after achieving a 5.3 percentage point year-on-year increase. Meanwhile, Grade A and Grade B office occupancy rates in Dammam increased by 5.0% and 4.0% respectively to reach 87.2% and 71.6% respectively.

### Jeddah City

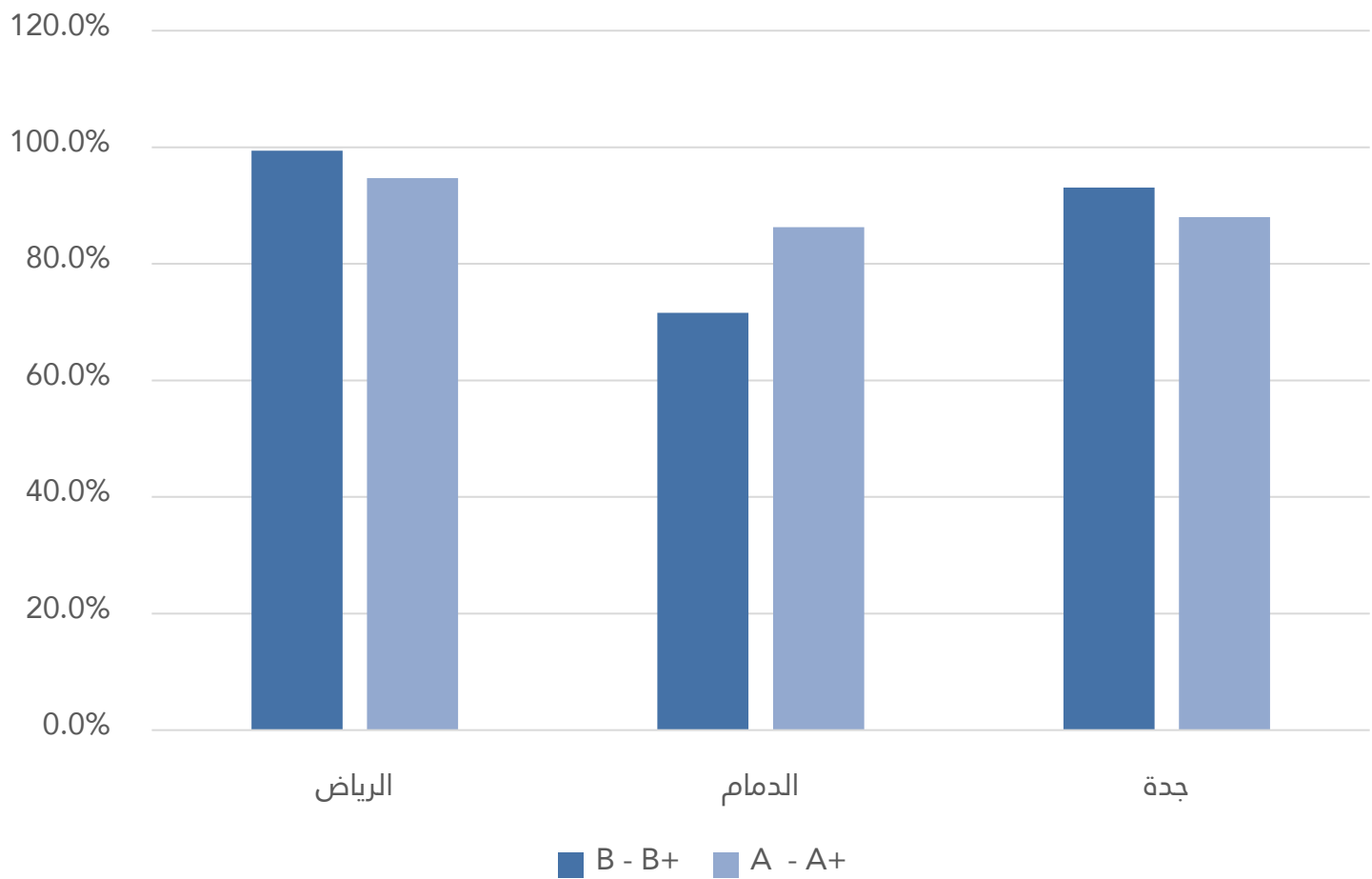
There has been a significant improvement in average rental rates for both Grade A and Grade B assets YTD through Q2 2024. In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square metre, while Grade B offices saw a 13.1% increase to SAR 800 per square metre. As for average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B respectively.



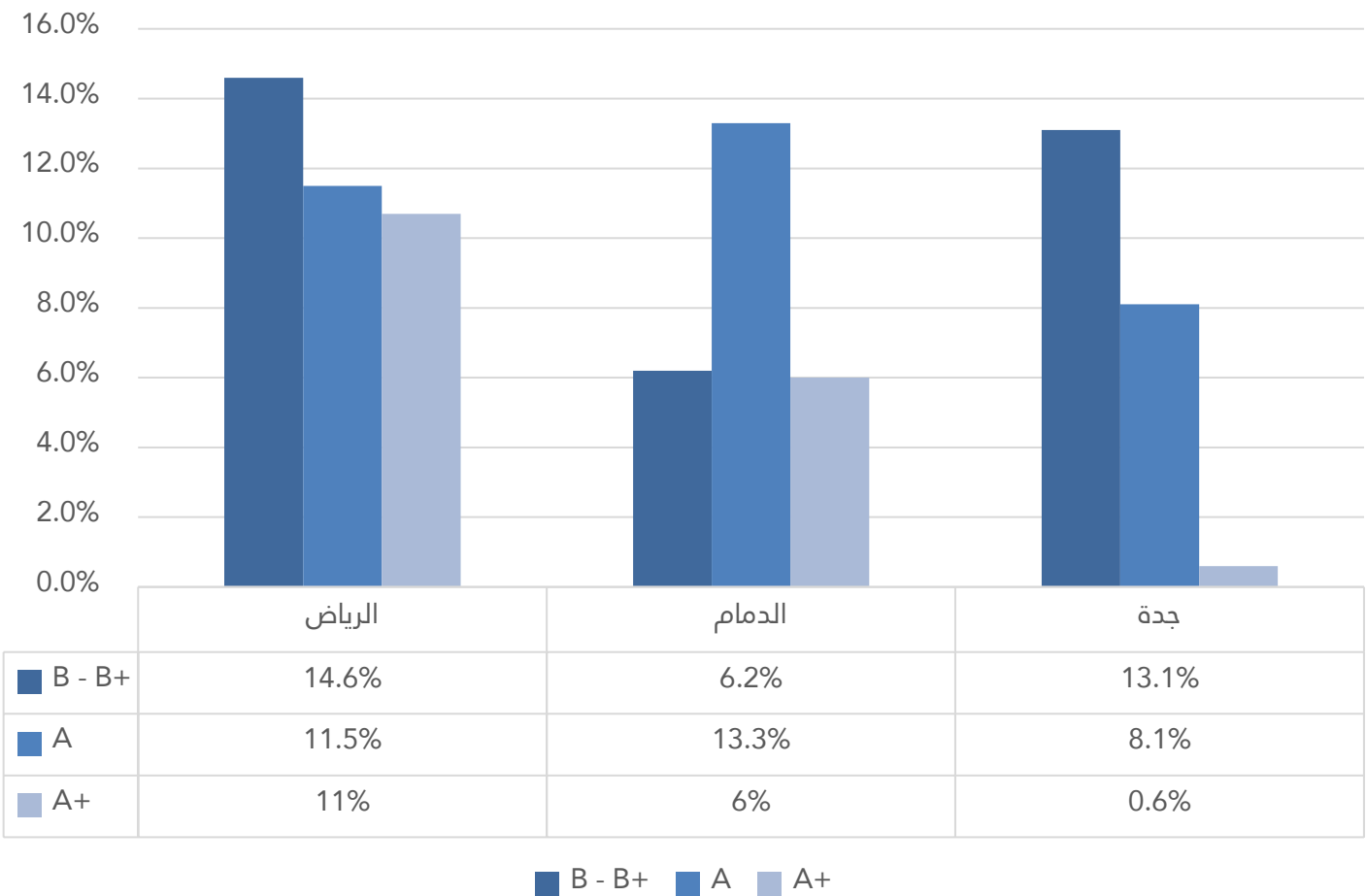
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental prices per square meter and occupancy rates during the year 2024

Commercial sector occupancy rates

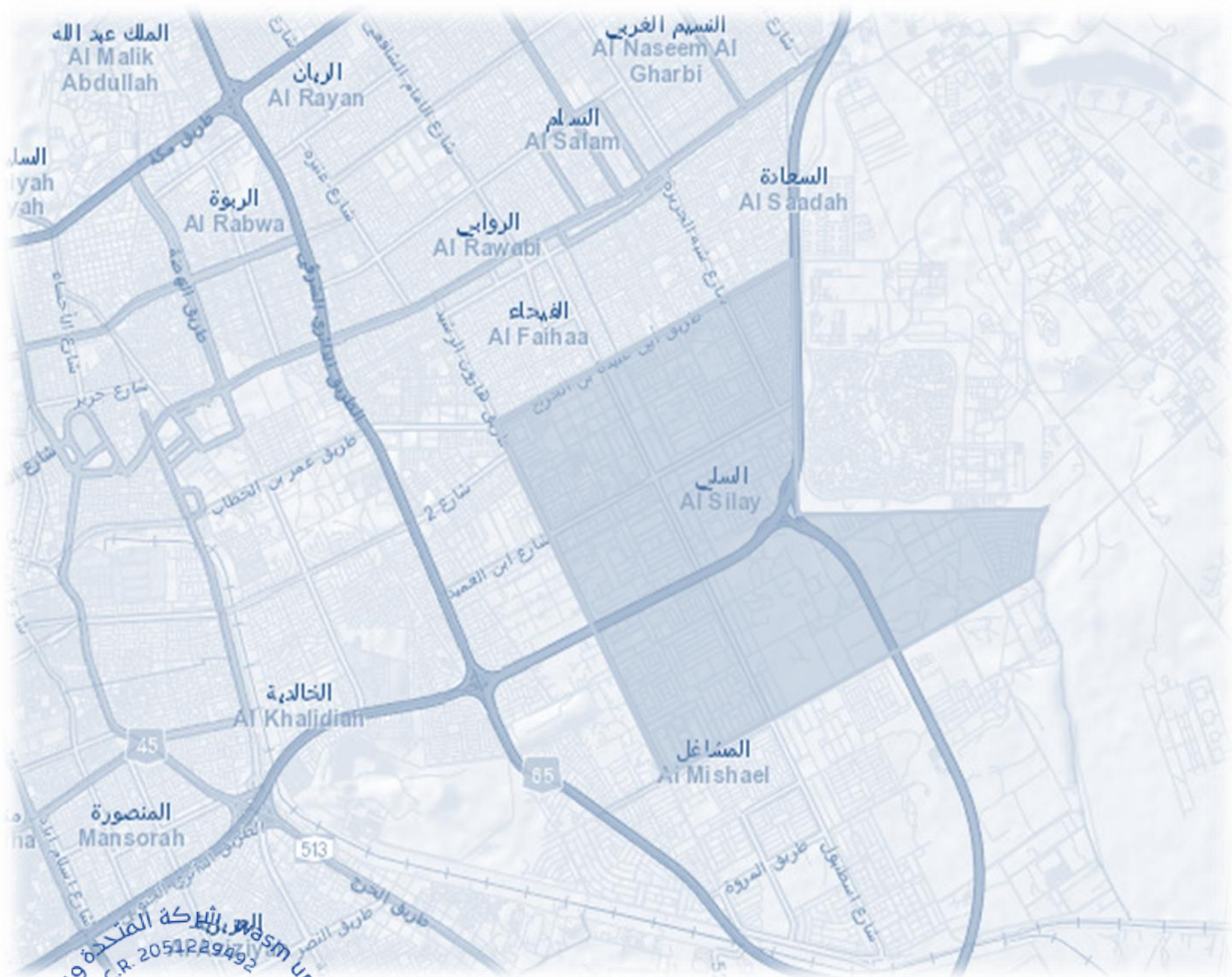


Rental meter increase rate for the commercial sector



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Al-Sulay and Al-Masha'el neighborhood



Rental movement of the commercial sector

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Rental Transactions Executed by Rental Index		
Number of rental transactions	Average price per meter	Unit Type
62	200	Administrative Office
365	356	store
36	232	Trade Show - Warehouses

After the Wasm team reviewed the rental index data in the real estate area, it became clear to us that the average rent per square meter for commercial stores is 262 riyals.



# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the method of valuation of Al Baraka Warehouse property, where the data below were used in the cash flow table of the property.

## Al Baraka Warehouse Details

PROPERTY DETAILS		
2m	29,955	Total Land Area
%	90%	Total Utilized Area
2m	26,960	Net rental area

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	26,960	Total rental area of the property
riyal	320	Rental meter price for exhibitions
riyal	8,627,040	Total annual property income in case of occupancy 100%

Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of Al Baraka warehouses.

## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

5-year future cash flow method assumptions		
%	9.9%	Discount rate
%	8%	Capitalization rate
%	5%	Growth rate (every three years)

After comparing similar properties to the Al-Barka Warehouses property, we concluded, based on market research, that the most appropriate capitalization rate for the property should be 10.5%.



# Valuation Result Analysis – Income Analysis

## Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method					Refund Value
Years	2025	2026	2027	2028	2029	
sequencing	1	2	3	4	5	
Growth rate	0%	0%	10%	0%	10%	62,714,545
Total Income	6,900,000	6,900,000	7,590,000	7,590,000	8,349,000	
Percentage of occupancy	100%	100%	100%	100%	100%	
Value of vacancies	6,900,000	6,900,000	7,590,000	7,590,000	8,349,000	
A percentage added to the lease contract (services)	0%	0%	0%	0%	0%	
Total Effective Income	6,900,000	6,900,000	7,590,000	7,590,000	8,349,000	
Percentage of operating and maintenance expenses	1%	1%	1%	1%	1%	
Value of operating and maintenance expenses	69,000	69,000	75,900	75,900	83,490	
Net income after deduction of operating expenses	6,831,000	6,831,000	7,514,100	7,514,100	8,265,510	
Net Operating Income	6,831,000	6,831,000	7,514,100	7,514,100	8,265,510	
Discount coefficient	0.90	0.82	0.74	0.67	0.61	27,402,679
Present value of cash flows	6,181,900	5,594,480	5,569,166	5,039,969	5,017,164	
Total Property Value						90,117,224
Total property value after rounding						90,118,000

90,118,000 SAR

Total Value of the Property



# 03

Chapter Three

**Documents & Photos**

# Land deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية  
كتابة العدل الأولى بالرياض  
[ ٢٧٧ ]

الرقم : ٩١٠١٢٣٠٣١٣٨٧  
التاريخ : ٢٥ / ١١ / ١٤٣٨ هـ

وزارة العدل

صك

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

فإن قطعة الأرض ٤٥ / ٢ / ١ و قطعة الأرض ٤٥ / ٢ / ٢ و قطعة الأرض ٤٥ / ٤ / ٣ و قطعة الأرض ٤٥ / ٤ / ١ و قطعة الأرض ٤٥ / ٤ / ٢ و قطعة الأرض ٤٥ / ٢ / ٣ من المخطط رقم ١٣٩١ / ٣ الواقع في حي السلى بمدينة الرياض .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٣٠ متر بطول: (٩٩,٨٧) تسعة و تسعون متر و سبعة و ثمانون سنتمتر

جنوباً: شارع عرض ٣٦ متر بطول: (٩٩,٨٥) تسعة و تسعون متر و خمسة و ثمانون سنتمتر

شرقاً: قطعة رقم ٤٥ / ١ ورقم ٤٥ / ٣ بطول: (٢٩٩,٩٥) مئتين و تسعة و تسعون متر و خمسة و تسعون سنتمتر

غرباً: قطعة رقم ٤٥ / ٤ و ٤٥ / ٤ و ٤٥ / ٥ و ٤٥ / ٦ و ٤٥ / ٧ و ٤٥ / ٨ و ٤٥ / ٩ و ٤٥ / ١٠ بطول: (٢٩٩,٩٨) مئتين و تسعة و تسعون متر و ثمانية و تسعون سنتمتر

ومساحتها : (٢٩,٩٥٥,٤٢) تسعة و عشرون ألفا و تسعمائة و خمسة و خمسون متر مربعاً و اثنين و أربعون سنتمتر مربعاً فقط بالمحضر رقم ٢٦٨٤ في ٢٣ / ١٢ / ١٤٣٤ هـ والمقيد برقم ٣٥١٣٤٤٩٨٥٥ في ٩ / ٥ / ١٤٣٥ هـ

والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٢١٠١٢٢٠٣٤٦٩٠ في ٢٣ / ١٢ / ١٤٣٦ هـ

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ ، بثمن وقدره ٩٠٠٠٠٠٠٠ تسعون مليون ريال وعليه جرى التصديق تحريراً في ٢٥ / ١١ / ١٤٣٨ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل

الختم الرسمي  
كتابة العدل الأولى بالرياض  
كاتب العدل بـ (٩٣)

موسى بن سليمان بن مسفر الكلثري  
كاتب العدل

هذا المستند وحدة متكاملة ، وضياح أو تلف نسخة منه يؤدي إلى عدم صلاحية المستند

مصلحة مطابع الحكومة - ٣٧٣٨٣١ ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويتمنع تغليفه )

نسخة من ١  
نموذج رقم (١٢-٣-١٠)



wasn't-utd.sa

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يجب الالتزام بالشروط الموضحة خلف الرخصة

يجب الإلتزام بالشروط الموضحة خلف الرخصة

Documents

المملكة العربية السعودية  
وزارة الشؤون  
أمانة منة  
إدارة رخص البناء

رقم الرخصة: ١٤٣٥/٢٠٠٨  
تاريخ الرخصة: ١٤٣٥٠٢٠٠٨  
تاريخ الإنتهاء: ١٤٣٨٠٢٠٠٨  
نوع الرخصة: فصل وتجزئة

أمانة منطقة الرياض  
إدارة رخص البناء  
رقم رخص البناء: ١٤٣٥/٤٦٢١٨  
رقم الرخصة: ١٤٣٥٠٢٠٠٨  
تاريخ الإنتهاء: ١٤٣٨٠٢٠٠٨  
نوع الرخصة: فصل وتجزئة

اسم المالك: عبد الله بن إبراهيم العواد  
رقم الإحداثيات: ١٠٢٨١١٣٩٣٢

رقم الصك: ٣١٠١١٥٠٣٢٩٣٢

رقم القطعة: ٢/٢/٤٥

الشمارع: رقم المخطط التنظيمي: ٣/١٣٩١

الشمارع: رقم العقار:

الحصص: نوع البناء:

مساحة الأرض: ٢م ٤٩٩٣,٥ محيط الأسوار: ٠ م / ط

الجهة: الحدود: ٢٣,٢٩  
شمال: ١٥٠  
شرق: ٣٣,٣٨  
جنوب: ١٥٠  
غرب: ٢٣,٢٩

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غرب: ٢٣,٢٩

مكونات البناء: عدد الوحدات: ١ المساحة: ٤٧٩٤,٠٠ استخدام: مستودع

دور أرضي

المكتب المصمم: بون

رقم الترخيص: رقم المشروع: رمز النظام: متاسيب الشوارع المحيطة: مستوى

سند الرسوم مبلغ وقدره: ريال بموجب الإيصال رقم: وتاريخ: هـ

ملاحظات:

الرخصة عبارة عن فصل وتجزئة. ١- أنواع البناء معتمدين. ٢- بموجب التقرير المساحي برقم ١٤٣٤/١١٧٥ تاريخ ١٤٣٤-١٢-٢٣ هـ الصادر من بلدية السلي القارية. ٣- تمهد ملك العقار بأنه لن توصل الخدمة الكهربائية للمبنى في حال عدم تنفيذ العزل الحراري طبقا لكود البناء السعودي. ٤- يسمح بإقامة مكتب داخل الهيكل الحديدي بنسبة لا تزيد على (٣٠%) من مساحة المستودع. ٥- بموجب مراجعة الدفاع المدني وبمقتضى مكتب دار الرياض للاستشارات الهندسية بإمالة منطقة الرياض قبل البدء بالتنفيذ. ٦- يتم فصل القطعة رقم ٢/٢/٤٥ عن الرخصة الأساسية برقم ١٤٣٥/١٢٣٩ تاريخ ١٤٣٥-١٢-٢٣ هـ برخصة مستقلة. ٧- يتم فصل الرخصة بموجب المخططات المعتمدة المقدمة من قبل مكتب وأمانة الرياض للاستشارات الهندسية. ٨- اجازات الأرض بموجب محضر اللجنة الفنية رقم ٢٦٨٤ تاريخ ١٤٣٤-١٢-٢٣ هـ. ٩- تمت إضافة أسوار جهة الشوارع بموجب التوجيه على العرض المرفوع لتساعة وكيل الأمن للتصوير والمشاريع بمقتضى "صانغ لتقدير الأسباب الداعية لذلك مع تمهد بتأمين المواقف جهة الشوارع متى مرات الأمارة أن الوضع يستدعي ذلك". ١٠- المكتب الهندسي والمالك مسئولين مسؤولية كاملة عن نظامية المخططات المقدمة والمساحات المذكورة فيها وفي حالة عدم تطبيق المساحات والمخططات المنقذة مع رخصة البناء ونقطة البناء المعمول بها ستسقط الأمارة كافة الإجراءات النظامية حيال مخالفة الأنظمة والتعليمات. - - - - -

رئيس قسم الرخص: م/ مشهور محمد الطيبي  
مدير عام التخطيط العمراني: م/ سليمان عبد الرحمن الفراج  
الختم الرسمي: الختم الرسمي

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المملكة العربية السعودية  
وزارة الشؤون  
أمانة منة  
إدارة رخص البناء

رقم الرخصة: ١٤٣٥/٢٠٠٨  
تاريخ الرخصة: ١٤٣٥٠٢٠٠٨  
تاريخ الإنتهاء: ١٤٣٨٠٢٠٠٨  
نوع الرخصة: فصل وتجزئة

أمانة منطقة الرياض  
إدارة رخص البناء  
رقم رخص البناء: ١٤٣٥/٤٦٢١٨  
رقم الرخصة: ١٤٣٥٠٢٠٠٨  
تاريخ الإنتهاء: ١٤٣٨٠٢٠٠٨  
نوع الرخصة: فصل وتجزئة

اسم المالك: عبد الله بن إبراهيم العواد  
رقم الإحداثيات: ١٠٢٨١١٣٩٣٢

رقم الصك: ٣١٠١١٥٠٣٢٩٣٢

رقم القطعة: ٢/٢/٤٥

الشمارع: رقم المخطط التنظيمي: ٣/١٣٩١

الشمارع: رقم العقار:

الحصص: نوع البناء:

مساحة الأرض: ٢م ٤٩٩٣,٥ محيط الأسوار: ٠ م / ط

الجهة: الحدود: ٢٣,٢٩  
شمال: ١٥٠  
شرق: ٣٣,٣٨  
جنوب: ١٥٠  
غرب: ٢٣,٢٩

الجهة: الحدود: ٢٣,٢٩  
شمال: ١٥٠  
شرق: ٣٣,٣٨  
جنوب: ١٥٠  
غرب: ٢٣,٢٩

مكونات البناء: عدد الوحدات: ١ المساحة: ٤٧٩٤,٠٠ استخدام: مستودع

دور أرضي

المكتب المصمم: بون

رقم الترخيص: رقم المشروع: رمز النظام: متاسيب الشوارع المحيطة: مستوى

سند الرسوم مبلغ وقدره: ريال بموجب الإيصال رقم: وتاريخ: هـ

ملاحظات:

الرخصة عبارة عن فصل وتجزئة. ١- أنواع البناء معتمدين. ٢- بموجب التقرير المساحي برقم ١٤٣٤/١١٧٥ تاريخ ١٤٣٤-١٢-٢٣ هـ الصادر من بلدية السلي القارية. ٣- تمهد ملك العقار بأنه لن توصل الخدمة الكهربائية للمبنى في حال عدم تنفيذ العزل الحراري طبقا لكود البناء السعودي. ٤- يسمح بإقامة مكتب داخل الهيكل الحديدي بنسبة لا تزيد على (٣٠%) من مساحة المستودع. ٥- بموجب مراجعة الدفاع المدني وبمقتضى مكتب دار الرياض للاستشارات الهندسية بإمالة منطقة الرياض قبل البدء بالتنفيذ. ٦- يتم فصل القطعة رقم ٢/٢/٤٥ عن الرخصة الأساسية برقم ١٤٣٥/١٢٣٩ تاريخ ١٤٣٥-١٢-٢٣ هـ برخصة مستقلة. ٧- يتم فصل الرخصة بموجب المخططات المعتمدة المقدمة من قبل مكتب وأمانة الرياض للاستشارات الهندسية. ٨- اجازات الأرض بموجب محضر اللجنة الفنية رقم ٢٦٨٤ تاريخ ١٤٣٤-١٢-٢٣ هـ. ٩- تمت إضافة أسوار جهة الشوارع بموجب التوجيه على العرض المرفوع لتساعة وكيل الأمن للتصوير والمشاريع بمقتضى "صانغ لتقدير الأسباب الداعية لذلك مع تمهد بتأمين المواقف جهة الشوارع متى مرات الأمارة أن الوضع يستدعي ذلك". ١٠- المكتب الهندسي والمالك مسئولين مسؤولية كاملة عن نظامية المخططات المقدمة والمساحات المذكورة فيها وفي حالة عدم تطبيق المساحات والمخططات المنقذة مع رخصة البناء ونقطة البناء المعمول بها ستسقط الأمارة كافة الإجراءات النظامية حيال مخالفة الأنظمة والتعليمات. - - - - -

رئيس قسم الرخص: م/ مشهور محمد الطيبي  
مدير عام التخطيط العمراني: م/ سليمان عبد الرحمن الفراج  
الختم الرسمي: الختم الرسمي

يجب الالتزام بالشروط الموضحة خلف الرخصة

Property Photos



04

Final opinion on value

## Final opinion on value

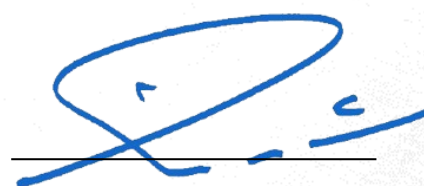
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
ninety million one hundred eighteen thousand	90,118,000 SAR



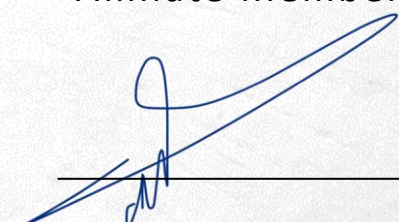
Approved By  
**Abdulwahab Alshuredah**  
1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 838 | 12 | 2024

**Company name : Musharaka Capital**

**Subject: Al-Bazai Cars**

Upon your request to evaluate Al-Bazai Cars, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.



مشاركة  
Musharaka

Wasm-utd.sa

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents



# 01

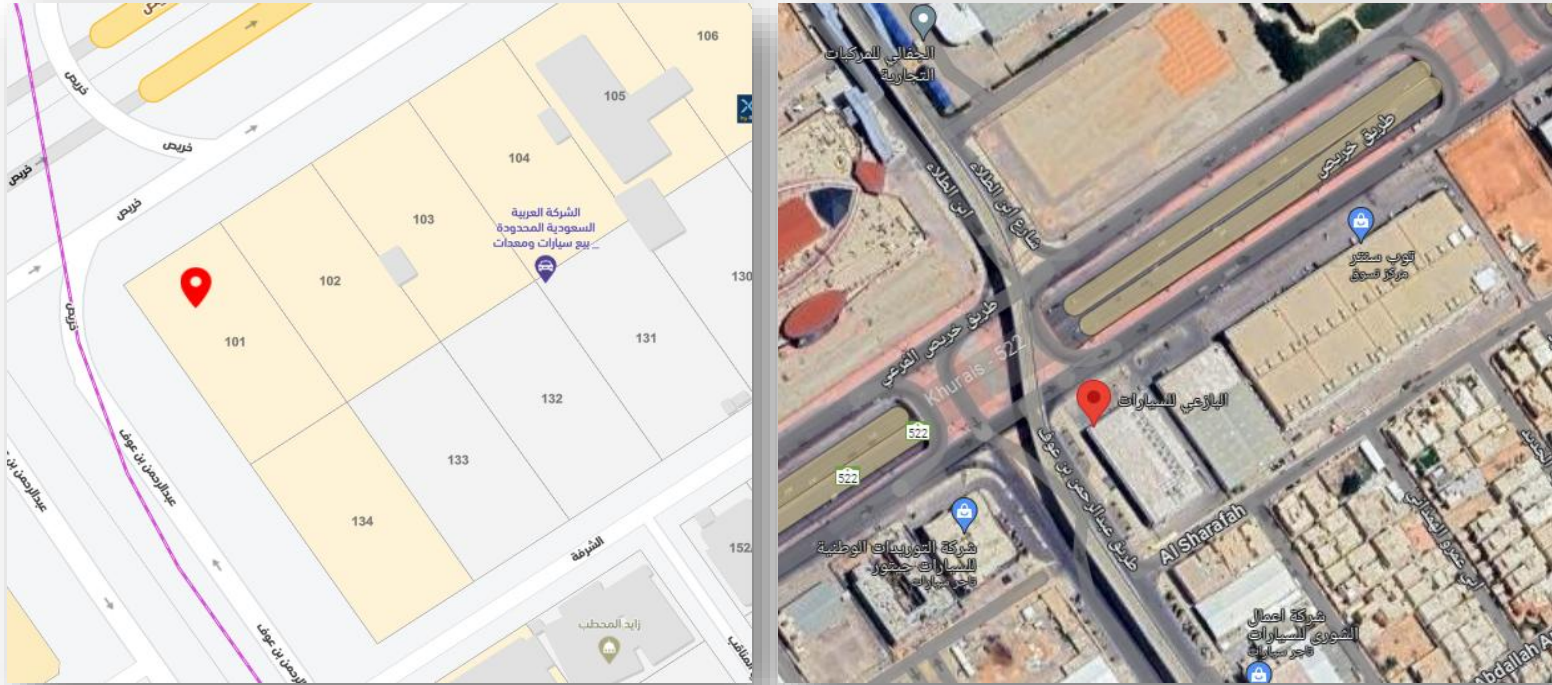
Chapter One

**Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	101 – 102 – 103 – 104 – 131 – 132 – 133 – 134
Property Address:	Riyadh – Alnaseem
Registration Number in the (Qima) System:	1320118
Land Area:	10,000 M
Instrument Number:	810104049341
Instrument Date:	1441/5/19 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Al-Bazai Cars
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	73,071,000
Value in Words:	seventy-three million seventy-one thousand

Property Location



Click on the image to go to the location

# 02

Chapter Two

## **Report Details**

# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Al-Bazai Cars
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	<p>The documents submitted by the client were approved and assumed to be true.</p> <p>The valuation was made on the assumption that the property is free of any alterations or interference.</p> <p>Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value.</p> <p>The property is assumed to comply with all laying out and zoning requirements.</p> <p>The location and area of the property were determined from the documents submitted by the client.</p> <p>The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.</p>
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



## Services Evaluation

Direction	Length	Description
North	100 m	Khurais asphalt road
South	100 m	Street width 15 m
East	100 m	Ladth Street 105 and No. 130
West	100 m	Street width 60 m

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

## Property Description

The property is a **car showroom**.

Al-Bazai car showrooms are located on one of the most important arterial roads in the eastern side of the city of Riyadh, in the Western Naseem neighborhood directly on Khurais Road. They are showrooms built and equipped according to the best specifications and standards for new car showrooms, and they have been fully leased to Saleh Abdullah Al-Bazai & Sons Company. Authorized agent for Toyota and Lexus cars in the Central Region and also the exclusive agent for Skoda cars in the Kingdom of Saudi Arabia.

Total building surface area: 12,068.4 m

The main tenant: Saleh Abdullah Al-Bazai and Sons Company.



# Overview of the real estate movement in the Kingdom

## Analysis of the volume of rental supply for commercial sector real estate

According to a recent CBRE report for the Kingdom's real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity continues to be limited due to a lack of supply as strong demand for high-quality office space continued to rise in the capital Riyadh during the second quarter of 2024 as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries in all major cities in Saudi Arabia during the second quarter of 2024, as the trend to reuse existing and upcoming properties in office space in an attempt to meet the expected increased demand during 2024

## Analysis of rental change rates for office sector real estate at the level of main regions

### Riyadh City

In Riyadh, luxury offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square meter. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square meter. The Grade B segment recorded the highest year-on-year increase of 14.6% with average rent reaching SAR 1,686 per square meter. As for the average occupancy rates in Riyadh, the occupancy of Grade B offices remained unchanged at 99.4% and luxury and Grade A offices witnessed increases of 4.5% and 0.1% respectively to 94.7% and Kamal occupancy respectively.

### Dammam City

The office market in Dammam has seen an increase in rents in both market segments. The average rent for Grade A offices was SAR 1,067 per square meter, an increase of 13.3% year-on-year. The Grade B office category also improved by 6.2% to record an average rent of SAR 567 in Al Khobar, and the average rent of Grade A assets reached SAR 1,145 per square meter after an increase of 6.0% during the same period. Average occupancy levels in both cities also recorded increases, with Al Khobar's Grade A office occupancy reaching 86.3% following a year-on-year increase of 5.3 percentage points. Occupancy rates for Grade A and Grade B offices in Dammam increased by 5.0% and 4.0% respectively to 87.2% and 71.6% respectively.

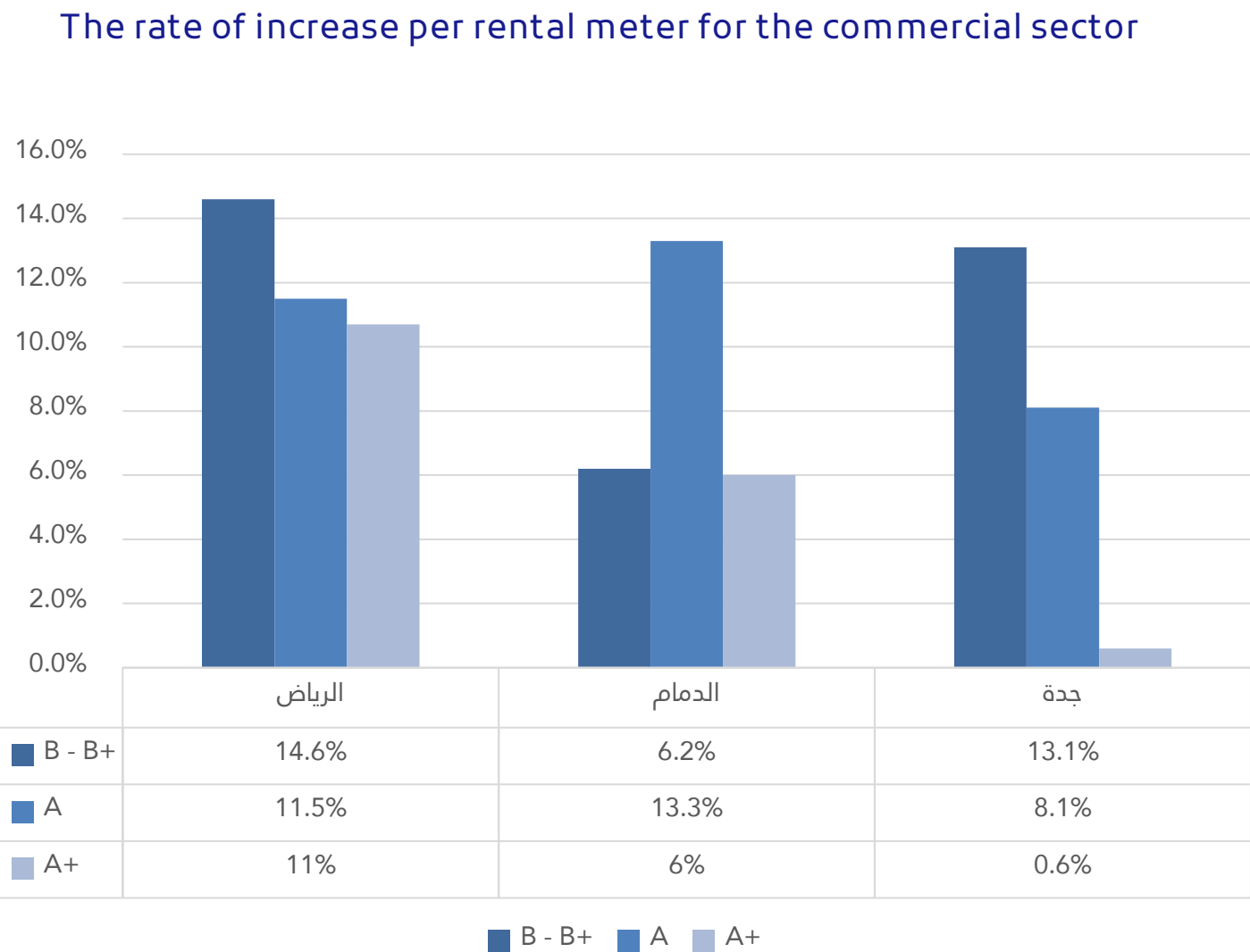
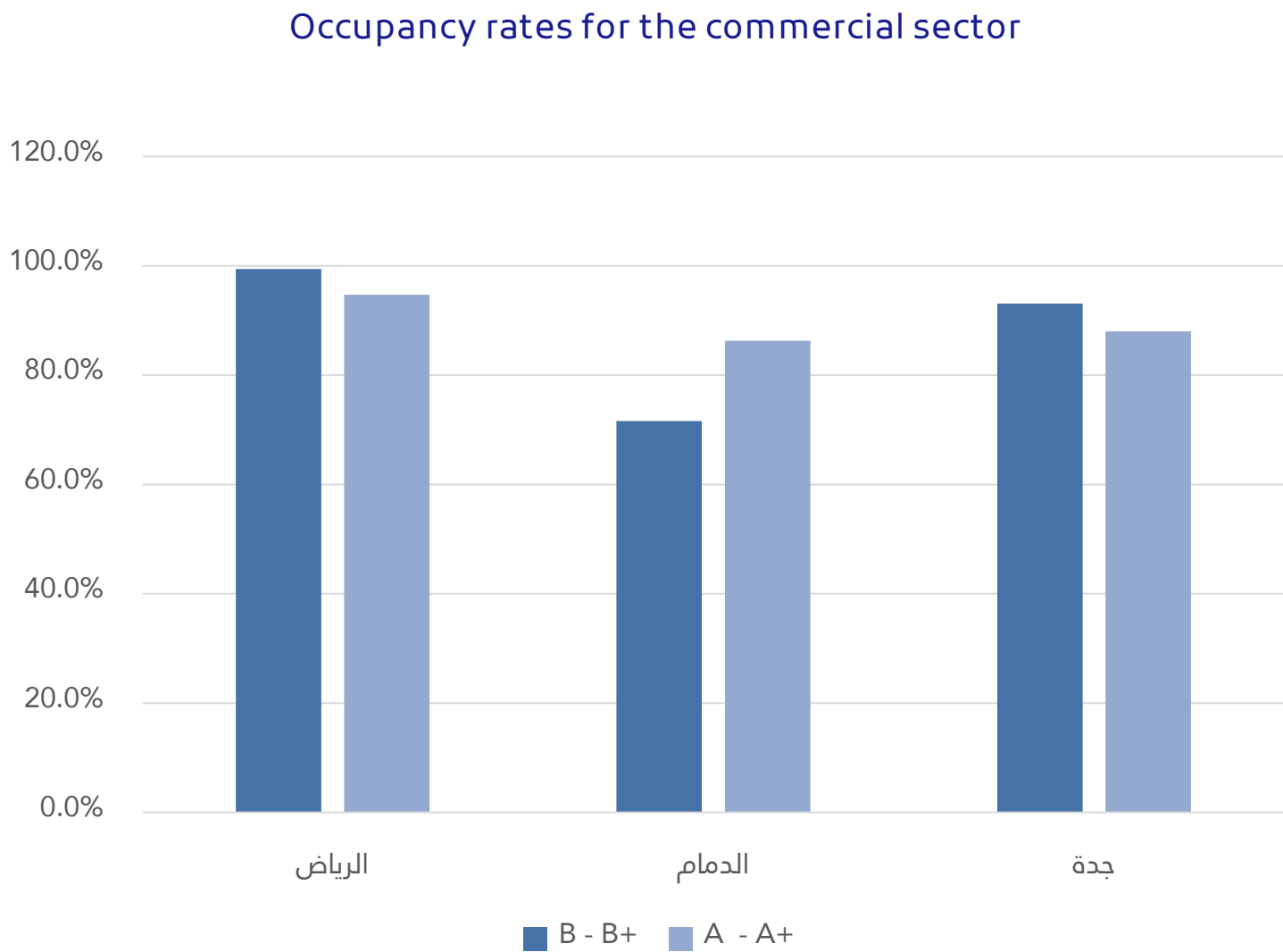
### Jeddah City

There is a significant improvement in average rental prices for both Grade A and Tier B assets from the beginning of the year to the second quarter of 2024 In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square meter, while Grade B offices increased by 13.1% to SAR 800 per square meter. In terms of average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B, respectively.



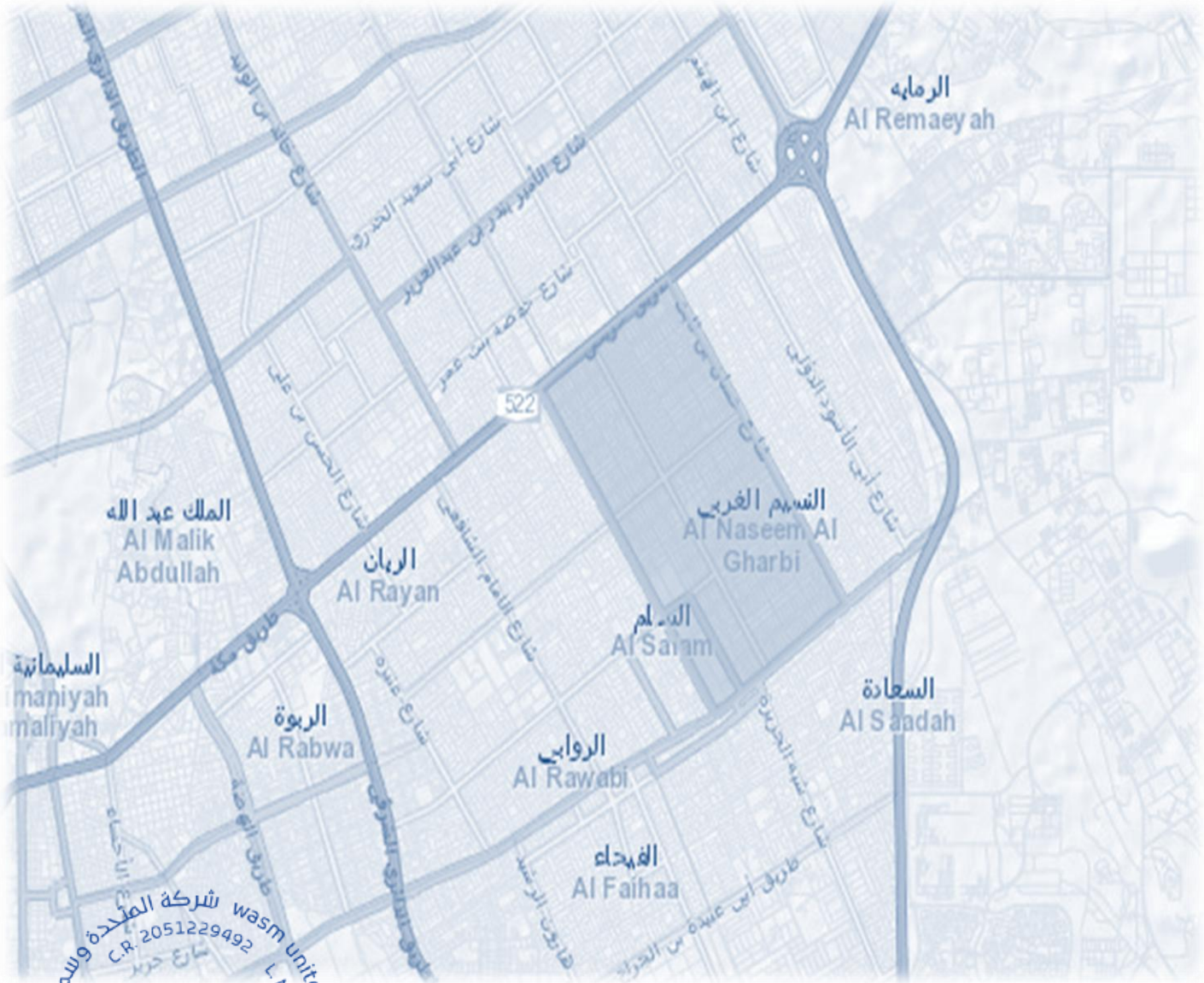
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental meter prices and occupancy rates during 2024



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Western Naseem District



Rental movement of the commercial sector

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December -2024

Average price per square meter	Unit type
400	Office space
625	Store
360	Commercial showroom

After reviewing the data of the rental index in the real estate area, the Wasm team found that the average rent per meter of exhibitions for shops is 391 riyals per meter.

Details of the income of the property according to market data

Income calculations for the property		
2m	7,068.4	Total rental area of the property
riyal	462	Rental meter price for exhibitions
riyal	3,265,600	Total annual property income in case of occupancy 100%



## Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the method of valuing the property of the building of the showroom of Al-Bazai Showroom, where the data below were used in the cash flow table of the property.

### Showroom Building Details

PROPERTY DETAILS		
2m	10,000	Total Land Area
%	70.68	Total Utilized Area
2m	7,068.4	Net rental area

### Details of the income of the property according to the customer's data

Income calculations for the property		
2m	7,068.4	Total rental area of the property
riyal	848.84	Rental meter price for exhibitions
riyal	6,000,000	Total current annual property income

Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of Al Bazai Motor Showroom.

### Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

### Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

5-year future cash flow method assumptions		
%	9.9%	Discount rate
%	8%	Capitalization rate
%	10%	Growth rate (every three years)

After comparing properties similar to the Al Bazai showroom property, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 8%, with a rental growth rate every three years for the rental value, provided that it does not exceed 10%, due to the high demand for the warehouse sector relative to the city of Riyadh.

Valuation Result Analysis – Income Analysis

Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method					Building redemption value
Years	2025	2026	2027	2028	2029	
sequencing	1	2	3	4	5	
Growth rate	10%	0%	0%	0%	0%	48,886,516
Total Income	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	
Percentage of occupancy	100%	96%	95%	95%	95%	
Value of vacancies	6,600,000	6,336,000	6,270,000	6,270,000	6,270,000	
Additional revenue percentage (services)	0%	0%	0%	0%	0%	
Total Effective Income	6,600,000	6,336,000	6,270,000	6,270,000	6,270,000	
Percentage of operating and maintenance expenses	0%	0%	0%	0%	0%	
Value of operating and maintenance expenses	0	0	0	0	0	
Net Operating Income	6,600,000	6,336,000	6,270,000	6,270,000	6,270,000	
Net Cash Flow	6,600,000	6,336,000	6,270,000	6,270,000	6,270,000	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	
Present value of cash flows	6,005,460	5,245,897	4,723,615	4,298,103	3,910,921	
Total Property Value						24,183,995
Total property value after rounding						73,070,512
						73,071,000

73,071,000 SAR  
Total Value of the Property



# 03

Chapter Three

**Documents & Photos**

# Land deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية  
وزارة العدل  
[٢٧٧]  
كتابة العدل الأولى بالرياض

الرقم : ٨١٠١٠٤٠٤٩٣٤١  
التاريخ : ١٩ / ٥ / ١٤٤١ هـ

صك

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

فإن قطعة الأرض ١٠١ و قطعة الأرض ١٠٢ و قطعة الأرض ١٠٣ و قطعة الأرض ١٠٤ و قطعة الأرض ١٣١ و قطعة الأرض ١٣٢ و قطعة الأرض ١٣٣ و قطعة الأرض ١٣٤ من المخطط رقم ٩١١ الواقع في حي النسيم فئة ١ بمدينة الرياض وحدودها وأطوالها كالتالي:

شمالاً: طريق خريص المزقلت بطول: (١٠٠) مائة متر  
جنوباً: شارع عرض ١٥ م بطول: (١٠٠) مائة متر  
شرقاً: قطعة رقم ١٠٥ ورقم ١٣٠ بطول: (١٠٠) مائة متر  
غرباً: شارع عرض ٦٠ م بطول: (١٠٠) مائة متر  
ومساحتها : (١٠٠٠٠) عشرة آلاف متر مربعاً فقط

والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٢١٠١٢٣٠٢٥٦٨٤ في ٩ / ٢ / ١٤٣٦ هـ

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ ، بثمن وقدره ٧٠٠٠٠٠٠٠٠ سبعة وعشرون مليون ريال وعليه جرى التصديق تحريراً في ١٩ / ٥ / ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل

كتاب العدل  
نواف بن ضويحي بن سلطان الضويحي

مصلحة مطابع الحكومة - ٤٠٣١٤ ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه ) نموذج صحيفة ١ - من ١





المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة منطقة الرياض  
بلدية النسيم

## شهادة إتمام البناء

رقم الشهادة : ٣٠٠/١٤٣٨	اسم المالك : شركة صالح عبدالله البرازي وأولاده
التاريخ : ١٤٣٨٠١٠١٦	رقم المصك : ٥١٠١٠٠٩٠٨٤
رقم الطلب : ٣٨٩٦/١٤٣٨	رقم العقار : _____
	رقم الرخصة : ٢٣٦١
	رقم المخطط : ١/١٢٧٠
	نوع العقار : عارة تجارية مكتبة
	حي النسيم الفرعي : شارع _____
	رقم صندوق التنمية العقارية : _____
	تاريخه : _____

تم صرف شهادة إتمام البناء بموجب خطاب الوكيل المساعد للتصوير مدير عام التخطيط العمراني رقم ٢٧٠٠٢٣٣٧٢ وتاريخ ١٤٣٨/١/١٠ وبعد ارفق شهادة العزل الحراري

سعادة / مدير عام  
شركة المياه الوطنية

السلام عليكم ورحمة الله وبركاته ... وبعد

نفيدكم أن المستفيد الموضح اسمه أعلاه قد أكمل بناء عقاره حسب الرخصة المدون رقمها وتاريخها بعماليه ولعدم وجود أي ملاحظات نأمل إكمال اللازم ، وتحفظ الأمانة بحق الرجوع عن الشهادة وقطع الخدمة في حالة ما إذا أخل صاحب المبنى بالشروط الموضحة برخصة البناء بعد إصدار الشهادة.

ونقبلوا تحياتنا

بمعية النسيم

الإسم : ناصر إبراهيم البدر

التوقيع : \_\_\_\_\_

التاريخ : ١٤٣٨٠١٠١٦ هـ

المراقب الفني

الإسم : عبد المحسن جزيني

التوقيع : \_\_\_\_\_

التاريخ : ١٤٣٨٠١٠١٦ هـ

[illegible]

Property Photos



# 04

Chapter Four

**Value Final Opinion**

## Final opinion on value

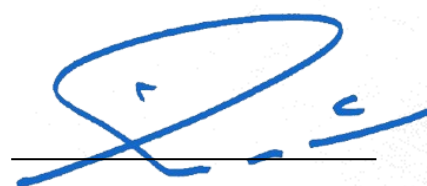
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
seventy-three million seventy-one thousand	73,071,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 843 | 12 | 2024

**Company name : Musharaka Capital**

**Subject: Alfaisalia plaza**

Upon your request to evaluate Alfaisalia plaza, we have conducted an actual inspection of the property. As well as a study of the surrounding are of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents

# 01

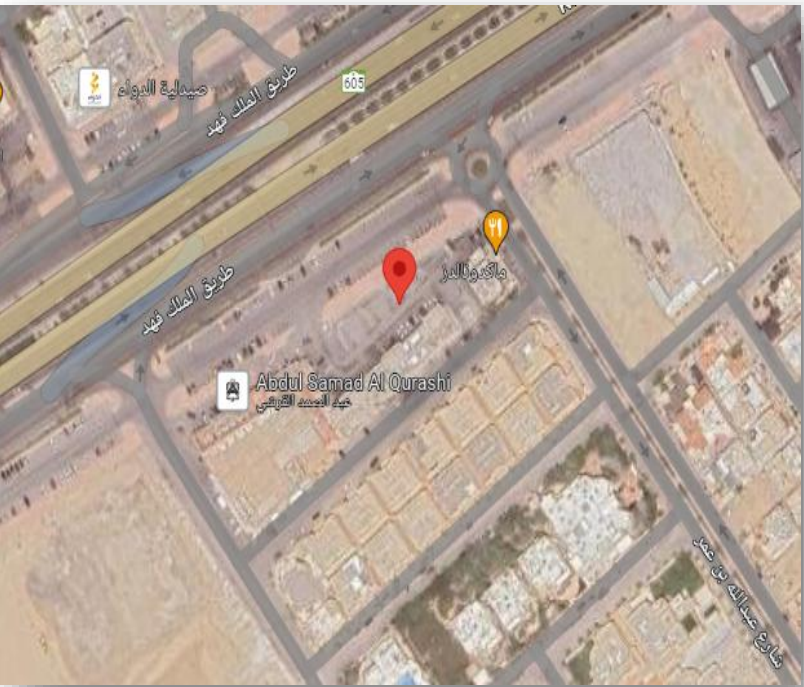
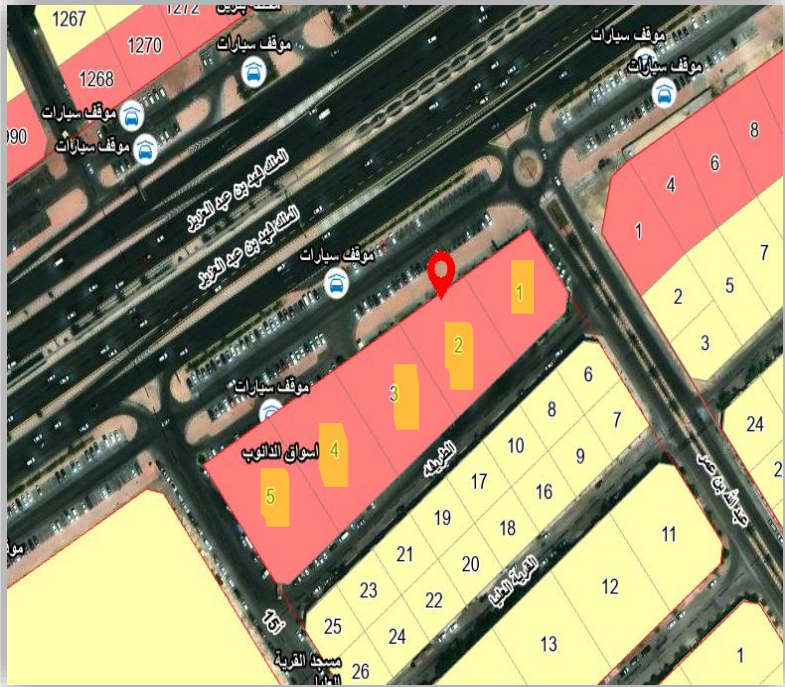
Chapter One

**Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. 1, 2, 3, 4 and 5 of Plan No. 414, rate /1
Property Address:	Dammam - Alfaisalia
Registration Number in the (Qima) System:	1320953
Land Area:	10,769 M
Instrument Number:	330102003013 – 430101003930 -330105002281 – 530101003931 – 330101003932
Instrument Date:	1427/11/6 هـ - 5/11/1427 هـ
Value Assumption:	Current use
Ownership Type:	Restricted ownership
Valuation Method:	Income method
Nature of the Valuated Asset:	Alfaisalia plaza
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Number:	24,195,000
Value in Words:	twenty-four million one hundred ninety-five thousand

Property Location



Click on the image to go to the location

02

Report Details



# Scope of Work

Instrument Owner	Badr bin Nasser bin Abdulaziz Al-Ateeq
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Alfaisalia plaza
Ownership Percentage	Restricted ownership
Terms of Reference	<ul style="list-style-type: none"> <li>The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li> <li>The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li> <li>WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li> <li>The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li> </ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"> <li>In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li> <li>Ministry of Justice database (real estate index sales operations).</li> <li>Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li> </ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



## Services Evaluation

Direction	Length	Description
North	202.5 m	Street width 150 m
South	200 m	Street width 16 m
East	255.6 m	Street width 20 m
West	284.4 m	Street width 25 m

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

## Property Description

The property is a **commercial complex**.

The complex is located in the city of Dammam on King Fahd Road in the Princes' District, west of the Al-Faisaliah District. The complex's location is considered to be at the entrance to the city of Dammam, and it is in a very strategic place due to its proximity to all residential neighborhoods that are characterized by dense population. It includes a number of commercial showrooms, including restaurants and shops. And a supermarket.

Number of exhibitions (29) exhibitions.

Main tenants: Danube - McDonald's.

The rental area is 5,592.83 m.

Building surface area: 7,495 m.

The "estimated" age of the property is 11 years.



# Overview of the real estate movement in the Kingdom

## Analysis of the volume of rental supply for commercial sector real estate

According to a recent CBRE report for the Kingdom's real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity continues to be limited due to a lack of supply as strong demand for high-quality office space continued to rise in the capital Riyadh during the second quarter of 2024 as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries in all major cities in Saudi Arabia during the second quarter of 2024, as the trend to reuse existing and upcoming properties in office space in an attempt to meet the expected increased demand during 2024

### Riyadh City

## Analysis of rental change rates for office sector real estate at the level of main regions

In Riyadh, luxury offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square meter. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square meter. The Grade B segment recorded the highest year-on-year increase of 14.6% with average rent reaching SAR 1,686 per square meter. As for the average occupancy rates in Riyadh, the occupancy of Grade B offices remained unchanged at 99.4% and luxury and Grade A offices witnessed increases of 4.5% and 0.1% respectively to 94.7% and Kamal occupancy respectively.

### Dammam City

The office market in Dammam has seen an increase in rents in both market segments. The average rent for Grade A offices was SAR 1,067 per square meter, an increase of 13.3% year-on-year. The Grade B office category also improved by 6.2% to record an average rent of SAR 567 in Al Khobar, and the average rent of Grade A assets reached SAR 1,145 per square meter after an increase of 6.0% during the same period. Average occupancy levels in both cities also recorded increases, with Al Khobar's Grade A office occupancy reaching 86.3% following a year-on-year increase of 5.3 percentage points. Occupancy rates for Grade A and Grade B offices in Dammam increased by 5.0% and 4.0% respectively to 87.2% and 71.6% respectively.

### Jeddah City

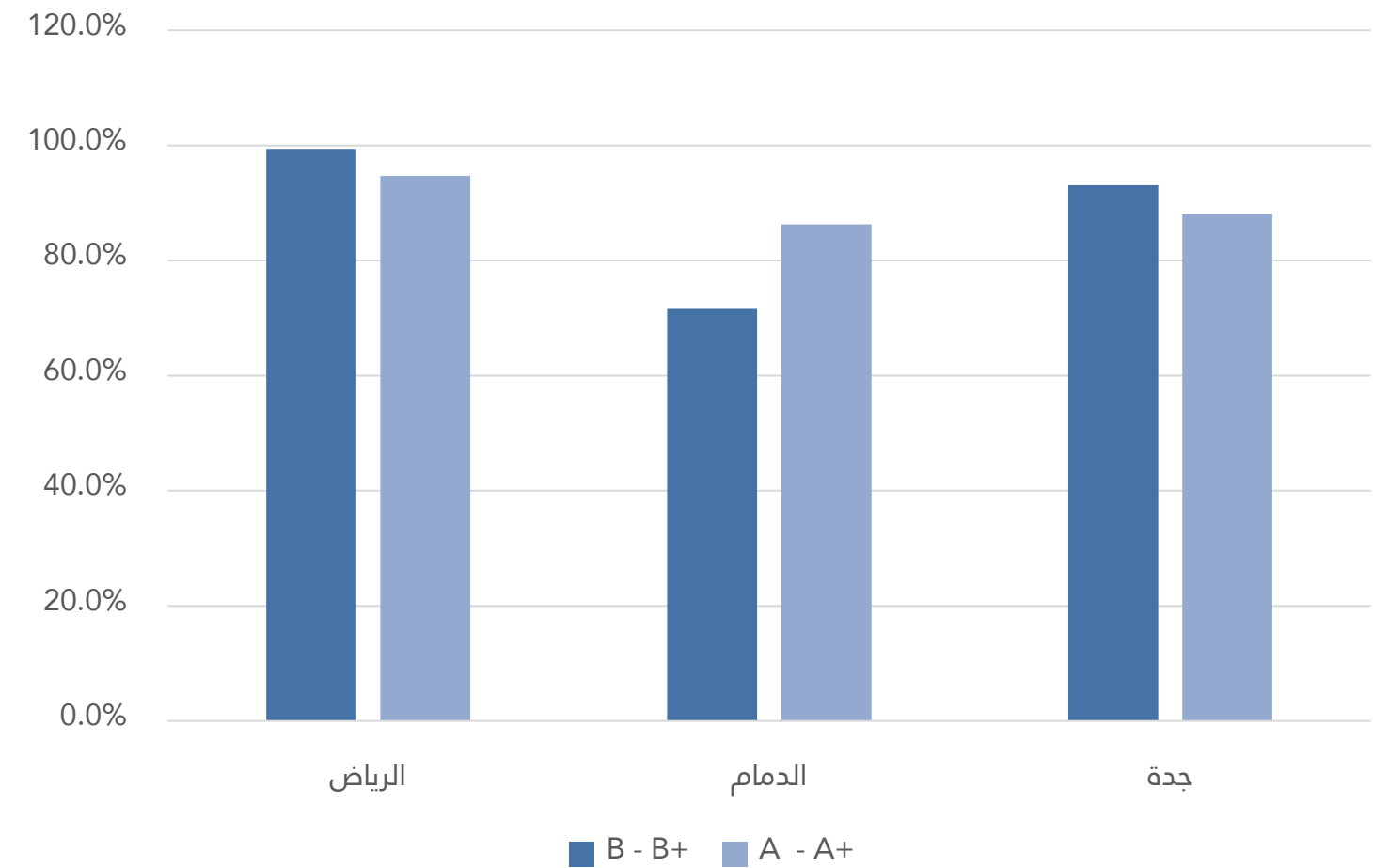
There is a significant improvement in average rental prices for both Grade A and Tier B assets from the beginning of the year to the second quarter of 2024 In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square meter, while Grade B offices increased by 13.1% to SAR 800 per square meter. In terms of average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B, respectively.



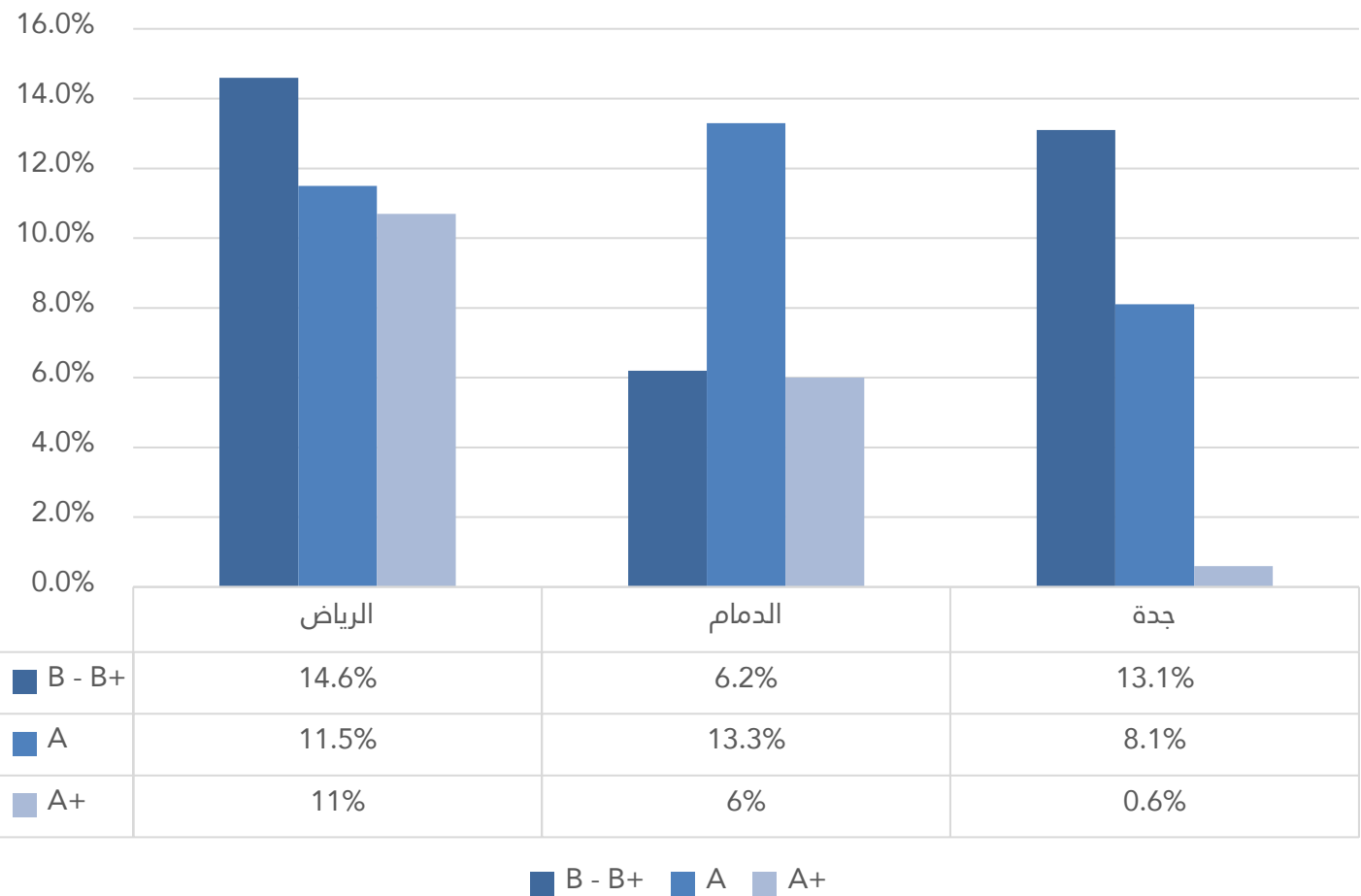
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental meter prices and occupancy rates during 2024

Occupancy rates for the commercial sector



The rate of increase per rental meter for the commercial sector



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Al Faisaliyah District



The rental movement of the commercial sector according to the data of the rental index

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Average price per square meter	Type of unit
riyal 550	Office space
riyal 571	Commercial store
riyal 675	Commercial showroom

After reviewing the data of the rental index in the real estate area, the Wasm team found that the average rent of a commercial meter is 598 riyals per rental meter.

Details of the income of the property according to the data of the rental index

Income calculations for the property		
2m	5,592.8	Total rental area of the property
riyal	598	Average price per rental meter
riyal	3,344,494	Total annual property income in case of occupancy 100%



## Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the valuation method of Al Faisaliah Plaza Complex, where the data below were used in the property's cash flow table.

### Al Faysaliah Plaza Complex Details

Complex Details		
2m	10,779.50	Land Area
2m	7,495	Total building areas
%	% 74.6	Percentage of rental areas
2m	5,592.8	Total rental area
number	29	Number of Units

### Details of the income of the property according to the customer's data

Income calculations for the property		
2m	5,592.8	Total rental area
riyal	1,208.6	Rental meter price for exhibitions
riyal	6,759,734	Total annual property income in case of occupancy 100%

Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of Al Faysaliah Commercial Complex.

### Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

### Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

10-year future cash flow method assumptions		
%	9.9%	Discount rate
%	12%	Capitalization rate
%	3%	Growth rate (every three years)

After comparing properties similar to Al Faisaliah Plaza Complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 12%, with a rental growth rate every three years for the rental value provided that it does not exceed 3%.



# Valuation Result Analysis – Income Analysis

## Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method										Refund Value
Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
sequencing	1	2	3	4	5	6	7	8	9	10	
Growth rate	0%	0%	0%	3%	0%	0%	3%	0%	0%	0%	
Total Income	6,800,000	6,800,000	6,800,000	7,004,000	7,004,000	7,004,000	7,214,120	7,214,120	7,214,120	7,214,120	
Percentage of occupancy	97%	98%	95%	90%	85%	80%	80%	80%	80%	80%	
Total value of occupancy	6,593,640	6,664,000	6,460,000	6,303,600	5,953,400	5,603,200	5,771,296	5,771,296	5,771,296	5,771,296	
Total Effective Income	6,593,640	6,664,000	6,460,000	6,303,600	5,953,400	5,603,200	5,771,296	5,771,296	5,771,296	5,771,296	
Percentage of operating and maintenance expenses	5%	5%	5%	5%	6%	6%	6%	6%	6%	6%	6,352,696
Value of operating and maintenance expenses	329,682	333,200	323,000	315,180	357,204	336,192	346,278	346,278	346,278	346,278	
Net income after deduction of operating expenses	6,263,958	6,330,800	6,137,000	5,988,420	5,596,196	5,267,008	5,425,018	5,425,018	5,425,018	5,425,018	
Annual inflation rate	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	
Rent the land of the complex (usufruct) with the addition of the inflation rate	1,490,600	2,981,200	3,037,843	3,095,562	3,154,377	3,214,311	3,275,383	3,337,615	3,401,030	3,465,649	
Net Operating Income	4,773,358	3,349,600	3,099,157	2,892,858	2,441,819	2,052,697	2,149,636	2,087,403	2,023,989	1,959,369	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	
Present value of cash flows	4,343,365	2,773,305	2,334,805	1,983,062	1,523,088	1,165,034	1,110,148	980,900	865,424	762,324	17,841,455
Total Property Value - Usufruct											24,194,151
Total property value after rounding											24,195,000

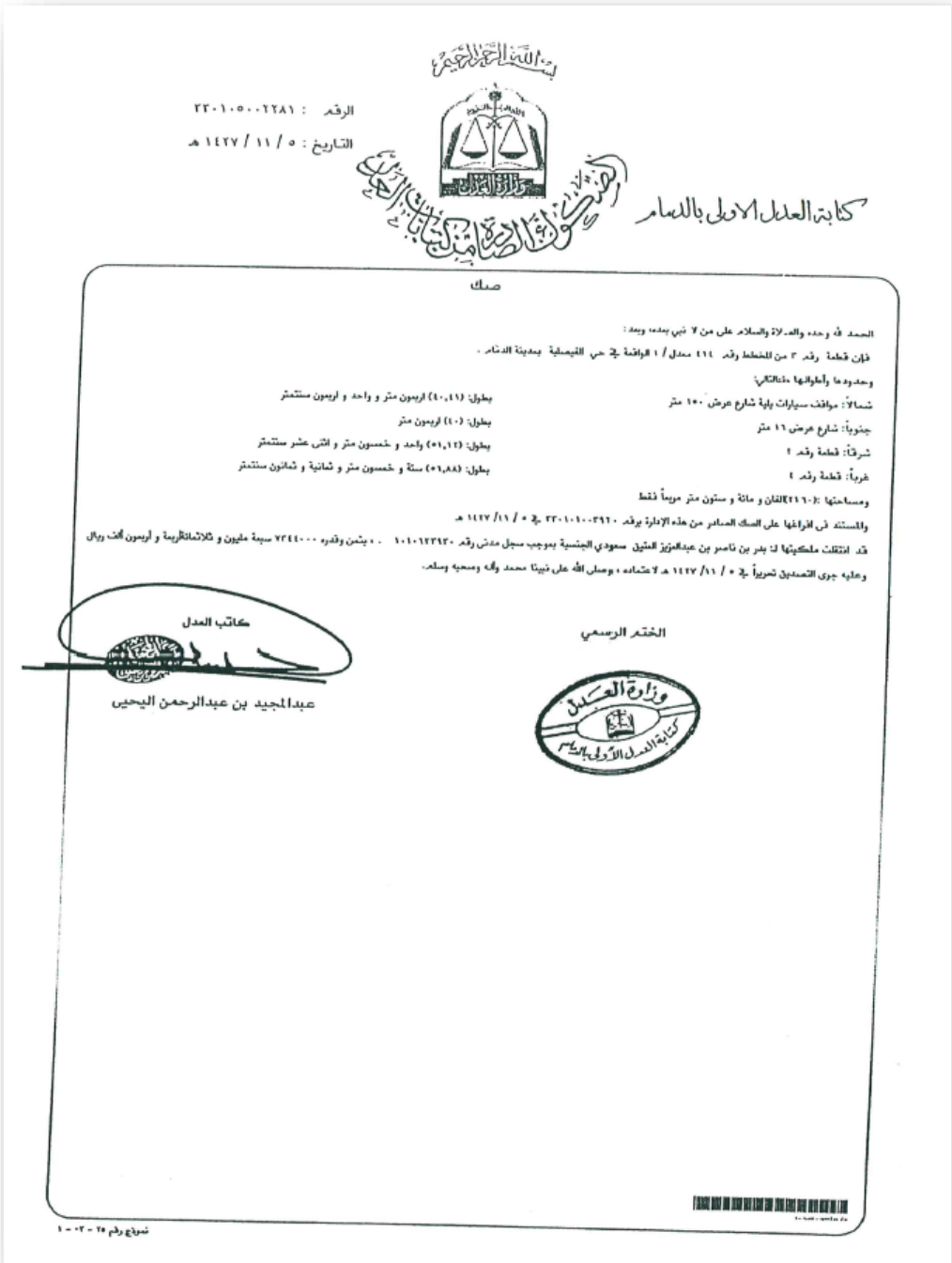
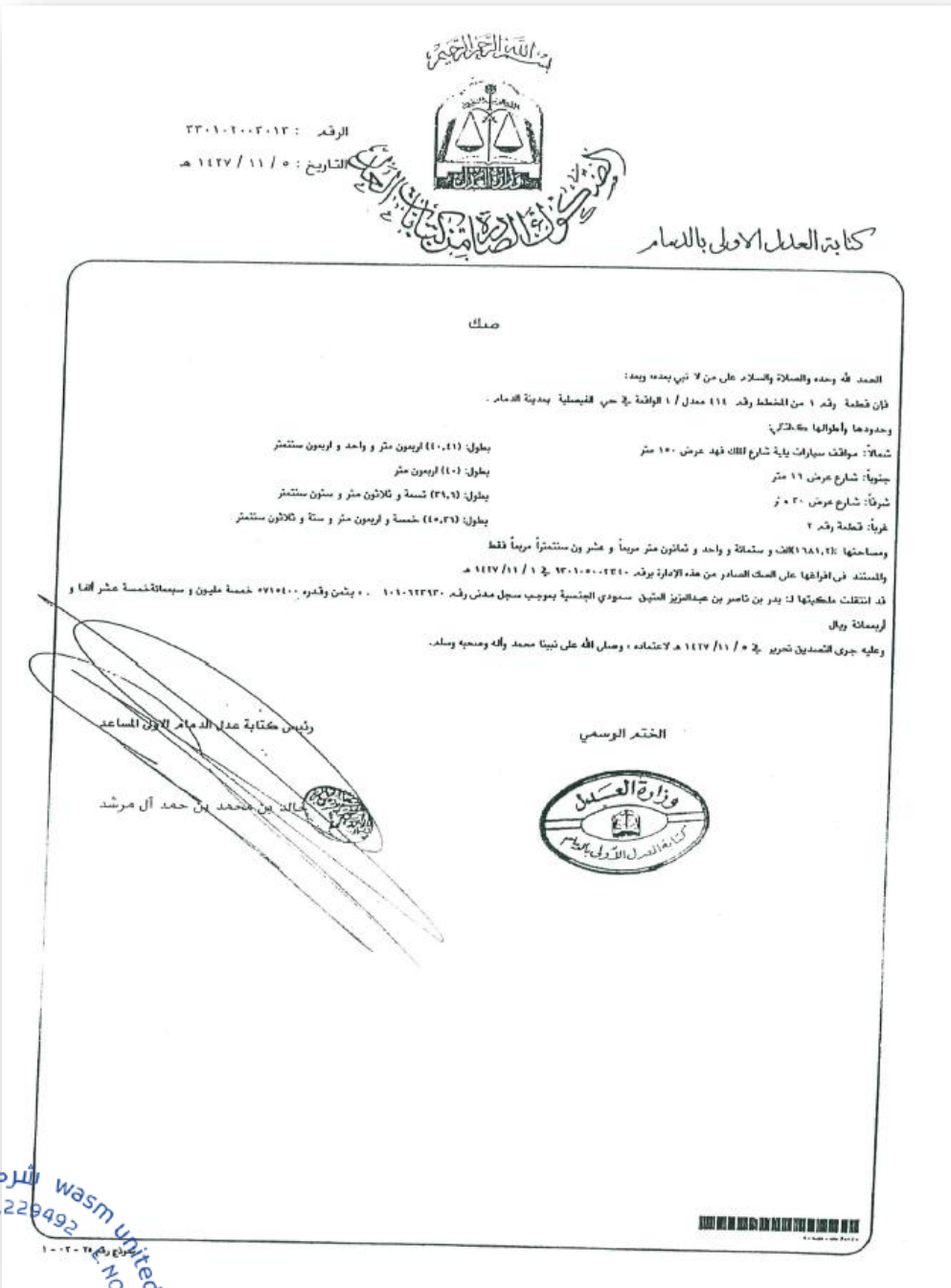


24,195,000 SAR  
Total Value of the property

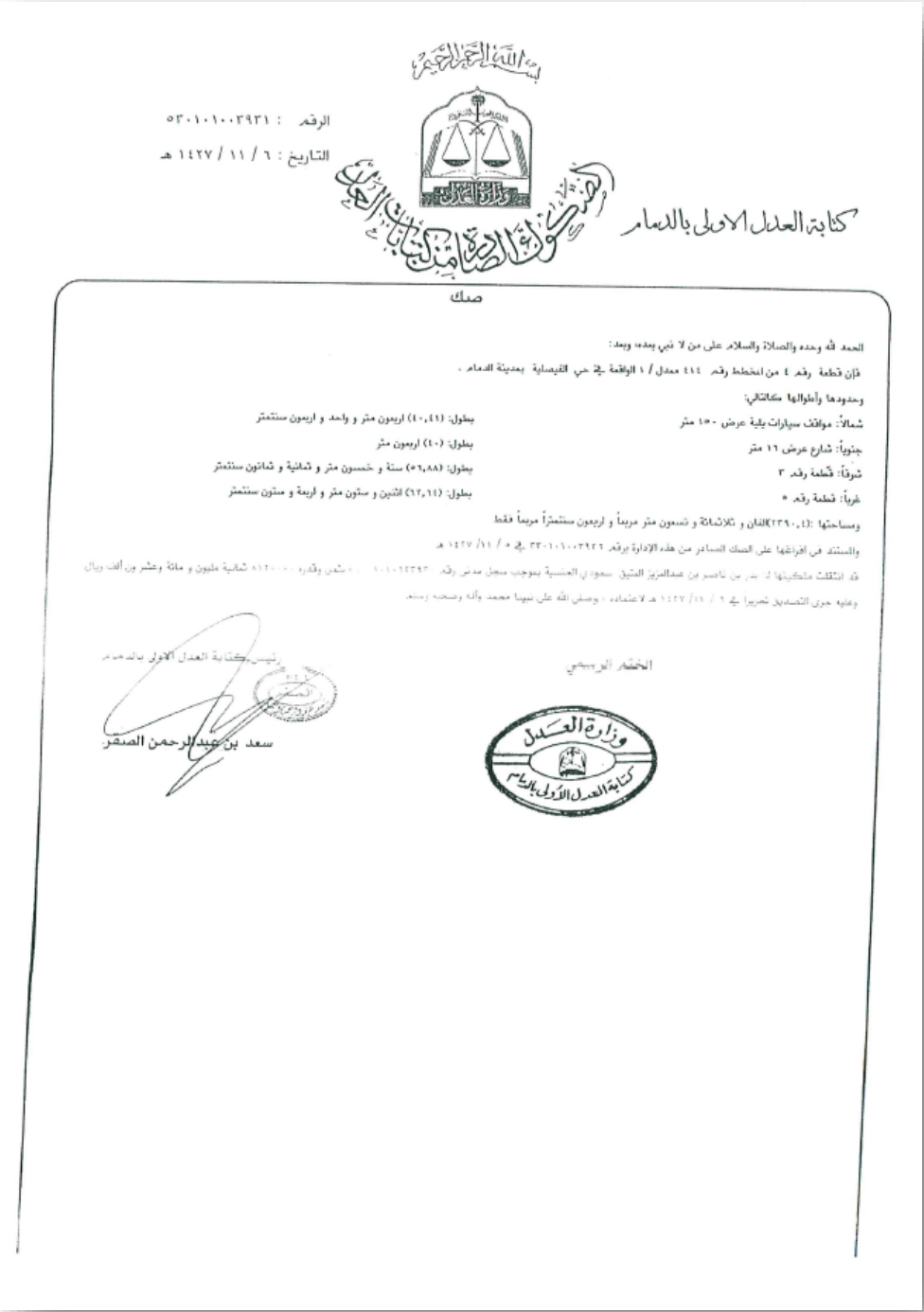
03

Documents & Photos

Land deeds



Land deeds



# Documents

الجمهورية العربية السعودية  
وزارة الشؤون البلدية والقروية  
إدارة المنطقة الشرقية  
بلدية غرب الدمام  
إدارة رخص البناء

رقم الرخصة : ١١٣٣ / ٠٠٧٢٥٥  
تاريخها : ١١٣٣-١٢-٢٥  
صلاحياتها : ثلاث سنوات  
نوعها : بناء جديد

الاسم : م. ناصر عبد العزيز العتيق  
الهوية : ١٠١٠١٢٣٩٣٠  
المهنة : البناء  
الخط : ٤١٤/١ - تخطيط أرض المواطنين ناصر عبد العزيز العتيق وحفظ محمد الكليب

الصفحة : ١  
تاريخها : ١٤٠٦-١٠-٢٤  
المساحة الكلية : ١١٧٦١,٥٠ م<sup>٢</sup>

طريق الملك فهد

رقم القطعة	رقم البلاك	رقم الاستخدام	رقم سند التملك	نوع سند التملك	تاريخه
١	٠٠٠٠٠	( بند ١ )	٣٣٠١٠٢٠٠٣٠٦٢	سك ملكية	١٤٢٧-١١-٠٥
٢	٠٠٠٠٠	( بند ١ )	٤٢٠١٠١٠٠٣٩٣٠	سك ملكية	١٤٢٧-١١-٠٦
٣	٠٠٠٠٠	( بند ١ )	٣٣٠١٠٥٠٠٢٢٨١	سك ملكية	١٤٢٧-١١-٠٥
٤	٠٠٠٠٠	( بند ١ )	٥٣٠١٠١٠٠٣٩٣١	سك ملكية	١٤٢٧-١١-٠٦
٥	٠٠٠٠٠	( بند ١ )	٣٣٠١٠١٠٠٣٩٣٢	سك ملكية	١٤٢٧-١١-٠٦

بلدية غرب الدمام  
الشؤون التقنية

الجهة	إستال	جنوب	شرق	غرب	الجهة	إستال	جنوب	شرق	غرب
المساحة	٦,٠٠٠ م	٣,٧٠٠ م	٦,٠٠٠ م	٣,٧٠٠ م	المساحة	٦,٠٠٠ م	٣,٧٠٠ م	٦,٠٠٠ م	٣,٧٠٠ م

مكونات البناء :

الوصف	عدد الوحدات	المساحة	الاستخدام
الارض	٢٩ وحدة	٥٤١٨,٠٠ م	تجاري
مخزن	٢ م	١٧٦٤,٠٠ م	تجاري
دور اول	٢ م	٣٦٢,٠٠ م	تجاري
بوكس	٢ م	٤٨٤,٠٠ م	واحد

بيانات الرسم :  
لجنة الرسم :  
اتصال السداد :  
تاريخه : ١٤٠٦/١٠/٢٤

ملاحظات :  
تحتفظ الجهات بكس الختام وتوافق جارية في مكتب ج.د.د.

م. ناصر عبد العزيز العتيق  
م. محمد الكليب  
م. فهد بن محمد الويع



Property Photos



04

Final opinion on value

## Final opinion on value

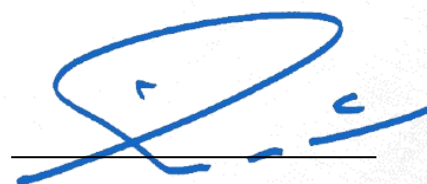
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
twenty-four million one hundred ninety-five thousand	24,195,000 SAR



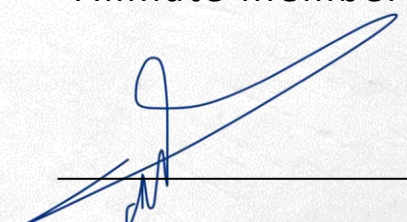
Approved By  
**Abdulwahab Alshuredah**  
1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 842 | 12 | 2024

**Company name : Musharaka Capital**

**Subject: Al Kharj Plaza Complex**

Upon your request to evaluate Al Kharj Plaza Complex, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents



# 01

Chapter One

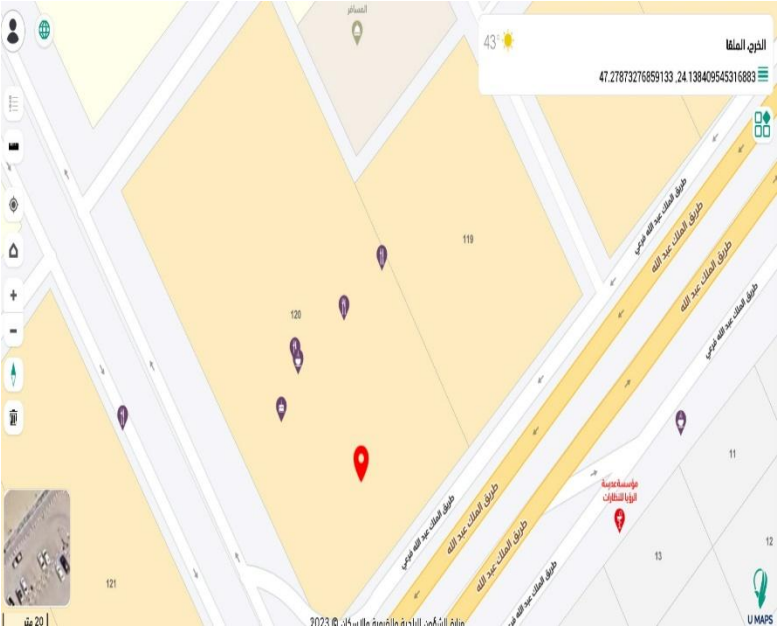
**Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. (119) and Plot No. (120) of plan No. 1456
Property Address:	Alkharj - Gharnata
Registration Number in the (Qima) System:	1320861
Land Area:	16,095 M
Instrument Number:	711508007003 - 511507006268
Instrument Date:	24/03/1441 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Alkharj Plaza
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	61,810,000
Value in Words:	sixty-one million eight hundred ten thousand



Property Location



Click on the image to go to the location



02

Report Details

# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Alkharj Plaza
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



## Services Evaluation

Direction	Length	Description
North	57,5 m	Street width 6 m
South	60,35 m	Street width 60 m
East	82.9 m	Street width 15 m
West	80,25m	Plot No120

Direction	Length	Description
North	82,15 m	Street width 20 m
South	80 m	Street width 60 m
East	141,1 m	Street width 6 m and Plot No 119
West	140,5m	Street width 40 m

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

## Property Description

The property is a **commercial complex**.

The complex is located in Al-Kharj city, in the Granada neighborhood, on King Abdullah Road, near Prince Sattam bin Abdulaziz University.

The complex is considered one of the most vital and active locations in the city of Al-Kharj, due to its proximity to the neighboring residential neighborhoods and Prince Sattam bin Abdulaziz University, and its location on a main street in the city of Al-Kharj. It includes a number of commercial showrooms, including restaurants, shops, and a supermarket.

Number of exhibitions (18) exhibitions.

Main tenants: Danube - McDonald's - Redtag.

Building areas: 9,521.1 m.

Commercial area: 8,839.13 m.

The estimated age of the property is 18 years.



# Overview of the real estate movement in the Kingdom

## Analysis of the volume of rental supply for commercial sector real estate

According to a recent CBRE report for the Kingdom's real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity continues to be limited due to a lack of supply as strong demand for high-quality office space continued to rise in the capital Riyadh during the second quarter of 2024 as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries in all major cities in Saudi Arabia during the second quarter of 2024, as the trend to reuse existing and upcoming properties in office space in an attempt to meet the expected increased demand during 2024

## Analysis of rental change rates for office sector real estate at the level of main regions

### Riyadh City

In Riyadh, luxury offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square meter. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square meter. The Grade B segment recorded the highest year-on-year increase of 14.6% with average rent reaching SAR 1,686 per square meter. As for the average occupancy rates in Riyadh, the occupancy of Grade B offices remained unchanged at 99.4% and luxury and Grade A offices witnessed increases of 4.5% and 0.1% respectively to 94.7% and Kamal occupancy respectively.

### Dammam City

The office market in Dammam has seen an increase in rents in both market segments. The average rent for Grade A offices was SAR 1,067 per square meter, an increase of 13.3% year-on-year. The Grade B office category also improved by 6.2% to record an average rent of SAR 567 in Al Khobar, and the average rent of Grade A assets reached SAR 1,145 per square meter after an increase of 6.0% during the same period. Average occupancy levels in both cities also recorded increases, with Al Khobar's Grade A office occupancy reaching 86.3% following a year-on-year increase of 5.3 percentage points. Occupancy rates for Grade A and Grade B offices in Dammam increased by 5.0% and 4.0% respectively to 87.2% and 71.6% respectively.

### Jeddah City

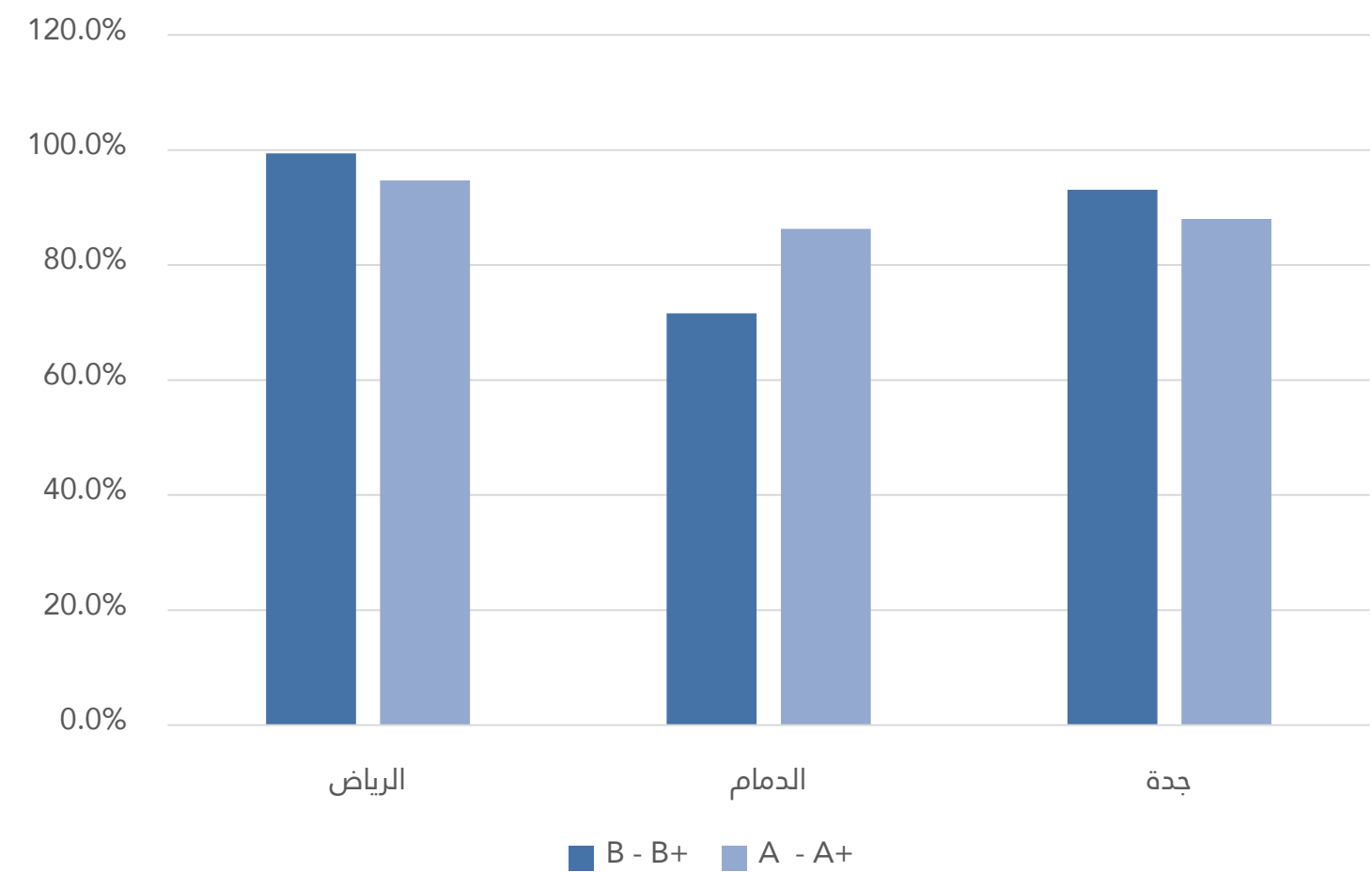
There is a significant improvement in average rental prices for both Grade A and Tier B assets from the beginning of the year to the second quarter of 2024 In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square meter, while Grade B offices increased by 13.1% to SAR 800 per square meter. In terms of average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B, respectively.



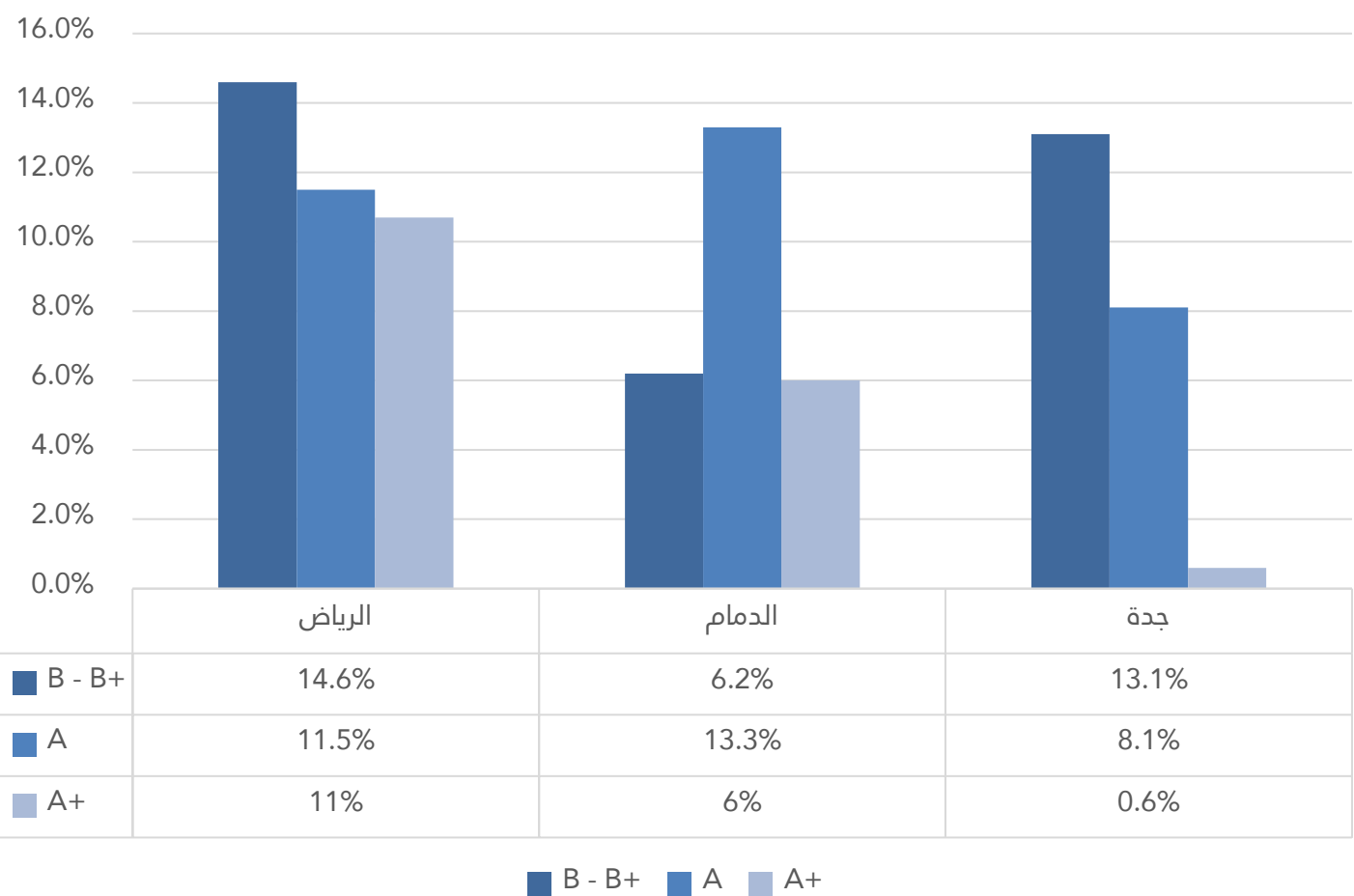
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental meter prices and occupancy rates during 2024

Occupancy rates for the commercial sector



The rate of increase per rental meter for the commercial sector



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Al-Khozama neighborhood in Al-Kharj city



The rental movement of the commercial sector according to the data of the rental index

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Average price per square meter	Type of unit
300 ريال	Office space
666 ريال	Commercial store
244 ريال	Commercial showroom

After reviewing the data of the rental index in the real estate area, the Wasm team found that the average rent of a commercial meter is 403 riyals per rental meter.

Details of the income of the property according to the data of the rental index

Income calculations for the property		
2m	9,403.40	Total rental area of the property
riyal	403	Average price per rental meter
riyal	3,789,570	Total annual property income in case of occupancy 100%



Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the valuation method of Al Kharj Plaza Complex, where the data below were used in the property cash flow table.

Al Kharj Commercial Complex Details

Complex Details		
2m	16,095.97	Land Area
2m	9,521.1	Total building areas
%	% 74.6	Percentage of rental areas
2m	9,403.40	Total rental area
number	18	Number of Units

Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

Details of the income of the property according to the customer's data

Income calculations for the property		
2m	9,403.40	Total rental area
riyal	602	Rental meter price for exhibitions
riyal	5,660,573	Total annual property income in case of occupancy 100%

Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of Al-Kharj Commercial Complex.

Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

5-year future cash flow method assumptions		
%	9.9%	Discount rate
%	8%	Capitalization rate
%	5%	Growth rate (every three years)

After comparing properties similar to Al-Kharj Commercial Complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 8%, with a rental growth rate every three years for the rental value, provided that it does not exceed 5%.



## Valuation Result Analysis – Income Analysis

### Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method					Redemption Value
Years	2025	2026	2027	2028	2029	
sequencing	1	2	3	4	5	
Growth rate	0%	0%	5%	0%	0%	
Total Income	5,400,000	5,400,000	5,670,000	5,670,000	5,670,000	
Percentage of occupancy	95%	100%	100%	100%	100%	
Total value of occupancy	5,151,854	5,400,000	5,670,000	5,670,000	5,670,000	
Total Effective Income	5,151,854	5,400,000	5,670,000	5,670,000	5,670,000	41,997,962
Percentage of operating and maintenance expenses	5%	5%	5%	5%	5%	
Value of operating and maintenance expenses	257,593	270,000	283,500	283,500	283,500	
Net income after deduction of operating expenses	4,894,261	5,130,000	5,386,500	5,386,500	5,386,500	
Net Operating Income	4,894,261	5,130,000	5,386,500	5,386,500	5,386,500	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	
Present value of cash flows	4,453,377	4,247,388	4,058,014	3,692,461	3,359,837	19,811,078
Total Property Value						61,809,039
Total property value after rounding						61,810,000

**61,810,000 SAR**  
**Total Value of the property**



03

Documents & Photos

# Land deeds

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية  
وزارة العدل  
[٢٧٧]

الرقم: ٥١١٥٠٧٠٠٦٢٦٨  
التاريخ: ٢٤ / ٣ / ١٤٤١ هـ

وزارة العدل

كتابة عدل محافظة الخرج

صك

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

فإن قطعة الأرض (التجارية) رقم ١٢٠ من المخطط رقم ١٤٥٦ الواقع في حي غرناطة محافظة الخرج، وحدودها وأطوالها كالتالي:

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

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

شرقاً: معر مشاة عرض ٦ م قطعة الأرض رقم ١١٩ بطول: (١٤١,١) مائة و واحد و أربعون متر و عشرة سنتيمتر

غرباً: شارع عرض ٤٠ م بطول: (١٤٠,٥) مائة و أربعون متر و خمسون سنتيمتر

ومساحتها: (١١,٢٦٠,٢٤) أحد عشر ألفاً و مئتين و ستون متر مربعاً و أربعة و عشرون سنتيمتر مربعاً فقط والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٤١١٥٠١٠٠٣٤٠٠ في ٤ / ٣ / ١٤٣٧ هـ

قد انتقلت ملكيتها لـ: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ، بثمن وقدره ١٧٨١٦٤٥٥ سبعة عشر مليوناً و ثمانمائة و ستة عشر ألفاً و أربعمائة و خمسة و خمسون ريال ضمن شيك وعليه جرى التصديق تحريراً في ٢٤ / ٣ / ١٤٤١ هـ لاعتقاده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

علي بن عبدالعزيز بن علي قعيص

وزارة العدل  
كتابة عدل محافظة الخرج  
كتب العدل مكتب رقم (٧)

هذا المستند وحدة متكاملة، وصياح أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند  
مصلحة مطابع الحكومة - ٤٠٣٢٤٢ ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه )  
نموذج رقم ١١٣١ - ١٤٣١

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية  
وزارة العدل  
[٢٧٧]

الرقم: ٧١١٥٠٨٠٠٧٠٠٣  
التاريخ: ٢٤ / ٣ / ١٤٤١ هـ

وزارة العدل

كتابة عدل محافظة الخرج

صك

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

فإن قطعة الأرض التجارية رقم ١١٩ من المخطط رقم ١٤٥٦ الواقع في حي غرناطة محافظة الخرج، وحدودها وأطوالها كالتالي:

شمالاً: معر مشاة عرض ٦ م بطول: (٥٧,٥) سبعة و خمسون متر و خمسون سنتيمتر

جنوباً: شارع عرض ٦٠ م بطول: (٦٠,٣٥) ستون متر و خمسة و ثلاثون سنتيمتر

شرقاً: شارع عرض ١٥ م وغرفة كهرباء بطول: ٠ يبدأ من الشمال بطول ٤ م ثم ينكسر شرقاً ٢,٥ م ثم ينكسر جنوباً بطول ٧٦,٤٠ م

غرباً: قطعة رقم ١٢٠ بطول: (٨٠,٢٥) ثمانون متر و خمسة و عشرون سنتيمتر

ومساحتها: (٤,٨٣٥,٧٣) أربع آلاف و ثمانمائة و خمسة و ثلاثون متر مربعاً و سبعون سنتيمتر مربعاً فقط والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٣١١٥٠١٠٠٣٤٠١ في ٤ / ٣ / ١٤٣٧ هـ

قد انتقلت ملكيتها لـ: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ، بثمن وقدره ٧٤١٣٣٠٠ سبعة مليون و أربعمائة و ثلاثة عشر ألفاً و ثلاثمائة ريال وعليه جرى التصديق تحريراً في ٢٤ / ٣ / ١٤٤١ هـ لاعتقاده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

وليد بن خالد بن عبدالله السيف

وزارة العدل  
كتابة عدل محافظة الخرج  
كتب العدل مكتب رقم (٨)

هذا المستند وحدة متكاملة، وصياح أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند  
مصلحة مطابع الحكومة - ٤٠٣٢٤٢ ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه )  
نموذج رقم ١١٣١ - ١٤٣١

wasm-utd.sa

Property Photos



# 04

Chapter Four

**Value Final Opinion**

## Final opinion on value

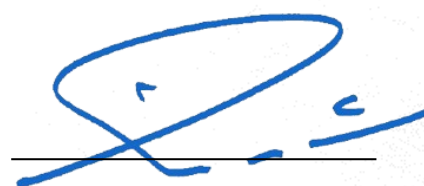
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
sixty-one million eight hundred ten thousand	61,810,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 839 | 12 | 2024

**Company name : Musharaka Capital**

**Subject: Gardino Hotel**

Upon your request to evaluate Gardino Hotel, we have conducted an actual inspection of the property. As well as a study of the surrounding are of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents

01

## Executive Summary

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	129 – 130 – 131 – 132
Property Address:	Riyadh – AlOlaya
Registration Number in the (Qima) System:	1320650
Land Area:	3,495.35 M
Instrument Number:	918501000502
Instrument Date:	هـ 1443/2/15
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Gardino Hotel
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	96,626,000
Value in Words:	ninety-six million six hundred twenty-six thousand

Property Location



Click on the image to go to the location

02

Report Details

Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Gardino Hotel
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	<p>The documents submitted by the client were approved and assumed to be true.</p> <p>The valuation was made on the assumption that the property is free of any alterations or interference.</p> <p>Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value.</p> <p>The property is assumed to comply with all laying out and zoning requirements.</p> <p>The location and area of the property were determined from the documents submitted by the client.</p> <p>The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.</p>
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



Services Evaluation

Direction	Length	Description
North	55 m	Street width 12 m
South	58 m	133 , 134
East	62.7 m	Street width 46 m
West	62 m	Street width 15 m

Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

Property Description

The property is a **hospitality hotel**.  
The Gardeno Hotel is located in the city of Riyadh, in the Olaya district, on Al-Takhasosi Road. The hotel consists of (94) hotel rooms and suites, and the hotel is equipped with full services, including a sports club, halls for events and celebrations, a restaurant, swimming pools, and parking. The hotel is distinguished by its location on one of the most important arterial roads in the city of Riyadh. The hotel is leased to a leading Saudi company in leasing and operating hotels with a binding contract extending for ten years.  
Main tenant: Al Salam Residences Company for Commercial Development and Investment.  
Building area: 13,838 m.



# Overview of the real estate movement in the Kingdom

## Analysis of the hospitality and hotel sector at the level of the Kingdom

According to a recent CBRE report for the hospitality sector in the Kingdom as of May 21, 2024, the latest data from the General Authority of Civil Aviation (GACA) in Saudi Arabia showed that the total number of passengers has increased by 20.0% so far in 2024. This continuous growth follows a 26.0% growth in the number of passengers from 2023 where the number of passengers reached 111 million.

Compared to the performance indicators for the pre-pandemic period, from the beginning of the year to June 2024 compared to the same period in 2019 excluding Jeddah, the KPIs for all major hotel markets in Saudi Arabia are now exceeding their pre-pandemic levels. Across Saudi Arabia as a whole during this period, the average occupancy rate and average daily room rate increased by 3.7% and 35.6% respectively, resulting in a 43.9% increase in revenue per available room.

## Hospitality Sector Performance Indicators in the Kingdom for 2024 to Report Date

From the beginning of the year until June 2024 vs June 2023			From the beginning of the year until June 2024 vs June 2019			
Rate of change in revenue per room	Rate of change in daily room rate	Rate of change in occupancy rate	Rate of change in revenue per room	Rate of change in daily room rate	Rate of change in occupancy rate	
8.2%	6.7%	0.9%	43.9%	35.6%	3.7%	At the level of the cities of the Kingdom
-4.1%	-1.5%	-1.7%	0%	0%	0%	Khobar
14.5%	-1.1%	8.4%	0%	0%	0%	Damma
-4.2%	-9.9%	4.1%	-4.1%	-20 %	11.3%	Jeddah
3.6%	1.1%	1.60%	41.2%	40.9%	0.1%	Makkah
14.5%	16.1%	-1.00%	148.5%	105.5%	13 %	Madinah
22.4%	25.5%	-1.50%	62.5%	53.60%	3.3%	Riyadh



# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the property valuation method of Giardino Hotel Riyadh, where the data below were used in the property cash flow table.

## Gardino Hotel Details

Complex Details		
2m	3,495.35	Land Area
2m	13,838	Total building areas
unit	94	Number of Hotel Units

## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	7,000,000	The entire hotel rent with an ascending annual contract
riyal	70,000	Annual rent for a telecom tower
riyal	7,070,000	Total annual property income in case of occupancy 100%

- Based on the information provided by the customer that the property is fully leased with an annual contract of 7 million riyals incremental.
- According to the information provided by the customer, there is a leased telecom tower in the property with an annual return of 70,000 riyals.

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

6-year future cash flow method assumptions		
%	9.9%	Discount rate
%	7.5%	Capitalization rate
%	0%	growth rate

After comparing properties similar to Giardino Hotel Riyadh, we have come to the conclusion that according to market research, the most appropriate capitalization rate for the property should be 7.5%.



# Valuation Result Analysis – Income Analysis

## Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method														Refund Value
Years	2024-12	2025-06	2025-12	2026-06	2026-12	2027-06	2027-12	2028-06	2028-12	2029-06	2029-12	2030-06	2030-12	2031-06	
Period of cash flows in years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Arrangement of financial flows	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Growth rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Total Income	3,750,000	3,750,000	3,750,000	3,750,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	
Occupancy rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Value of occupancy	3,750,000	3,750,000	3,750,000	3,750,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	
Additional income (telecom tower rent)	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	57,289,920
Total Effective Income	3,785,000	3,785,000	3,785,000	3,785,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	
Percentage of operating and maintenance expenses	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Value of operating and maintenance expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net income after deduction of operating expenses	3,785,000	3,785,000	3,785,000	3,785,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	4,160,000	
Net Operating Income	7,570,000		7,570,000		8,320,000		8,320,000		8,320,000		8,320,000		8,320,000		
Discount coefficient	0.91		0.83		0.75		0.69		0.62		0.57		0.52		39,335,548
Present value of cash flows	6,888,080		6,267,589		6,268,018		5,703,383		5,189,612		4,722,122		4,296,744		
Total Property Value															96,625,468
Total property value after rounding															96,626,000



96,626,000 SAR  
Total Value of the property  
wasm-utd.sa

03

Documents & Photos

# Land deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية  
وزارة العدل  
[ ٢٧٧ ]

تاريخ الصك: ١٤٤٣/٢/١٥ هـ  
رقم الصك: ٩١٨٥٠١٠٠٠٥٠٢

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن قطعة الأرض 129 و قطعة الأرض 130 و قطعة الأرض 131 و قطعة الأرض 132 من المخطط رقم 1324 / 1 الواقع في حي العليا بمدينة الرياض .  
وحدودها وأطوالها كالتالي:  
شمالاً: شارع عرض 12م بطول: (55) خمسة و خمسون متر  
جنوباً: قطعة رقم 133 و 134 بطول: (58) ثمانية و خمسون متر  
شرقاً: شارع عرض 46م بطول: (62.7) اثنين و ستون متر و سبعون سنتيمتر  
غرباً: شارع عرض 15م بطول: (62) اثنين و ستون متر  
ومساحتها : (3,495.35) ثلاثة آلاف و أربعمئة و تسعون متر مربعاً و خمسة و ثلاثون سنتيمتراً مربعاً فقط  
والمستند في افراغها على الصك الصادر من الموثقين بالرياض 8 برقم 399069000324 في 13 / 2 / 1443 هـ  
قد انتقلت ملكيتها لـ: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم 1010484834 وتنتهي في 14 / 1 / 1445 هـ .، بثمن وقدره 85500000 خمسة و ثمانون مليوناً و خمسمائة ألف ريال منها مبلغ 7070000 سبعة مليون و سبعون ألف ريال تنازلت الشركة عن إيجاره العقار للبائع وعليه جرى التصديق تحريراً في 15 / 2 / 1443 هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل  
( هذا النموذج مخصص للاستخدام بالخاص الآلي ويمنع تقليده )  
نموذج رقم (١٢-٠٣-١٠)  
مصحح مطابع المتابعة ٢٩٢١٥٩٠  
صفحة رقم 1 من 1

QR Code



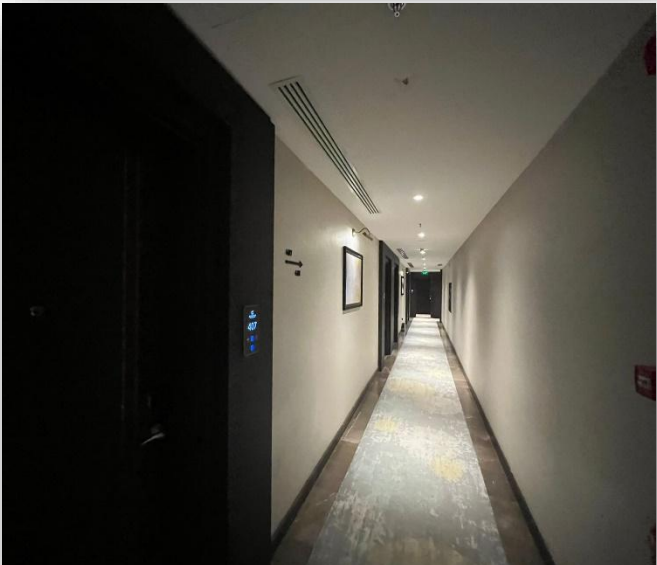
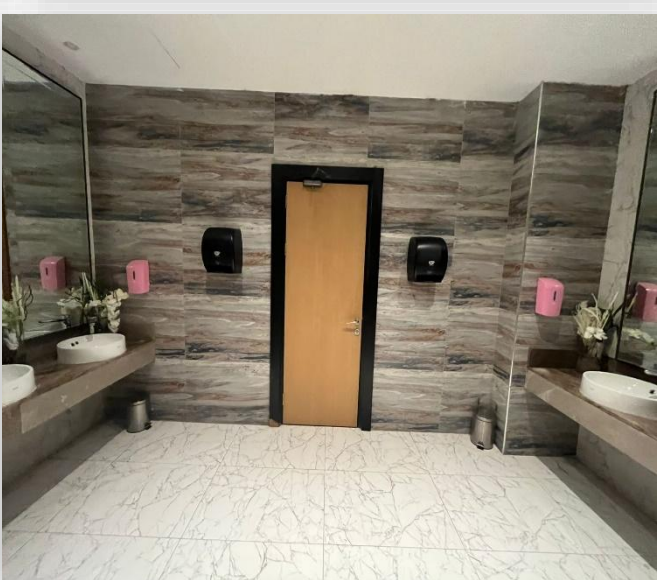
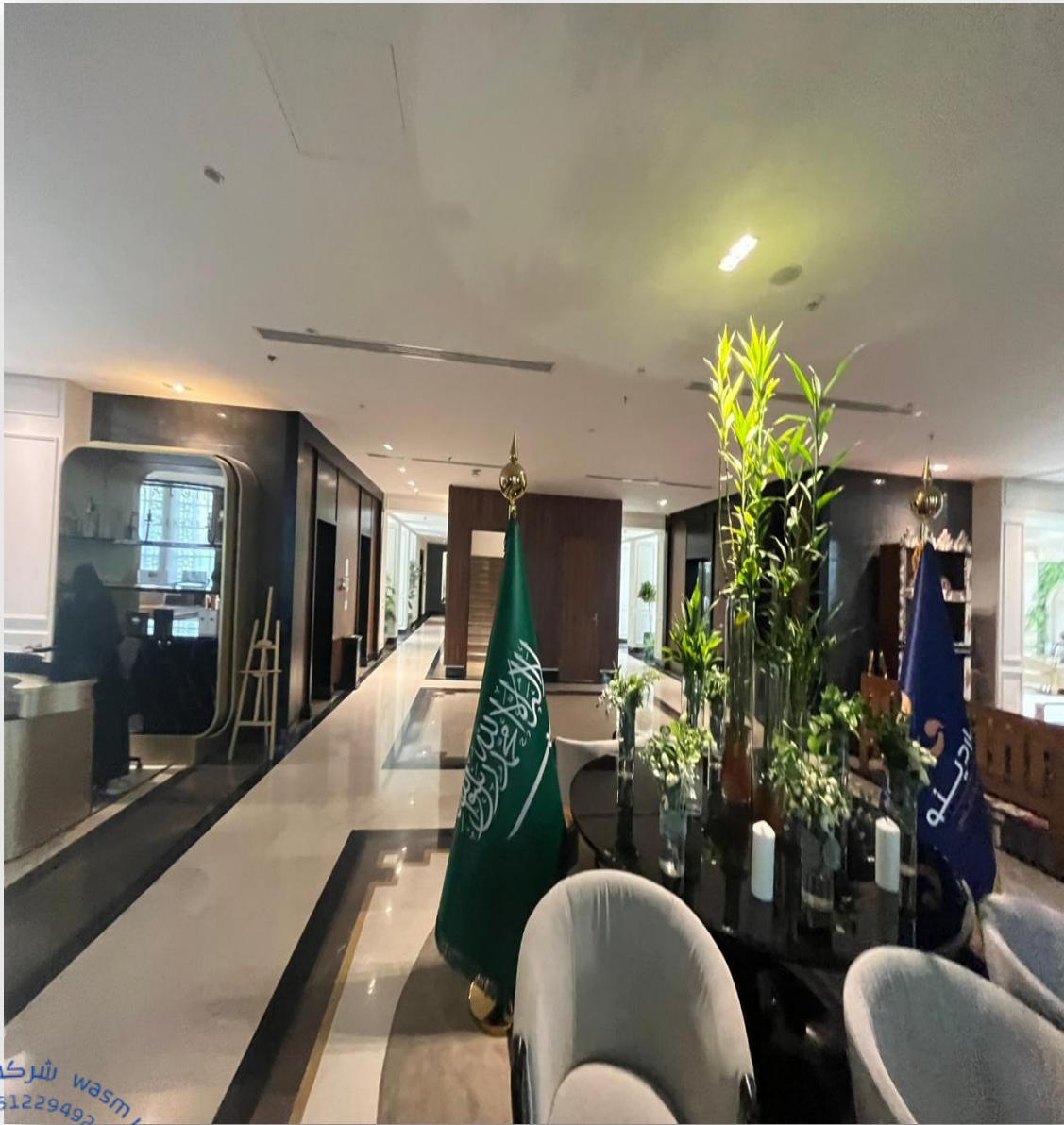
# Documents

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Property Photos



Property Photos



04

Final opinion on value

## Final opinion on value

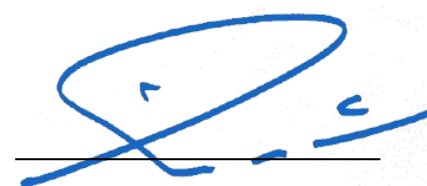
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
ninety-six million six hundred twenty-six thousand	96,626,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 841| 12 | 2024

**Company name : Musharaka Capital**

**Subject: Jubail Plaza**

Upon your request to evaluate Jubail Plaza, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents



# 01

Chapter One

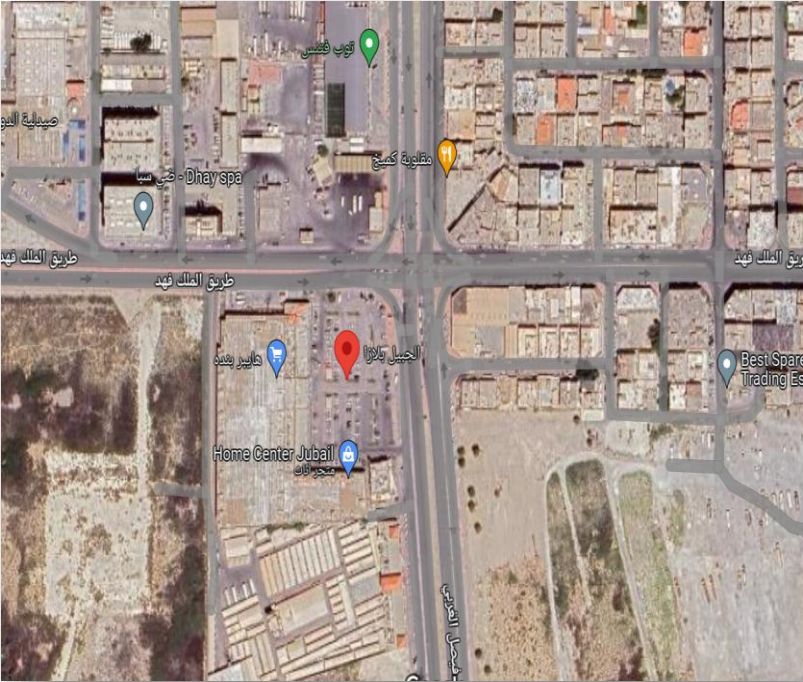
**Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	From plot No. 300 to plot No. 307 and from plot No. 73 to 78, plan No. 78/2
Property Address:	Jubail
Registration Number in the (Qima) System:	1320802
Land Area:	39,750 M
Instrument Number:	765
Instrument Date:	1414/02/05 هـ
Value Assumption:	Current use
Ownership Type:	Restricted ownership
Valuation Method:	Income method
Nature of the Valuated Asset:	Jubail Plaza
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	70,120,000
Value in Words:	seventy million one hundred twenty thousand



Property Location



Click on the image to go to the location



02

Report Details



# Scope of Work

Instrument Owner	Al-Khanini International Company Limited
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Jubail Plaza
Ownership Percentage	Restricted ownership
Terms of Reference	<ul style="list-style-type: none"><li>The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>Ministry of Justice database (real estate index sales operations).</li><li>Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client's private information will not be used in any other report. The client's information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



## Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"> <li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li> </ul>
Estimated Value	<ul style="list-style-type: none"> <li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li> </ul>
Report Preparation	<ul style="list-style-type: none"> <li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li> </ul>



## Services Evaluation

Direction	Length	Description
North	158 m	Street width 30 m
South	183.12 m	Owned, unplanned land
East	217 m	King Faisal West Street, 60 m wide
West	253.06m	Aramco well

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

## Property Description

The property is a **commercial complex**.

The complex is located in the city of Jubail in the West Farms area at the intersection of King Fahd Road and King Faisal Western Road, The complex is considered in the heart of Jubail and is close to commercial sites and residential neighborhoods such as the Al-Waha neighborhood and other nearby residential neighborhoods.

It includes a number of commercial showrooms, including restaurants, shops, a commercial bank, and a supermarket.

Number of commercial units: 27 units.

Main tenants: Hyper Panda - McDonald's - Bank Al Jazira - Home Center.

Building surface: 15,636.7 m.



# Overview of the real estate movement in the Kingdom

## Analysis of the volume of rental supply for commercial sector real estate

According to a recent CBRE report for the Kingdom's real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity continues to be limited due to a lack of supply as strong demand for high-quality office space continued to rise in the capital Riyadh during the second quarter of 2024 as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries in all major cities in Saudi Arabia during the second quarter of 2024, as the trend to reuse existing and upcoming properties in office space in an attempt to meet the expected increased demand during 2024

## Analysis of rental change rates for office sector real estate at the level of main regions

### Riyadh City

In Riyadh, luxury offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square meter. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square meter. The Grade B segment recorded the highest year-on-year increase of 14.6% with average rent reaching SAR 1,686 per square meter. As for the average occupancy rates in Riyadh, the occupancy of Grade B offices remained unchanged at 99.4% and luxury and Grade A offices witnessed increases of 4.5% and 0.1% respectively to 94.7% and Kamal occupancy respectively.

### Dammam City

The office market in Dammam has seen an increase in rents in both market segments. The average rent for Grade A offices was SAR 1,067 per square meter, an increase of 13.3% year-on-year. The Grade B office category also improved by 6.2% to record an average rent of SAR 567 in Al Khobar, and the average rent of Grade A assets reached SAR 1,145 per square meter after an increase of 6.0% during the same period. Average occupancy levels in both cities also recorded increases, with Al Khobar's Grade A office occupancy reaching 86.3% following a year-on-year increase of 5.3 percentage points. Occupancy rates for Grade A and Grade B offices in Dammam increased by 5.0% and 4.0% respectively to 87.2% and 71.6% respectively.

### Jeddah City

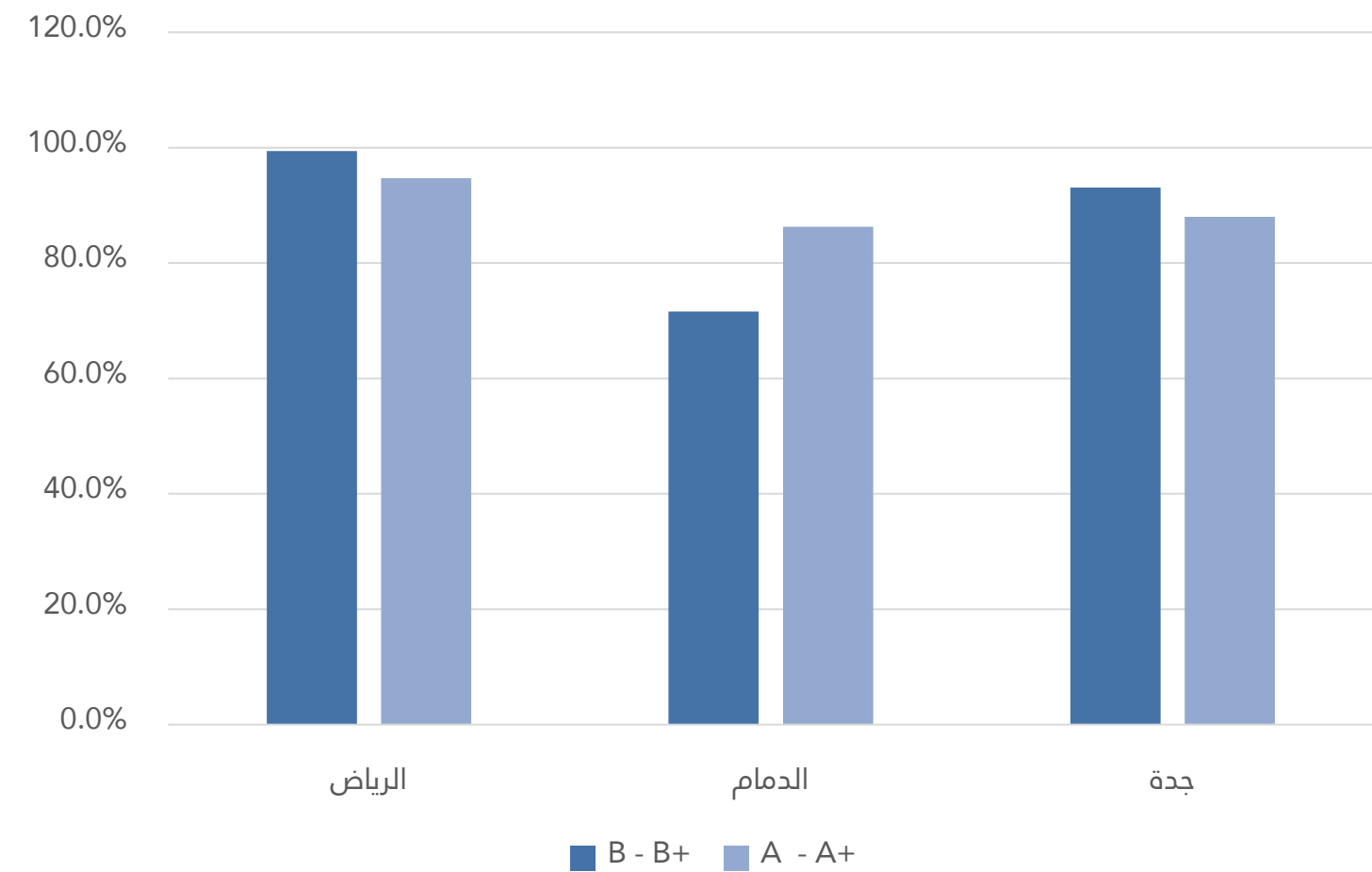
There is a significant improvement in average rental prices for both Grade A and Tier B assets from the beginning of the year to the second quarter of 2024 In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square meter, while Grade B offices increased by 13.1% to SAR 800 per square meter. In terms of average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B, respectively.



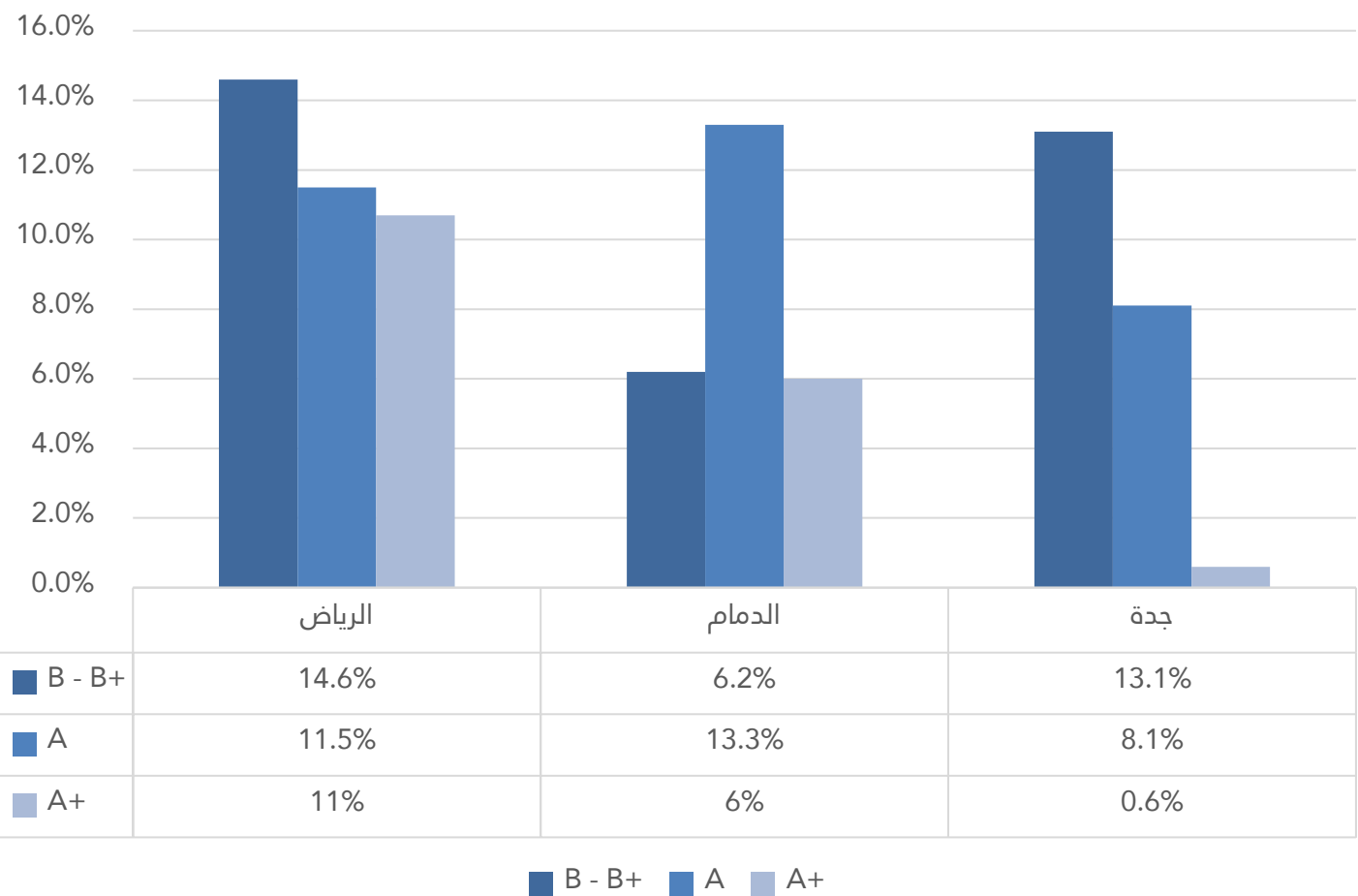
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental meter prices and occupancy rates during 2024

Occupancy rates for the commercial sector



The rate of increase per rental meter for the commercial sector



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Jubail City



The rental movement of the commercial sector according to the data of the rental index

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Rental Transactions Executed by Rental Index		
Number of rental transactions	Average price per meter	Unit Type
7	409	Administrative Office
5	357	Store
-	900	Trade show

After reviewing the data of the rental index in the real estate area, the Wasm team found that the average rent of a commercial meter is 555 riyals per rental meter.

Details of the income of the property according to the data of the rental index

Income calculations for the property		
2m	12,509.36	Total rental area of the property
riyal	555	Average price per rental meter
riyal	6,942,694	Total annual property income in case of occupancy 100%

# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the Jubail Plaza Property Valuation Method, where the data below were used in the property cash flow table.

## Details of Jubail Plaza Complex

Complex Details		
2m	39,750	Land Area
2m	15,636.7	Total building areas
%	% 80	Percentage of rental areas
2m	12,509.36	Total rental area
number	27	Number of Units

## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.6%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	12,509.36	Total rental area
riyal	939	Rental meter price for exhibitions
riyal	11,753,741	Total annual property income in case of occupancy 100%

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

10-year future cash flow method assumptions		
%	9.9%	Discount rate
%	14%	Capitalization rate
%	3%	Growth rate (every three years)

Based on the income data provided by the customer was reflected on the discounted cash flow inputs of the property in the valuation of the Jubail Commercial Complex.

After comparing properties similar to Jubail Plaza Complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 14%, with a rental growth rate every three years for the rental value, provided that it does not exceed 3%.



## Valuation Result Analysis – Income Analysis

### Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method										Refund Value
Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
sequencing	1	2	3	4	5	6	7	8	9	10	
Growth rate	0%	0%	0%	3%	0%	0%	3%	0%	0%	0%	
Total Income	11,660,000	11,660,000	11,660,000	12,009,800	12,009,800	12,009,800	12,370,094	12,370,094	12,370,094	12,370,094	
Percentage of occupancy	97%	97%	97%	97%	97%	95%	95%	90%	90%	90%	
Total value of occupancy	11,310,200	11,310,200	11,310,200	11,649,506	11,649,506	11,409,310	11,751,589	11,133,085	11,133,085	11,133,085	
Total Effective Income	11,310,200	11,310,200	11,310,200	11,649,506	11,649,506	11,409,310	11,751,589	11,133,085	11,133,085	11,133,085	
Percentage of operating and maintenance expenses	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	20,826,670
Value of operating and maintenance expenses	904,816	904,816	904,816	931,960	931,960	912,745	940,127	890,647	890,647	890,647	
Net income after deduction of operating expenses	10,405,384	10,405,384	10,405,384	10,717,546	10,717,546	10,496,565	10,811,462	10,242,438	10,242,438	10,242,438	
Annual inflation rate	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	
Renting the land of the complex (usufruct) with the addition of the inflation rate (SAR)	2,320,000	2,364,080	2,408,998	2,454,768	2,501,409	2,548,936	2,597,366	2,646,716	2,697,003	2,748,246	
Net Operating Income	8,085,384	8,041,304	7,996,386	8,262,777	8,216,136	7,947,629	8,214,097	7,595,722	7,545,435	7,494,192	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	
Present value of cash flows	7,357,037	6,657,805	6,024,218	5,664,157	5,124,827	4,510,778	4,242,052	3,569,337	3,226,302	2,915,734	49,292,247
Total Property Value - Usufruct											70,118,917
Total property value after rounding											70,120,000

70,120,000 SAR

Total Value of the property

wasm-utd.sa

03

Documents & Photos

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لجائع الاعلى للأرست - الرباط - المملكة العربية السعودية

# Document

إدارة الشؤون الفنية  
قسم ضبط التنمية  
رخص البناء

المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة المنطقة الشرقية  
بلدية محافظة الجبيل

رخصة بناء

رقم الترخيص: ١٠٨٠٢  
التاريخ: ١٤٣٤-٠٥-١٢  
صلاحيتها: ٣ سنوات

المالك/شركة الخنثي العالمية المحدودة  
سجل مدني: ٢٠٥٥٠٠٠٢٠٤  
مصدرها: الدمام  
تاريخها: ١٤٠٥-٠٧-٠٢

الموقع خارج المخطط/ رقم الأرض: ٤  
مساحة الأرض: ٣٩٧٥٠  
من المخطط المعتمد: ١٤/٣٢  
عقد/صك: ١٤١٤-٠٢-٠٥

ملاحظة هامة: يجب عمل ساتر خشبي لمنع تسرب مواد البناء إلى الشارع والكتابة عالية بخط واضح رقم الرخصة وتاريخها باسم المالك والمقاول والمكتب الهندسي المشرف

قد رخص للمالك للقيام ببناء دور أرضي + أول فقط. عدد (١٩) محل تجاري + عدد (١) مبنى إداري + عدد (١) مبنى تجاري بناء على عقد إشراف صادر من مكتب القطري للاستشارات الهندسية بتاريخ ١٤٣٤-٠٥-١١ هـ.

الابعاد: ١٥٨٠٠ م  
الحدود: شارع جدة ٣٠٠٠ م  
الارتفاعات: ١٨٣,١٢ م  
الارتفاع: ٢١٩,٠٠ م  
الارتفاع: ٢٥٣,٠٠ م

المنطقة: شمال-شرق، شمال-غرب، جنوب-شرق، جنوب-غرب  
مجموع مساحات الوارث: أطوال السور:

مكونات المبنى

الوصف	المساحة	عدد
دور أول تجاري	٢٥٣٣,٢٢	٥
دور أرضي تجاري	١٣١٠,٣٤٩	٢١
مجموع المساحات	١,٥٦٣٦,٥٧	

المراقب الفني: خالد عبدالرحمن السقاقي

أعدت الرسومات بمعرفة مكتب القطري للاستشارات الهندسية  
سند الرسوم المقررة وقدرها ( ١٢٥١٩ ) ريال فقط  
موجب الإصدار رقم ( ٤٦/١٦٥٢٣٤٦ ) في ١٢-٠٥-١٤٣٤ هـ

يراعي عدم وضع فتحات التكيف في واجهة الرئيسية للمبنى  
تمت مراجعة الرسومات والمواظفة عليها على أن يلتزم المالك بتنفيذ كامل أنظمة البلدية وأن يرجع إليها عند ضرورة التعديل مهما كان وعليه أعطى الترخيص  
أجريت دراسة التربة بمعرفة

رئيس قسم رخص البناء: / ناصر عبدالله الطويل  
مدير إدارة ضبط التنمية: / سلام الدين هارث الحارثي  
مهندس/ عيسى بن محمد الرايز  
رئيس بلدية محافظة الجبيل: المهندس/ تاييف بن فيصل الفويش

الرقم: التاريخ: المرفقات:

هاتف: ٠٤٠٤١ ٣٦٢ - فاكس: ٣٥٧٣ ٣٦٢ - ب. ب. ٢٢٨٨ - الج. ٣١٩٥١ - المملكة العربية السعودية



Property Photos



04

Final opinion on value

## Final opinion on value

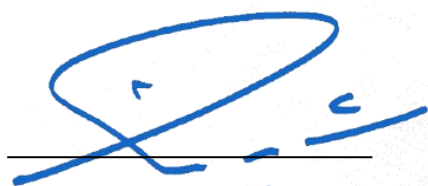
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
seventy million one hundred twenty thousand	70,120,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 840| 12 | 2024

**Company name : Musharaka Capital**

**Subject: Ajzala Residential Complex**

Upon your request to evaluate Ajzala Residential Complex, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents

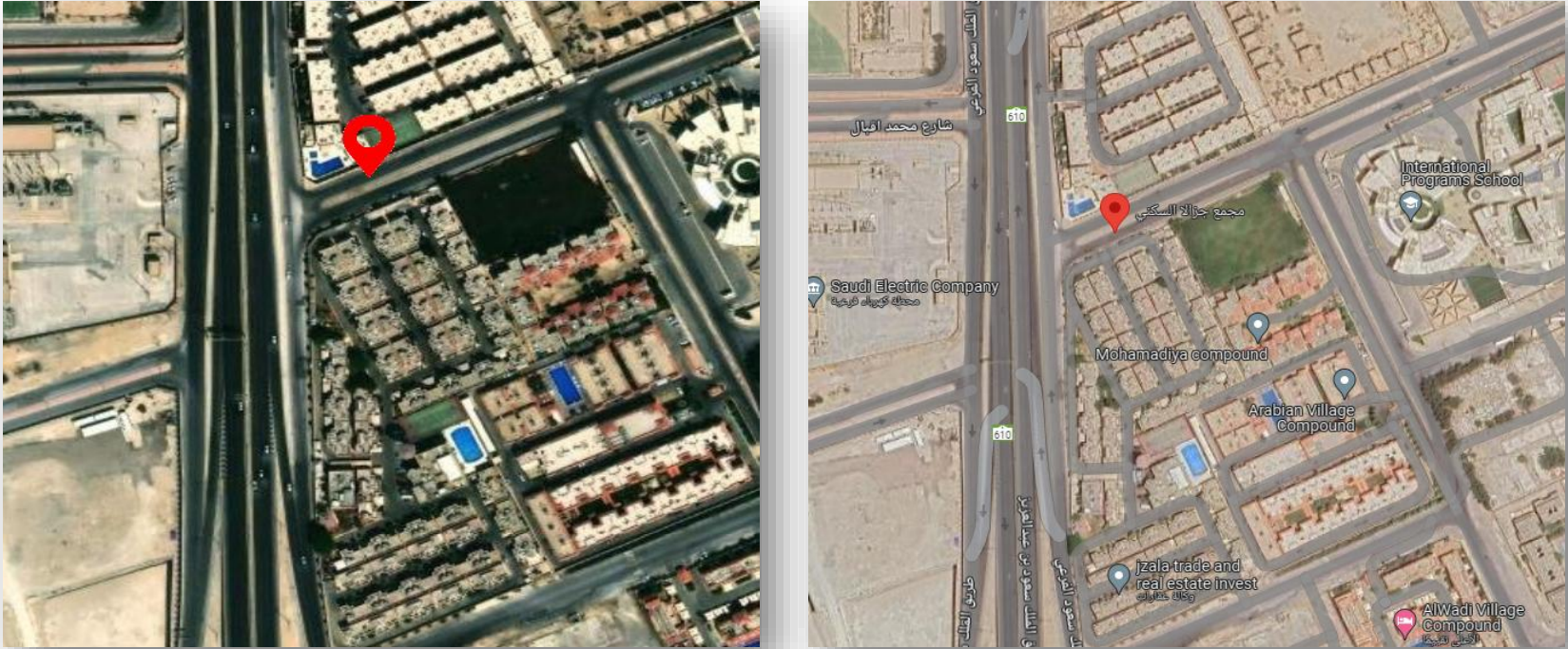
01

## Executive Summary

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. 22 and 23 of Plan No. 2/41
Property Address:	Khobar –Qurtubah
Registration Number in the (Qima) System:	1320716
Land Area:	29,486 M
Instrument Number:	330205013307 - 330205013308
Instrument Date:	1438/11/24 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Ajzala Residential Complex
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	142,900,000
Value in Words:	one hundred forty-two million nine hundred thousand

Property Location



Click on the image to go to the location



02

Report Details

# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Ajzala Residential Complex
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	Income Method - Discounted cash flow method - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	Fair value: 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



## Services Evaluation

Direction	Length	Description
North	89,73 m	Plot 22
South	140,3 m	Street width 30 m
East	130 m	Plot 25
West	139,57 m	Street width 60 m

Direction	Length	Description
North	81,96 m	Street width 30 m
South	139,73 m	Plot No. 25/23
East	130 m	Plot 24
West	142,46 m	Street width 60 m

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

## Property Description

The property is a **residential complex**.

The complex is located in the city of Al-Khobar on King Saud Road (Al-Qishla), which connects King Fahad Road to the center of Dhahran city. It consists of (101) villas fully equipped with the services that the complex's residents need, including a health, sports and entertainment centre, playgrounds and a multi-purpose hall.

It is distinguished by its strategic location on one of the most important roads in Al-Khobar, as well as its proximity to all important and main areas in the region.

Building surface area: 26,388.02 m.



# Overview of the real estate movement in the Kingdom

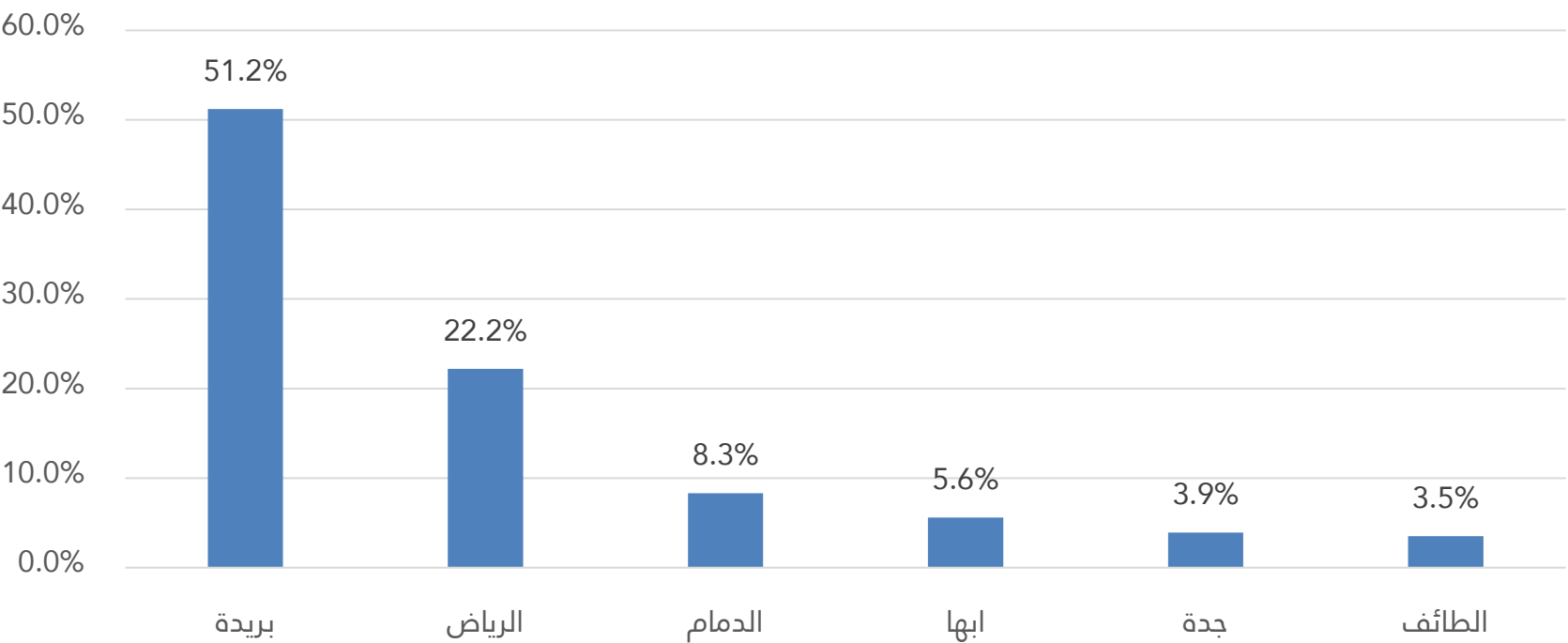
Analysis of the volume of real estate movement on the residential sector.

According to a recent CBRE Group report for the Kingdom's residential real estate market for the second quarter of 2024, residential transaction activity in major cities tracked annually for the second consecutive quarter. In Riyadh, the number of sales transactions increased by 51.6% year-to-date to the second quarter of 2024, bringing the total number of transactions to 18,500 transactions worth SAR 26.6 billion. In Dammam, the total number of residential transactions increased by 22.4% year-on-year. Reaching a total of 2,390 transactions worth SAR 2.4 billion. In Jeddah, compared to the same quarter of 2023, the total number of residential transactions reached 9,392, indicating an annual growth of 43.2% in 2023 and the estimated total value of these residential transactions reached SAR 14.5 billion.

## The impact of real estate movement on the rental movement during 2024

The rise in rental prices also comes as the demand for housing increases in conjunction with the establishment of regional headquarters by international companies in Saudi Arabia, which creates demand for housing by their employees, and the slowdown in supply with the decline in construction with the decline in new residential real estate financing. The increase in housing rents also came mainly from the rise in apartment rents by 12%, with the change in housing culture in Saudi Arabia and the increasing influx of foreigners to the country, who prefer to live in apartments, and Buraidah, Riyadh and Dammam topped the increases in housing rents in Saudi cities during August 2024.

Rental increase rate for the residential sector



wasm-utd.sa



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Khobar City Qurtuba District



The rental movement of the commercial sector according to the data of the rental index

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Rental Transactions Executed by Rental Index		
Average annual unit rent	Average rental value	Unit Type
83,906 SR	From 70,700 SR To 100,000 SR	Apartments

Details of the income of the property according to the data of the rental index  
Sakan platform

Income calculations for the property		
unit	101	Total Number of Housing Units
riyal	83,906	Average rental prices of residential units
riyal	8,474,506	Total annual property income in case of occupancy 100%

Rents by offer

Annual rent	Area rental	Apartment Type
75,000 SR	2m 250	Aseel Residential Complex
100,000 SR	2m 300	Al Aseel Residential Complex

# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the method of valuation of the property of the residential complex of Ajzala, where the data below were used in the table of cash flows of the property.

## Details of Ajzala Residential Complex

Complex Details		
2m	29,486.73	Land Area
2m	26,388.02	Total building areas
%	% 56	Percentage of exploited areas
number	101	Number of Units

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	101	Total Number of Housing Units
riyal	70,000	Average unit rent
riyal	7,070,000	Total annual property income in case of occupancy 100%

Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of the Ajzala residential complex.

Based on the data provided by the client and the comparison of other similar properties, it will be assumed that rents will increase by 10% annually, expected to operate the residential complex to reach the market value of the property in an income manner.



## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

Future cash flow method assumptions for 10 years + 6 months of 2024		
%	9.9%	Discount rate
%	9%	Capitalization rate
%	10%	Yearly growth rate

After comparing properties similar to the Ajzala residential complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 9%, with an annual rental growth rate of the rental value that does not exceed 10%.

# Valuation Result Analysis – Income Analysis

## Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method											Refund Value
Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
sequencing	1	2	3	4	5	6	7	8	9	10	11	
Growth rate (every three years)	0%	12%	10%	10%	10%	12%	10%	10%	10%	10%	10%	
Total Income	6,980,000	7,817,600	8,599,360	9,459,296	10,405,226	11,653,853	12,819,238	14,101,162	15,511,278	17,062,406	18,768,646	
Occupancy rate	96%	96%	96%	96%	96%	93%	93%	93%	93%	93%	93%	
Total value of occupancy	6,710,000	7,504,896	8,255,386	9,080,924	9,989,017	10,838,083	11,921,891	13,114,080	14,425,488	15,868,037	17,454,841	
Percentage of other revenues of the complex (maintenance and operation services)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	71,748,869
Total Other Income	671,000	750,490	825,539	908,092	998,902	1,083,808	1,192,189	1,311,408	1,442,549	1,586,804	1,745,484	
Total Effective Income	7,381,000	8,255,386	9,080,924	9,989,017	10,987,918	11,921,891	13,114,080	14,425,488	15,868,037	17,454,841	19,200,325	
Percentage of operating and maintenance expenses	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Value of operating and maintenance expenses	335,500	412,769	454,046	499,451	549,396	596,095	655,704	721,274	793,402	872,742	960,016	
Net income after deduction of operating expenses	7,045,500	7,842,616	8,626,878	9,489,566	10,438,522	11,325,797	12,458,376	13,704,214	15,074,635	16,582,099	18,240,309	
Net Operating Income	7,045,500	7,842,616	8,626,878	9,489,566	10,438,522	11,325,797	12,458,376	13,704,214	15,074,635	16,582,099	18,240,309	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	0.35	
Present value of cash flows	6,410,828	6,493,302	6,499,210	6,505,124	6,511,043	6,428,100	6,433,949	6,439,803	6,445,663	6,451,528	6,457,398	71,075,947
Total Property Value												142,824,817
Total property value after rounding												142,900,000

142,900,000 SAR  
Total Value of the property



03

Documents & Photos

Land deeds

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية

كتابة العدل الأولى بمحافظة الخبر

[٢٧٧]

الرقم : ٢٣٠٢٠٠١٣٣٠٧

التاريخ : ١٤٣٨ / ١١ / ٢٤ هـ

صك

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

فإن قطعة الأرض رقم ٢٣ من المخطط رقم ٤١ / ٢ الواقع في حي قرطبة بمدينة الخبر .

وحدودها وأطوالها كالتالي:

شمالاً: قطعة ٢٢ بطول: (٨٩,٧٣) تسعة و ثمانون متر و ثلاثة و سبعون سنتمتر

جنوباً: شارع عرض ٣٠ متر بطول: (١٤٠,٣) مائة و أربعون متر و ثلاثون سنتمتر

شرقاً: قطعة ٢٥ بطول: (١٣٠) مائة و ثلاثون متر

غرباً: شارع الملك سعود عرض ٦٠ متر بطول: (١٣٩,٥٧) مائة و تسعة و ثلاثون متر و سبعة و خمسون سنتمتر

ومساحتها : (١٥,٠٩٤,٨٣) خمسة عشر ألف و أربعة و تسعون متر مربعاً و ثلاثة و ثمانون سنتمتر مربعاً فقط مع وجود شطقة

بالركن الجنوبي الغربي بقدر ٦ \* ٦ متر وذلك بموجب خطاب بلدية الخبر رقم ٦٠٣٦ / ١٤٣٥ في ٢٩ / ١ / ١٤٣٥هـ والمقيد برقم ٣٥٣٠٧٤٨٤ في ٢٩ / ١ / ١٤٣٥هـ

والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٩٣٠٢٠٨٠٠٧٠٠٥ في ٢٤ / ٤ / ١٤٣٨ هـ

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ ، بثمن وقدره ٨٠٠٠٠٠٠٠٠ ثمانون مليون ريال وعليه جرى التصديق تحريراً في ٢٤ / ١١ / ١٤٣٨ هـ لاعتماده

« وصلى الله على نبيينا محمد وآله وصحبه وسلم.

الختم الرسمي

وزارة العدل

كتابة العدل الأولى بمحافظة الخبر

كاتب العدل بترتيب رقم (٥)

عبدالله بن محمد بن عبدالله الشهري

هذا المستند وحدة متكاملة ، وضياح أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند .

مصلحة مطابع الحكومة - ٢٨٢٠٢٢ ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تقليفه ) نموذج رقم (١٠٠٣٠٠١٢) من ١ صفحة

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية

كتابة العدل الأولى بمحافظة الخبر

[٢٧٧]

الرقم : ٢٣٠٢٠٠١٣٣٠٨

التاريخ : ١٤٣٨ / ١١ / ٢٤ هـ

صك

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

فإن قطعة الأرض رقم ٢٢ من المخطط رقم ٤١ / ٢ الواقع في حي قرطبة بمدينة الخبر .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٣٠ متر بطول: (٨١,٩٦) واحد و ثمانون متر و ستة و تسعون سنتمتر

جنوباً: قطعة رقم ٢٣ / ٢٥ بطول: (١٣٩,٧٣) مائة و تسعة و ثلاثون متر و ثلاثة و سبعون سنتمتر

شرقاً: قطعة ٢٤ بطول: (١٣٠) مائة و ثلاثون متر

غرباً: شارع الملك سعود عرض ٦٠ متر بطول: (١٤٢,٤٦) مائة و اثنين و أربعون متر و ستة و أربعون سنتمتر

ومساحتها : (١٤,٣٩١,٩) أربعة عشر ألفا و ثلاثمائة و واحد و تسعون متر مربعاً و تسعون سنتمتر مربعاً فقط ريثس بلدية محافظة الخبر برقم ٦٠٣٣ في ٢٩ / ١ / ١٤٣٥ والمقيد لدينا برقم ٣٥٣٠٧٣٦٢ في ٢٩ / ١ / ١٤٣٥ هـ

والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٩٣٠٢٠٧٠٠٥١٤٨ في ٢٢ / ٨ / ١٤٣٨ هـ

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ ، بثمن وقدره ٨٠٠٠٠٠٠٠٠ ثمانون مليون ريال وعليه جرى التصديق تحريراً في ٢٤ / ١١ / ١٤٣٨ هـ لاعتماده

« وصلى الله على نبيينا محمد وآله وصحبه وسلم.

الختم الرسمي

وزارة العدل

كتابة العدل الأولى بمحافظة الخبر

كاتب العدل بترتيب رقم (٥)

عبدالله بن محمد بن عبدالله الشهري

هذا المستند وحدة متكاملة ، وضياح أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند .

مصلحة مطابع الحكومة - ٢٨٢٠٢٢ ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تقليفه ) نموذج رقم (١٠٠٣٠٠١٢) من ١ صفحة

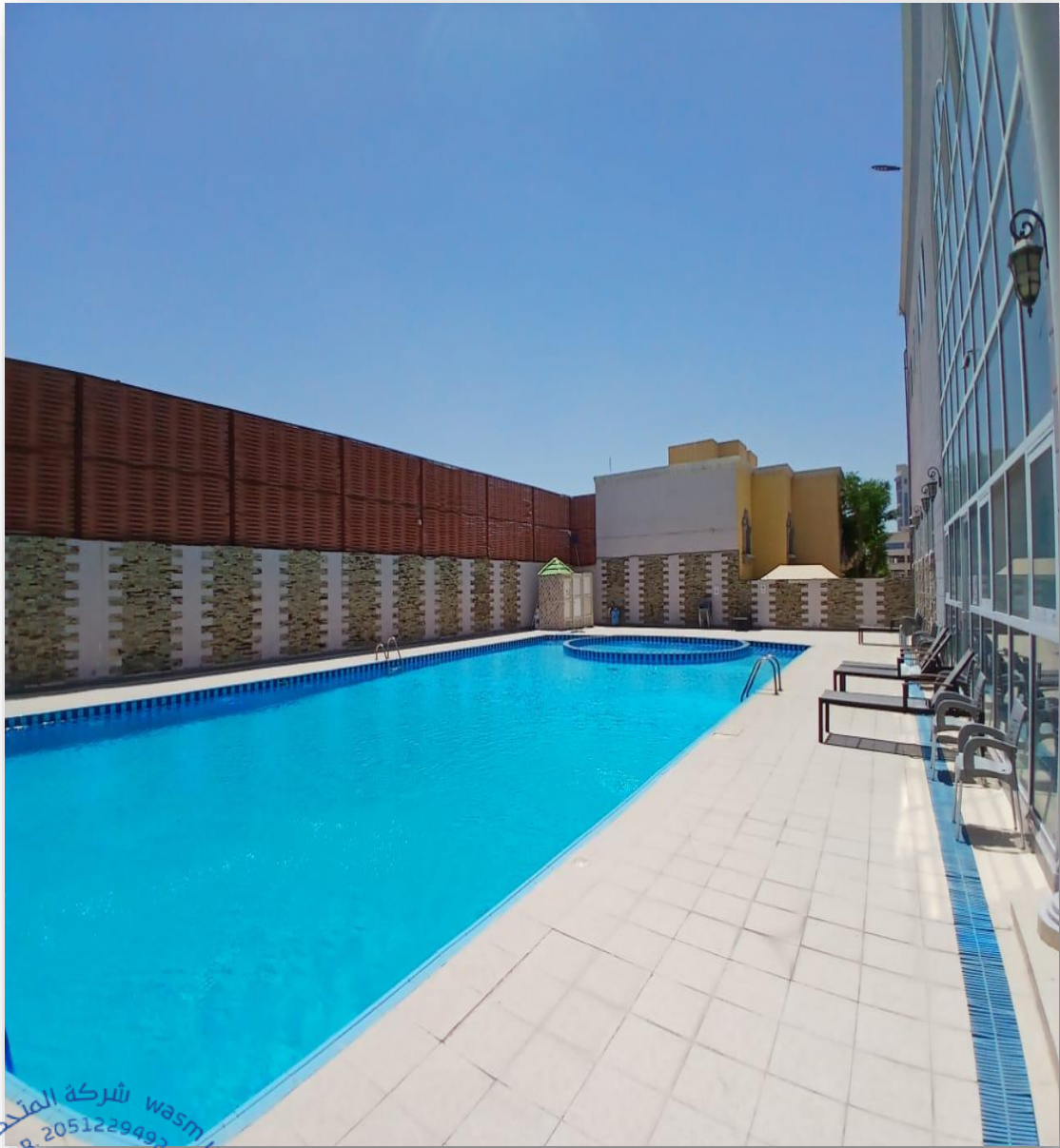




Property Photos



Property Photos



# 04

Chapter Four

Final opinion on value

## Final opinion on value

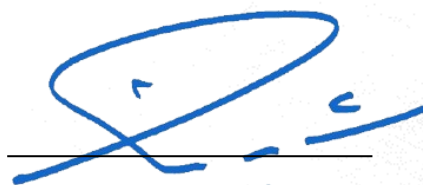
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
one hundred forty-two million nine hundred thousand	142,900,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





شركة المتحدة وسم للتقييم العقاري  
wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 837 | 12 | 2024

Company name : **Musharaka Capital**

Subject: **Al Dhahran Hotel Apartments**

Upon your request to evaluate **Al Dhahran Hotel Apartments**, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents



# 01

Chapter One

## **Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. 112, 114 and 116 of Block No. 10 of Plan No. 2/345
Property Address:	Khobar – Al Olaya
Registration Number in the (Qima) System:	1319995
Land Area:	3,798 M
Instrument Number:	330207005611 – 930207005612 - 330207005613
Instrument Date:	1438/11/29 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Al Dhahran Hotel Apartments
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	84,944,000
Value in Words:	eighty-four million nine hundred forty-four thousand

Property Location



Click on the image to go to the location

# 02

Chapter Two

## **Report Details**

# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Hotel Apartments
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	Income Method - Discounted cash flow method - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	Fair value: 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



## Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"> <li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li> </ul>
Estimated Value	<ul style="list-style-type: none"> <li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li> </ul>
Report Preparation	<ul style="list-style-type: none"> <li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li> </ul>



## Property Description

The property is a **hotel apartment**.

The Radisson Blu Hotel Apartments are located in the Olaya district of Al-Khobar. They consist of four connected, closed buildings. They are made up of (92) hotel apartments in three different designs and sizes, and are equipped with all the services that guests need, including room service, a restaurant, a business center, a reception hall, and a health and sports center.

It is distinguished by its proximity to all important and main areas in the city of Al-Khobar.

Building areas: 8,964 m.

### Deed : 930207005612

Direction	Length	Description
North	35.08 m	113
South	35 m	Street width 16 m
East	40 m	114
West	40 m	Street width 16 m

### Deed : 330207005611

Direction	Length	Description
North	30 m	115
South	30 m	Street width 16 m
East	40 m	116
West	40 m	112

### Deed : 330207005613

Direction	Length	Description
North	30 m	117
South	30 m	Street width 16 m
East	40 m	118
West	40 m	114

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.



# Overview of the real estate movement in the Kingdom

Analysis of the hospitality and hotel sector at the level of the Kingdom

According to a recent CBRE report for the hospitality sector in the Kingdom as of May 21, 2024, the latest data from the General Authority of Civil Aviation (GACA) in Saudi Arabia showed that the total number of passengers has increased by 20.0% so far in 2024. This continuous growth follows a 26.0% growth in the number of passengers from 2023 where the number of passengers reached 111 million.

Compared to the performance indicators for the pre-pandemic period, from the beginning of the year to June 2024 compared to the same period in 2019 excluding Jeddah, the KPIs for all major hotel markets in Saudi Arabia are now exceeding their pre-pandemic levels. Across Saudi Arabia as a whole during this period, the average occupancy rate and average daily room rate increased by 3.7% and 35.6% respectively, resulting in a 43.9% increase in revenue per available room.

## Hospitality Sector Performance Indicators in the Kingdom for 2024 to Report Date

From the beginning of the year until June 2024 vs June 2023			From the beginning of the year until June 2024 vs June 2019			
Rate of change in revenue per room	Rate of change in daily room rate	Rate of change in occupancy rate	Rate of change in revenue per room	Rate of change in daily room rate	Rate of change in occupancy rate	
8.2%	6.7%	0.9%	43.9%	35.6%	3.7%	At the level of the cities of the Kingdom
-4.1%	-1.5%	-1.7%	0%	0%	0%	khobar
14.5%	-1.1%	8.4%	0%	0%	0%	Dammam
-4.2%	-9.9%	4.1%	-4.1%	-20 %	11.3%	Jeddah
3.6%	1.1%	1.60%	41.2%	40.9%	0.1%	Makkah
14.5%	16.1%	-1.00%	148.5%	105.5%	13 %	Madinah
22.4%	25.5%	-1.50%	62.5%	53.60%	3.3%	Riyadh



Evaluation Result Analysis - Assessment Input Analysis

Room Number Details Hotel apartments-Dhahran

Unit Details	Number of rooms
Single room	38 rooms
1 - Sweet Room	49 rooms
2 - Suite Room	4 room

Rental Units Prices

Total daily rent	Average daily room rent	Number of rooms	Unit Details
11,172 riyal	294 riyal	38	Single room
36,799 riyal	751 riyal	49	1 - Sweet Room
4,976 riyal	1244 riyal	4	2 - Suite Room

Total operating income with 100% operating rate

Details	Unit Details
52,947 riyal	Total Daily Income
92	Number of rooms
582 riyal	Average daily room rent

Market study for properties similar to Hotel Apartments-Dhahran

Comparative hotels with the same 4-star rating		
<a href="#">To access the site</a>	4 stars	Eliana Hotel
<a href="#">To access the site</a>	4 stars	Aloft Dhahran Hotel
<a href="#">To access the site</a>	4 stars	Hilton Garden Inn Khobar

Rental Units Prices

Garden Hotel Al Khobar	Aloft Dhahran Hotel	Eliana Hotel	Unit Details
410 riyal	300 riyal	330 riyal	Single room
610 riyal	740 riyal	570 riyal	1 - Sweet Room
1,320 riyal	1,100 riyal	680 riyal	2 - Suite Room

Areas of rental units

Garden Hotel Al Khobar	Aloft Dhahran Hotel	Eliana Hotel	Unit Details
26 m	32 m	25 m	Single room
58 m	52 m	30 m	1 - Sweet Room
58 m	92 m	75 m	2 - Suite Room



## Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the valuation method of the property of the Hotel Apartments-Dhahran, where the data below were used in the cash flow table of the property.

### Details of the Hotel Apartments-Dhahran4-star rating

Complex Details		
2m	3,798.08	Land Area
2m	8,964	Total building areas
unit	92	Number of Hotel Units

### Details of the income of the property according to the customer's data

Hotel operating income				
Total revenue		Average daily revenue	Number of Units	Type of hotel unit
riyal	10,260	270	38	Single room
riyal	36,750	750	49	1 - Sweet Room
riyal	3,800	950	4	2 - Suite Room
riyal	59,757	657	91	Average daily revenue of all units
days	365	Number of days of the year		
riyal	21,811,183	Total operating income of hotel units by 100%		

### Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

### Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

6-year future cash flow method assumptions		
%	9.9%	Discount rate
%	8%	Capitalization rate
%	0%	growth rate

After comparing properties similar to Radisson Blu Hotel, we have come to the conclusion that the most appropriate capitalization rate for the property should be 8%.

## Valuation Result Analysis – Income Analysis

### Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and indices to value by income method - discounted cash flow method										Redemption Value
Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
sequencing	1	2	3	4	5	6	7	8	9	10	
Expected operating income											
Total operating income of hotel rooms in 100%	18,100,000	21,811,183	21,811,183	21,811,183	21,811,183	21,811,183	21,811,183	21,811,183	21,811,183	21,811,183	
Average occupancy rate of hotels in Khobar according to the Colliers report	51%	52%	52%	52%	53%	53%	53%	53%	53%	53%	
Operating income	9,145,958	11,341,815	11,341,815	11,341,815	11,559,927	11,559,927	11,559,927	11,559,927	11,559,927	11,559,927	
Hospitality and catering revenues 10% (1% annual increase)	914,596	923,742	932,979	942,309	951,732	961,249	970,862	980,570	990,376	1,000,280	
Other income of 5% (APR 1%)	457,298	461,871	466,490	475,819	485,336	490,189	495,091	500,042	505,042	510,093	
Total operating income of the hotel	10,517,852	12,727,428	12,741,284	12,759,944	12,996,995	13,011,366	13,025,880	13,040,540	13,055,346	13,070,300	
Operating expenses											
Operating expenses of 12% (annual increase rate of 1%)	2,172,000	2,193,720	2,215,657	2,237,814	2,260,192	2,282,794	2,305,622	2,328,678	2,351,965	2,375,484	
Administrative expenses of 2% (1% annual increase rate)	182,919	184,748	186,596	188,462	190,346	192,250	194,172	196,114	198,075	200,056	
General maintenance expenses of 5% (1% annual increase rate)	457,298	461,871	466,490	471,154	475,866	480,625	485,431	490,285	495,188	500,140	
Operating expenses of 5% (with an annual increase of 1%)	457,298	461,871	466,490	471,154	475,866	480,625	485,431	490,285	495,188	500,140	
Hospitality expenses of 3% (1% annual increase)	274,379	277,123	279,894	282,693	285,520	288,375	291,259	294,171	297,113	300,084	38,167,039
Administrative overhead expenses of 2% (annual increase rate of 1%)	210,357	212,461	214,585	216,731	218,898	221,087	223,298	225,531	227,787	230,064	
Total Operational Costs	3,754,251	3,791,793	3,829,711	3,868,008	3,906,688	3,945,755	3,985,213	4,025,065	4,065,316	4,105,969	
Net Operating Income	6,763,601	8,935,635	8,911,573	8,891,935	9,090,307	9,065,610	9,040,667	9,015,475	8,990,030	8,964,331	
Non-operating expenses											
Non-operating administrative expenses of 3% (annual increase rate of 1%)	270,544	273,249	275,982	278,742	281,529	284,345	287,188	290,060	292,960	295,890	
Administrative incentive fees expenses by 4% (at an annual increase rate of 1%)	338,180	341,562	344,977	348,427	351,912	355,431	358,985	362,575	366,201	369,863	
Marketing expenses 5% (1% annual increase rate)	338,180	341,562	344,977	348,427	351,912	355,431	358,985	362,575	366,201	369,863	
Staff accommodation expenses of 1.5% (annual increase rate of 25%)	101,454	98,918	96,445	94,034	91,683	89,391	87,156	84,977	82,853	80,781	
Total non-operating costs	1,048,358	1,055,291	1,062,382	1,069,630	1,077,035	1,084,596	1,092,314	1,100,186	1,108,214	1,116,396	
Net actual income (NOI)	5,715,243	7,880,344	7,849,191	7,822,306	8,013,272	7,981,014	7,948,354	7,915,288	7,881,816	7,847,935	
Net undiscounted cash flow	5,715,243	7,880,344	7,849,191	7,822,306	8,013,272	7,981,014	7,948,354	7,915,288	7,881,816	7,847,935	
Discount rate	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	
Present value of discounted cash flows	5,200,403	6,524,538	5,913,326	5,362,212	4,998,289	4,529,726	4,104,813	3,719,505	3,370,133	3,053,363	46,776,309
Total Property Value											84,943,349
Total property value after rounding											84,944,000

84,944,000 SAR

Total Value of the Property



وسم للتقييم  
wasm valuation

# 03

Chapter Three

**Documents & Photos**

# Documents

بسم الله الرحمن الرحيم

الجمهورية العربية السورية  
وزارة العدل  
كتابة العدل الأولى بمحافظة الحارث

الرقم: ٣٣٠٢٠٧٠٠٥٦١١  
التاريخ: ١١ / ٢٩ / ١٤٣٨ هـ

صك

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

فإن قطعة الأرض رقم ١١٤ من البلك رقم ١٠ من المخطط رقم ٣٤٥ / ٢ الواقع في حي العليا بمدينة الحارث .

وحدودها وأطوالها كالتالي:

شمالاً: قطعة رقم ١١٥	بطول: (٣٠) ثلاثون متر
جنوباً: شارع عرض ١٦ متر	بطول: (٣٠) ثلاثون متر
شرقاً: قطعة رقم ١١٦	بطول: (٤٠) أربعون متر
غرباً: قطعة رقم ١١٢	بطول: (٤٠) أربعون متر

ومساحتها: (١٢٠٠) ألف و مئتين متر مربعاً فقط بموجب خطاب الأمين برقم ١٩٣٦٤ / ١٣ / ٤ / ١٤٣٤ والمقيد برقم ٣٤٩٤٥٤٧٠ في ١٧ / ٤ / ١٤٣٤ هـ.

والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٧٣٠٢٠٢٠٠٦٨٠١ في ٢٢ / ٩ / ١٤٣٦ هـ.

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ، بتمن وقدره ٢٦٣٥٠٠٠٠ ستة و عشرون مليوناً و ثلاثمائة و خمسون ألف ريال ضمن شيك وعليه جرى التصديق تحريراً في ٢٩ / ١١ / ١٤٣٨ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

عبد العزيز بن ناصر بن عبد الرحمن آل تويم

وزارة العدل  
كتابة العدل الأولى بمحافظة الحارث  
كاتب العدل يحكم رقم (٧)

هذا المستند وحدة متكاملة ، وشياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند .

صفحة ١ من ١

نموذج رقم (١٢-٠٣-٠٠٤)

مصلحة مطابع الحكومة - ٣٣٨٣٦

( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه )

بسم الله الرحمن الرحيم

الجمهورية العربية السورية  
وزارة العدل  
كتابة العدل الأولى بمحافظة الحارث

الرقم: ٩٣٠٢٠٧٠٠٥٦١٢  
التاريخ: ١١ / ٢٩ / ١٤٣٨ هـ

صك

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

فإن قطعة الأرض رقم ١١٢ من البلك رقم ١٠ من المخطط رقم ٣٤٥ / ٢ الواقع في حي العليا بمدينة الحارث .

وحدودها وأطوالها كالتالي:

شمالاً: قطعة رقم ١١٣	بطول: (٣٠٠٨) خمسة و ثلاثون متر و ثمانية/سنتيمتر
جنوباً: شارع عرض ١٦٠٠٠ متر	بطول: (٣٥) خمسة و ثلاثون متر
شرقاً: قطعة رقم ١١٤	بطول: (٤٠) أربعون متر
غرباً: شارع عرض ١٦ متر	بطول: (٤٠) أربعون متر

ومساحتها: (١,٣٩٨,٠٠٨) ألف و ثلاثمائة و ثمانية و تسعون متر مربعاً و ثمانية سنتيمتراً مربعاً فقط بموجب خطاب الأمين برقم ١٩٣٦٤ / ١٣ / ٤ / ١٤٣٤ والمقيد برقم ٣٤٩٤٥٤٧٠ في ١٧ / ٤ / ١٤٣٤ هـ.

والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٩٣٠٢٠٢٠٠٦٨٠٠ في ٢٢ / ٩ / ١٤٣٦ هـ.

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ، بتمن وقدره ٢٦٣٥٠٠٠٠ اثنين و ثلاثون مليوناً و ثلاثمائة ألف ريال ضمن شيك وعليه جرى التصديق تحريراً في ٢٩ / ١١ / ١٤٣٨ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

عبد العزيز بن ناصر بن عبد الرحمن آل تويم

وزارة العدل  
كتابة العدل الأولى بمحافظة الحارث  
كاتب العدل يحكم رقم (٧)

هذا المستند وحدة متكاملة ، وشياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند .

صفحة ١ من ١

نموذج رقم (١٢-٠٣-٠٠٤)

مصلحة مطابع الحكومة - ٣٣٨٣٦

( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه )

بسم الله الرحمن الرحيم

الجمهورية العربية السورية  
وزارة العدل  
كتابة العدل الأولى بمحافظة الحارث

الرقم: ٣٣٠٢٠٧٠٠٥٦١٣  
التاريخ: ١١ / ٢٩ / ١٤٣٨ هـ

صك

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

فإن قطعة الأرض رقم ١١٦ من البلك رقم ١٠ من المخطط رقم ٣٤٥ / ٢ الواقع في حي العليا بمدينة الحارث .

وحدودها وأطوالها كالتالي:

شمالاً: قطعة رقم ١١٧	بطول: (٣٠) ثلاثون متر
جنوباً: شارع عرض ١٦ متر	بطول: (٣٠) ثلاثون متر
شرقاً: قطعة رقم ١١٨	بطول: (٤٠) أربعون متر
غرباً: قطعة رقم ١١٤	بطول: (٤٠) أربعون متر

ومساحتها: (١٢٠٠) ألف و مئتين متر مربعاً فقط بموجب خطاب الأمين برقم ١٩٣٦٤ / ١٣ / ٤ / ١٤٣٤ والمقيد برقم ٣٤٩٤٥٤٧٠ في ١٧ / ٤ / ١٤٣٤ هـ.

والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٣٣٠٢٠٢٠٠٦٨٠٢ في ٢٢ / ٩ / ١٤٣٦ هـ.

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ، بتمن وقدره ٢٦٣٥٠٠٠٠ ستة و عشرون مليوناً و ثلاثمائة و خمسون ألف ريال ضمن شيك وعليه جرى التصديق تحريراً في ٢٩ / ١١ / ١٤٣٨ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

عبد العزيز بن ناصر بن عبد الرحمن آل تويم

وزارة العدل  
كتابة العدل الأولى بمحافظة الحارث  
كاتب العدل يحكم رقم (٧)

هذا المستند وحدة متكاملة ، وشياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند .

صفحة ١ من ١

نموذج رقم (١٢-٠٣-٠٠٤)

مصلحة مطابع الحكومة - ٣٣٨٣٦

( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه )

Building Permit photo

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

رقم الرخصة : ٤٣٤/١١٣٩٠  
تاريخها : ٤٣٤/١٢/١٧  
صلاحيتها : ثلاث سنوات  
نوعها : إنشاء جديد

الاسم : شركة شامي العربية المحدودة  
رقم الحفظ : ٢٠٥٠٠٥٠٤٥٠  
المدن : الخبر  
المخطط : ٣٤٥/٢  
العمارة : العربية  
تصميم الأرض : تصميم

الصفحة : ٠٠/٠٠/٠٠  
تاريخها : ٠٠/٠٠/٠٠

المساحة الكلية : ٣٧٩٦,٤٣ متر مربع  
تصميم البلك :

رقم القطعة	رقم البلك	رمز الاستخدام	رقم مستند التملك	نوع مستند التملك	تاريخه
٠٠١١٢	٠٠٠١٠	(س ا ب)	٦٣٠٢٠٥٠٠١٤٧٠	صك	٤٣٤/٠٤/٣٠
٠٠١١٤	٠٠٠١٠	(س ا ب)	٧٣٠٢٠٥٠٠١٤٦٧	صك	٤٣٤/٠٤/٣٠
٠٠١١٦	٠٠٠١٠	(س ا ب)	٣٣٠٢٠٥٠٠١٤٦٨	صك	٤٣٤/٠٤/٣٠

تكون الواجبات  
باللون الابيض فقط

الجهة	الحدود	الارتفاع	الارتفاع	الارتفاع	الارتفاع
شمال	٢,٠٠	شارع	٦,٠٠	جنوب	٦,٠٠
شرق	٦,٠٠	شارع	٦,٠٠	غرب	٦,٠٠

مكونات البناء :

الوصف	عدد الوحدات	المساحة	الاستخدام
ارض منة	اربعة وسبعون	١٩٨٢,١٠ م	م.سيارات
ارض	كسابع	٢٧,٥٠ م	م.سكني
ارض	سبعة عشر وحدة	٢٠٠٩,٦٠ م	م.سكني
دور اول	سبعة عشر وحدة	٢٠٠٩,٦٠ م	م.سكني
دور ثاني	سبعة عشر وحدة	٢٠٠٩,٦٠ م	م.سكني
دور ثالث	سبعة عشر وحدة	٩٢٥,٦٠ م	م.سكني
وارش	٥٢٥,٦٠ م	٥٢٥,٦٠ م	م.سكني
سور	٢٥٦,٢٠ م	٢٥٦,٢٠ م	م.سكني

مادة البناء : حديد  
الطابق العراني : مبنى  
مرحلة اولي : مبنى  
المكتب المقيم : (البريد)  
باسم محمد الربيعه : المهندس المعماري  
بيانات الرسوم :  
قيمة الرسوم :  
اموال السداد :  
تاريخه : ٤٣٩٣,٧٤  
٤٣٩٣,٧٤  
٤٣٩٣,٧٤

مهندس المعماري : م. / نادر محمد المبارك  
م. / عبد العزيز بن احمد الربيع  
٤٣٩٣,٧٤  
٤٣٩٣,٧٤  
٤٣٩٣,٧٤



Property Photos



Property Photos



# 04

Chapter Four

**Value Final Opinion**

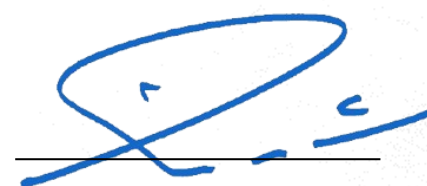
## Final opinion on value

United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

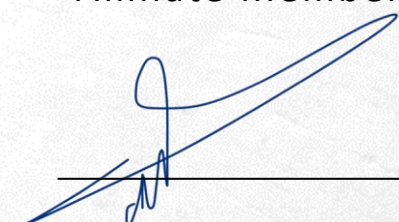
Value in Words	Value in Numbers
eighty-four million nine hundred forty-four thousand	84,944,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174  
 Basic Fellow



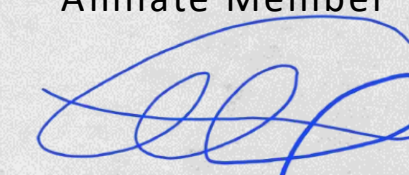
Review  
**Renad Al Zahrani**  
 1210003531  
 Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786  
 Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581  
 Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 845 | 12 | 2024

**Company name : Musharaka Capital**

**Subject: Sea shore**

Upon your request to evaluate Sea shore, we have conducted an actual inspection of the property. As well as a study of the surrounding are of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents

# 01

Chapter One

## **Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. Without from Plan No. 2/338
Property Address:	Khobar - Azizia
Registration Number in the (Qima) System:	1321023
Land Area:	38,103 M
Instrument Number:	930205013309
Instrument Date:	1438/11/24 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Sea shore
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	130,700,000
Value in Words:	one hundred thirty million seven hundred thousand

Property Location



Click on the image to go to the location

02

Report Details

# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Sea shore
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



## Services Evaluation

Direction	Length	Description
North	192,43 m	Street width 20 m
South	192,43 m	Owned, unplanned land
East	200 m	Street width 15 m
West	200 m	Street width 15 m

## Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

## Property Description

The property is a **The property is a residential complex.**

The complex is located in the Al-Aziziyah neighborhood in the city of Al-Khobar, near the most important tourist sites in the city of Al-Khobar, such as: Al-Khobar Corniche and the King Fahd Causeway leading to the Kingdom of Bahrain. It contains (112) residential units that have been fully furnished and equipped. It includes a number of recreational and service facilities for residents, including swimming pools, health clubs, sports centers for men and women, and a luxury restaurant.

Building area: 24,760 m.



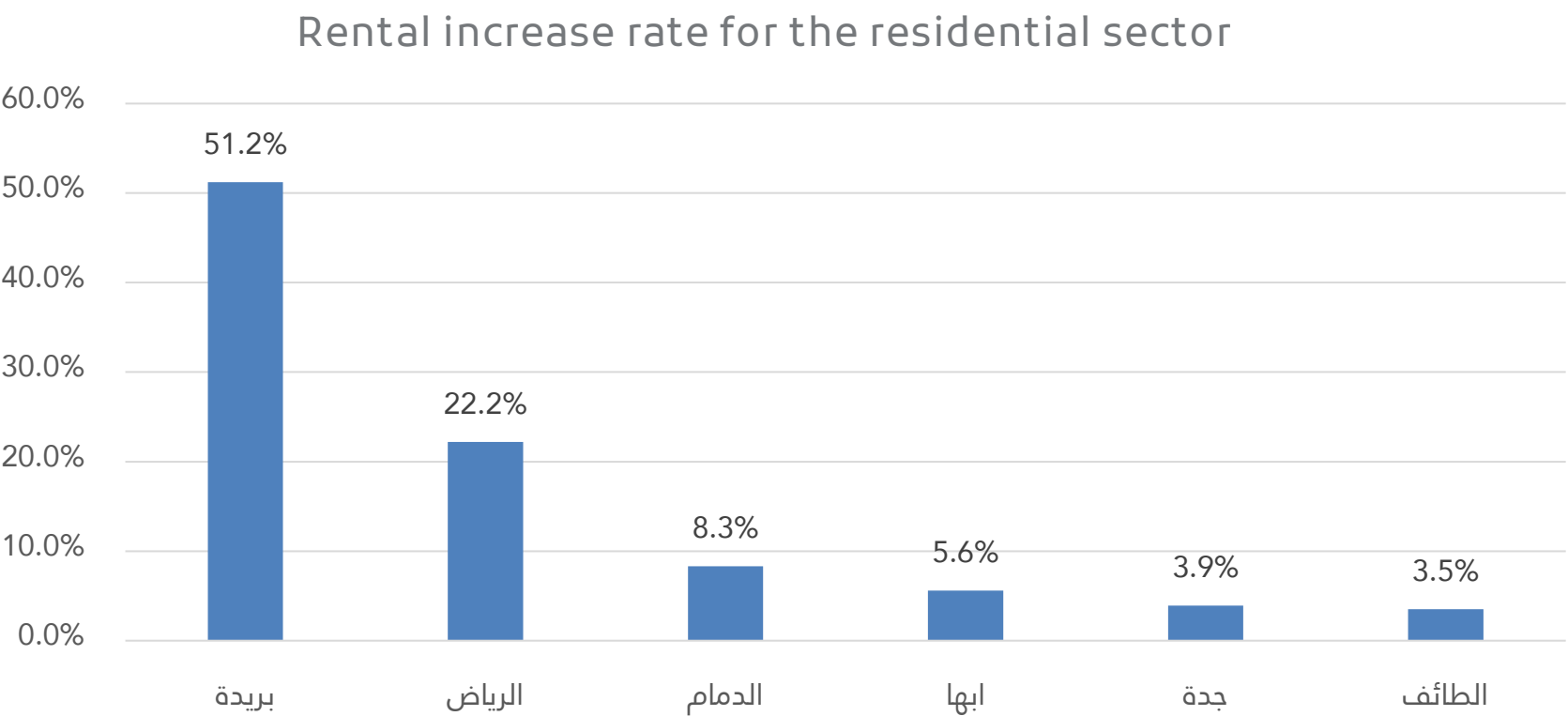
# Overview of the real estate movement in the Kingdom

Analysis of the volume of real estate movement on the residential sector.

According to a recent report by CBRE Group (CBRE) on the residential real estate market in the Kingdom for the second quarter of 2024, residential transaction activity in the major cities tracked annually showed a second consecutive quarter. In Riyadh, the number of sales transactions increased by 51.6% year-to-date until the second quarter of 2024, bringing the total number of transactions to 18,500 transactions worth SAR 26.6 billion. In Dammam, the total number of residential transactions increased by 22.4% year-on-year to reach a total of 2,390 transactions worth SAR 2.4 billion. In Jeddah, the total number of residential transactions reached 9,392 transactions compared to the same quarter in 2023, indicating a 43.2% year-on-year growth. The total estimated value of these residential transactions is SAR 14.5 billion.

## The impact of real estate movement on rental movement during the year 2024

The rise in rental prices comes as demand for housing increases with global companies establishing regional headquarters in Saudi Arabia, creating demand for housing from their employees, and supply slowing down with a decline in construction activity and a decline in new residential real estate financing. The rise in housing rents came mainly from a 12% increase in apartment rents, with the changing housing culture in Saudi Arabia and the increasing influx of foreigners into the country, who prefer apartment living. Buraidah, Riyadh and Dammam topped the increases in housing rents in Saudi cities during August 2024.

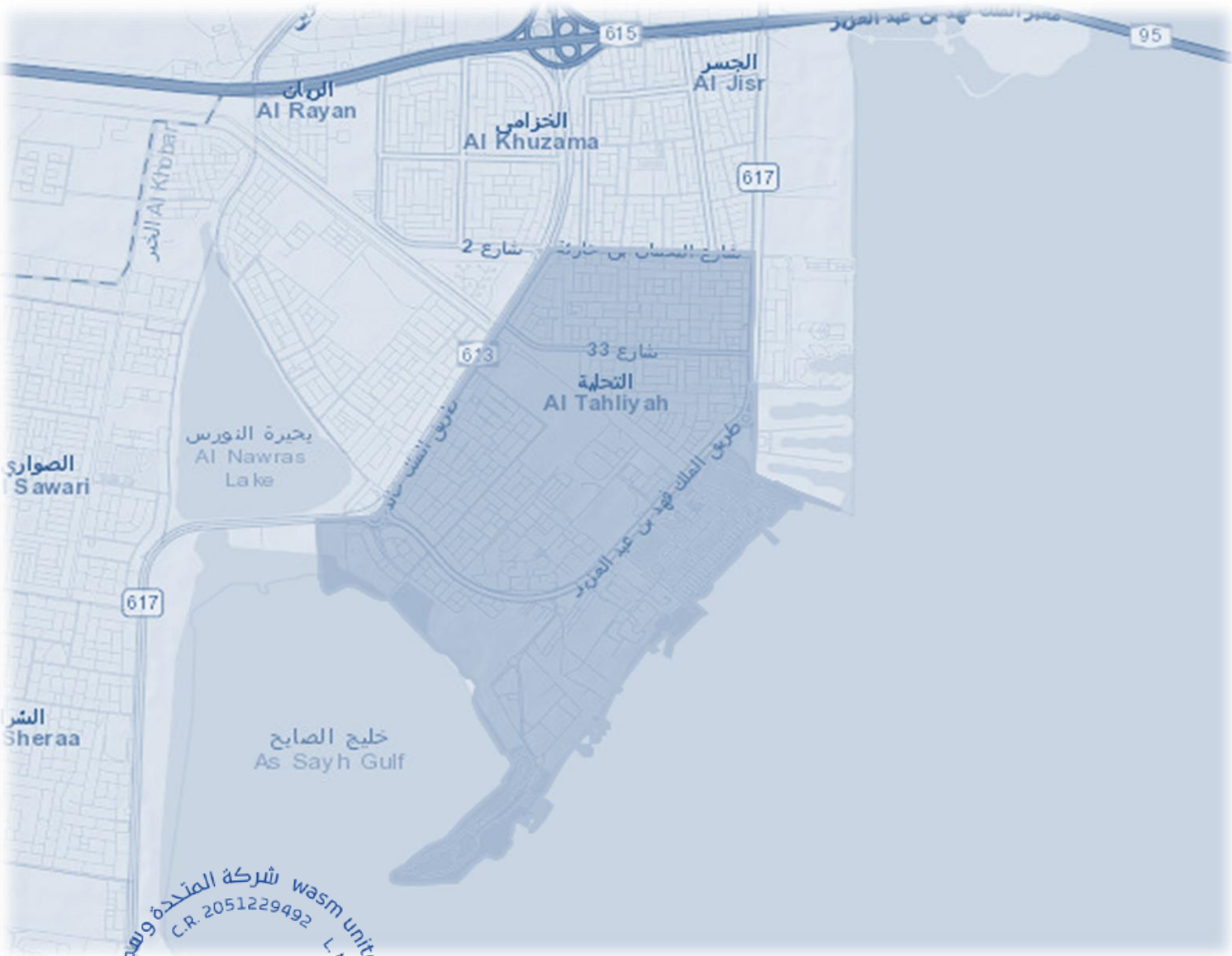


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Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Khobar City Tahlia District



The rental movement of the commercial sector according to the data of the rental index

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Rental Transactions Executed by Rental Index		
Average annual unit rent	Average rental value	Unit Type
70,990 SR	From 49,980 SR To 92,000 SR	Residential Villa

After the Wasm team reviewed the rental index data in the property's area, it became clear to us that the average rent for a residential villa unit is 70,999 riyals outside serviced residential complexes. Furthermore, the rental index in the vicinity of the property area is not suitable for comparison or relying on the rental index to compare with the Sea Shore Residential Property.

Rents by offer

Annual rent	Area rental	Apartment Type
From 65,000 SR To 150,000 SR	2m 255	Black Pearl Residential Complex

After the Wasm team reviewed the average rent for villas within serviced complexes, it was found that the average rental value for a unit reaches 80,000 riyals.

# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the method of valuation of the residential property Sea Shore, where the data below were used in the property cash flow table.

## Details of Seashore Residential Complex

Complex Details		
2m	38,103	Land Area
2m	24,760	Total building areas
%	% 57	Percentage of exploited areas
number	112	Number of Units

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	112	Total Number of Housing Units
riyal	73,000	Average unit rent
riyal	8,176,000	Total annual property income in case of occupancy 100%

Based on the income statements provided by the customer were reflected on the discounted cash flow inputs of the property in the valuation of the Sea Shore complex.  
assumed that rents will increase by 10% annually, expected to operate the residential complex to reach the market value of the property in an income manner.

## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

Assumptions of the method of future cash flows for 10 years + half a year		
%	9.9%	Discount rate
%	8%	Capitalization rate
%	10%	Yearly growth rate

After comparing properties similar to the Sea Shore Residential Complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 8%, with a rental growth rate every year for the rental value, provided that it does not exceed 10%.



## Valuation Result Analysis – Income Analysis

### Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method											Refund Value
Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
sequencing	1	2	3	4	5	6	7	8	9	10	11	
Yearly growth rate	0%	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Total Income	7,950,000	7,280,000	8,008,000	8,808,800	9,689,680	10,658,648	11,724,513	12,896,964	14,186,660	15,605,327	17,165,859	
Occupancy rate	51%	65%	70%	70%	80%	85%	85%	85%	90%	90%	90%	
Total value of occupancy	4,054,000	4,732,000	5,605,600	6,166,160	7,751,744	9,059,851	9,965,836	10,962,419	12,767,994	14,044,794	15,449,273	
Percentage of other revenues in the complex (services)	5%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	73,511,097
Total Other Income	236,728	473,200	560,560	616,616	775,174	905,985	996,584	1,096,242	1,276,799	1,404,479	1,544,927	
Gross Operating Income	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Ratio (Operation and Maintenance)	202,700	236,600	280,280	308,308	387,587	452,993	498,292	548,121	638,400	702,240	772,464	
Expenses (Operation and Maintenance)	4,493,428	5,441,800	6,446,440	7,091,084	8,914,506	10,418,828	11,460,711	12,606,782	14,683,194	16,151,513	17,766,664	
Net income after deduction of operating expenses	5%	5%	5%	5%	5%	5%	5%	6%	7%	7%	7%	
Net Operating Income	202,700	272,090	322,322	354,554	445,725	520,941	573,036	756,407	954,408	1,049,848	1,154,833	
Discount coefficient	4,290,728	5,169,710	6,124,118	6,736,530	8,468,780	9,897,887	10,887,676	11,850,375	13,728,786	15,101,665	16,611,831	
Present value of cash flows	4,290,728	5,169,710	6,124,118	6,736,530	8,468,780	9,897,887	10,887,676	11,850,375	13,728,786	15,101,665	16,611,831	
	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	0.35	
	3,904,211	4,280,266	4,613,712	4,617,910	5,282,414	5,617,671	5,622,783	5,568,658	5,870,200	5,875,541	5,880,888	57,134,255
Total Property Value												130,645,352
Total property value after rounding												130,700,000

**130,700,000 SAR**  
**Total Value of the property**

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03

Documents & Photos

# Land deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية  
مكتب العدل في محافظة الخبـر  
[٢٧٧]

الرقم : ٩٣٠٢٠٥٠١٣٣٠٩  
التاريخ : ١٤٣٨ / ١١ / ٢٤ هـ

صك

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

فلان قطعة الأرض رقم بدون من المخطط رقم ٣٣٨ / ٢ بمدينة الخبر .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢٠ م بطول: (١٩٢,٤٣) مائة و اثنين و تسعون متر و ثلاثة و أربعون سنتيمتر

جنوباً: أرض مملوكة غير مخططة بطول: (١٩٢,٤٣) مائة و اثنين و تسعون متر و ثلاثة و أربعون سنتيمتر

شرقاً: شارع عرض ١٥ م بطول: (٢٠٠) مئتين متر

غرباً: شارع عرض ١٥ م بطول: (٢٠٠) مئتين متر

ومساحتها :- (٣٨١٠٣) ثمانية و ثلاثون ألفا و مائة و ثلاثة متر مربعاً فقط توجد شطقه بالركن الشمالي الشرقي والشمالي الغربي بمقدار ٤ \* ٤ م لكليهما وكذلك وجود غرفة كهرباء بالركن الجنوبي الشرقي بمساحة ٢ \* ٥,٥٠ م

والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٤٣٠٢٠٥٠١٢٧٠٣ في ٦ / ٩ / ١٤٣٨ هـ

قد انتقلت ملكيتها لـ شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي في ١٢ / ١٠ / ١٤٤١ هـ . بثمن وقدره ١٤٥٠٠٠٠٠٠ مائة و خمسة و أربعون مليون ريال وعليه جرى التصديق تحريراً في ٢٤ / ١١ / ١٤٣٨ هـ لاعتماده ، وصلى الله على نبيينا محمد وآله وصحبه وسلم.

الختم الرسمي

وزارة العدل  
مكتب العدل الأول بمحافظة الخبر  
كتب العدل بترتيب رقم (٥١) هذا المستند وحدة متكاملة ، وضياح أو تكلف صنفحة منه يؤدي إلى عدم صلاحية المستند .

عبدالله بن محمد بن عبدالله الشهري

نموذج رقم (١٢-٠٣-١) ( هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه )

مصلحة مطابع الحكومة - ٣٨٢٠٢٢



# Documents

[illegible][illegible]

Property Photos



04

Final opinion on value

## Final opinion on value

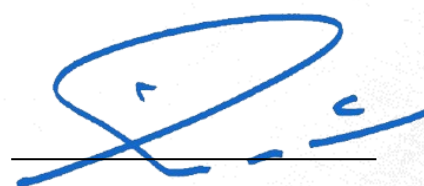
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
one hundred thirty million seven hundred thousand	130,700,000 SAR



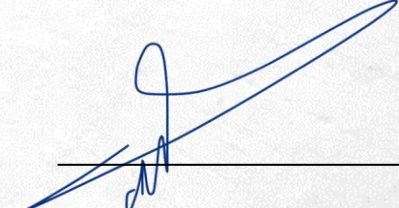
Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 844| 12| 2024

**Company name : Musharaka Capital**

**Subject: Pearl Residential Complex**

Upon your request to evaluate Pearl Residential Complex, we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

# Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents



01

## Executive Summary

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	The western part of letter (w) of Plan No. 2/38
Property Address:	Khobar –Rakah
Registration Number in the (Qima) System:	1320998
Land Area:	22,500 M
Instrument Number:	430205013306
Instrument Date:	1438/11/24 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Pearl Residential Complex
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) was made in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	338,070,000
Value in Words:	three hundred thirty-eight million seventy thousand

Property Location



Click on the image to go to the location

02

Report Details



Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Apartment complex
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	The documents submitted by the client were approved and assumed to be true. The valuation was made on the assumption that the property is free of any alterations or interference. Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value. The property is assumed to comply with all laying out and zoning requirements. The location and area of the property were determined from the documents submitted by the client. The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
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Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



Services Evaluation

Direction	Length	Description
North	150 m	Street width 40 m
South	150 m	Street width 40 m
East	150 m	Street width 10 m
West	150 m	Street width 8 m

Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.

Property Description

The property is a **residential complex**.

The complex is located in the strategic Al-Rakah area in the city of Al-Khobar, a few meters away from the main King Fahd Road that connects the city of Dammam to Al-Khobar.

The complex is located in the strategic Al-Rakah area in the city of Al-Khobar, a few meters away from the main King Fahd Road that connects the city of Dammam to Al-Khobar.

The complex contains (233) residential units of different designs and sizes.

The complex is one of the most modern and efficient residential complexes equipped with the highest protection systems.

It contains many integrated services, equipment and facilities, such as a health club with two sections for men and women, an outdoor swimming pool, and a multi-use hall.

Building surface area: 39,909 m.



# Overview of the real estate movement in the Kingdom

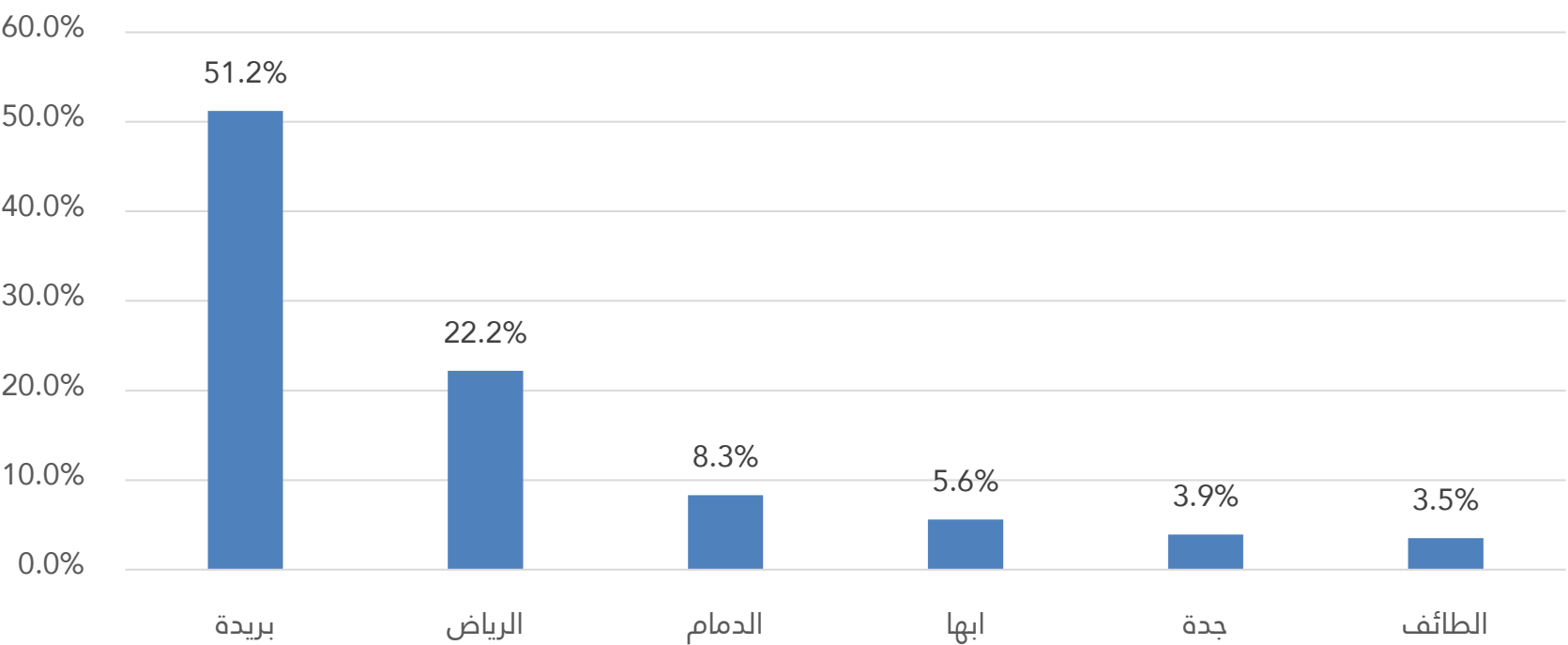
Analysis of the volume of real estate movement on the residential sector.

According to a recent CBRE Group report for the Kingdom's residential real estate market for the second quarter of 2024, residential transaction activity in major cities tracked annually for the second consecutive quarter. In Riyadh, the number of sales transactions increased by 51.6% year-to-date to the second quarter of 2024, bringing the total number of transactions to 18,500 transactions worth SAR 26.6 billion. In Dammam, the total number of residential transactions increased by 22.4% year-on-year. Reaching a total of 2,390 transactions worth SAR 2.4 billion. In Jeddah, compared to the same quarter of 2023, the total number of residential transactions reached 9,392, indicating an annual growth of 43.2% in 2023 and the estimated total value of these residential transactions reached SAR 14.5 billion.

## The impact of real estate movement on the rental movement during 2024

The rise in rental prices also comes as the demand for housing increases in conjunction with the establishment of regional headquarters by international companies in Saudi Arabia, which creates demand for housing by their employees, and the slowdown in supply with the decline in construction with the decline in new residential real estate financing. The increase in housing rents also came mainly from the rise in apartment rents by 12%, with the change in housing culture in Saudi Arabia and the increasing influx of foreigners to the country, who prefer to live in apartments, and Buraidah, Riyadh and Dammam topped the increases in housing rents in Saudi cities during August 2024.

Rental increase rate for the residential sector



wasm-utd.sa



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Khobar City Qurtuba District



The rental movement of the commercial sector according to the data of the rental index

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December - 2024

Rental Transactions Executed by Rental Index		
Average annual unit rent	Average rental value	Unit Type
62,500	from 45,000 SR To 80,000 SR	Apartment

After the Wasm team reviewed the rental index data in the property's area, it became clear to us that the average rent for a residential unit is 62,500 riyals. However, the rental index does not reflect the rent value of apartments in serviced residential complexes.

Rents by offer

Annual rent	Area rental	Apartment Type
99,000 SR	2m 193	Asayel Residential Complex in Qurtubah Neighborhood
55,000 SR	2m 150	Al-Aseel Residential Complex, Al-Andalus Neighborhood

Details of the income of the property according to the data of the rental index  
Sakan platform

Income calculations for the property		
unit	233	Total Number of Housing Units
riyal	77,000	Average rental prices of residential units
riyal	17,941,000	Total annual property income in case of occupancy 100%

According to the data provided by Musharaka Capital, the residential units were rented at a higher than the market value in the vicinity of the area, due to the various services provided to the customers of the residential complex.

# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the valuation method of the property of Al Orouba Plaza, where the data below were used in the cash flow table of the property.

## Details of the Pearl Residential Complex

Complex Details		
2m	22,500	Land Area
2m	39,909	Total building areas
%	% 56	Percentage of exploited areas
number	233	Number of Units

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	233	Total Number of Housing Units
riyal	77,250	Average unit rent
riyal	17,999,250	Total annual property income in case of occupancy 100%

Based on the income statements provided by the customer were reflected on the discounted cash flow inputs of the property in the valuation of the Pearl residential complex.

Based on the data provided by the client and the comparison of other similar properties, it will be assumed that the rents will increase by 10% annually, expected to operate the residential complex to reach the market value of the property in the income method.

## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

Assumptions of the method of future cash flows for 10 years + half a year		
%	9.9%	Discount rate
%	8%	Capitalization rate
%	10%	Growth rate (every three years)

After comparing properties similar to the Pearl Residential Complex, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 8%, with an annual growth rate of the rental value and not exceed 10%.



# Valuation Result Analysis – Income Analysis

## Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

### Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method											Refund Value
20	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
sequencing	1	2	3	4	5	6	7	8	9	10	11	
Yearly growth rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Total Income	18,500,000	20,350,000	22,385,000	24,623,500	27,085,850	29,794,435	32,773,879	36,051,266	39,656,393	43,622,032	47,984,236	
Occupancy rate	72%	75%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
Total value of occupancy	13,271,660	15,262,500	19,027,250	20,929,975	23,022,973	25,325,270	27,857,797	30,643,576	33,707,934	37,078,727	40,786,600	
Percentage of other revenues in the complex (services)	5%	5%	5%	5%	5%	5%	5%	6%	6%	7%	7%	183,467,982
Total Other Income	663,583	763,125	951,363	1,046,499	1,151,149	1,266,263	1,392,890	1,685,397	2,022,476	2,595,511	2,855,062	
Gross Operating Income	13,935,243	16,025,625	19,978,613	21,976,474	24,174,121	26,591,533	29,250,687	32,328,973	35,730,410	39,674,238	43,641,662	
Ratio (Operation and Maintenance)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Expenses (Operation and Maintenance)	663,583	801,281	998,931	1,098,824	1,208,706	1,329,577	1,462,534	1,616,449	1,786,521	1,983,712	2,182,083	
Net income after deduction of operating expenses	13,271,660	15,224,344	18,979,682	20,877,650	22,965,415	25,261,957	27,788,152	30,712,524	33,943,890	37,690,526	41,459,579	
Net Operating Income ( NOI )	13,271,660	15,224,344	18,979,682	20,877,650	22,965,415	25,261,957	27,788,152	30,712,524	33,943,890	37,690,526	41,459,579	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	0.35	
Present value of cash flows	12,076,124	12,605,010	14,298,677	14,311,687	14,324,710	14,337,744	14,350,790	14,432,248	14,513,841	14,664,095	14,677,439	154,592,366
Total Property Value												338,060,348
Total property value after rounding												338,070,000

338,070,000 SAR

Total Value of the property

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03

Documents & Photos

# Land deed

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السورية  
كتابة العدل الأولى بمحافظة الخبر  
[٢٧٧]

الرقم: ٤٣٠٢٠٥٠١٣٣٠٦  
التاريخ: ٢٤ / ١١ / ١٤٣٨ هـ

صك

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

فإن الجزء الغربي من الحرف ( و ) من المخطط رقم ٣٨ / ٢ الواقع في حي الراكه بمدينة الخبر .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٤٠ م بطول: (١٥٠) مائة و خمسون متر

جنوباً: شارع عرض ٤٠ م بطول: (١٥٠) مائة و خمسون متر

شرقاً: شارع عرض ١٠ م مخرج من أصل الصك بطول: (١٥٠) مائة و خمسون متر

غرباً: شارع عرض ٨ م يليه حديقة عامه بطول: (١٥٠) مائة و خمسون متر

ومساحتها: (٢٢٤٠٠) إثنين وعشرون ألفاً وخمسمائة متر مربعاً فقط

والمستند في إفراغها على الصك الصادر من هذه الإدارة برقم ٣٣٠٢٠٥٠٠٨٨٧٣ في ٣٠ / ١٢ / ١٤٣٦ هـ

قد انتقلت ملكيتها ل: شركة حفظ المشاركة العقارية بموجب سجل تجاري رقم ١٠١٠٤٨٤٨٣٤ في ١٢ / ١٠ / ١٤٣٧ هـ وتنتهي

في ١٢ / ١٠ / ١٤٤١ هـ، بثمن وقدره ٣٧٧٠٠٠٠٠٠ ثلاثمائة وسبعة و سبعون مليون ريال وعليه جرى التصديق تحريراً في ٢٤ / ١١ / ١٤٣٨ هـ لاعتماده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

الختم الرسمي

وزارة العدل  
كتابة العدل الأولى بمحافظة الخبر  
كاتب العدل بكتيب رقم ٥١

كاتب العدل  
عبدالله بن محمد بن عبدالله الشهري

هذا المستند وحدة متكاملة، وشياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند .

مصلحة مطابع الحكومة - ٣٨٢٠٢٢

نموذج رقم (١٢-٠٢-١٠)

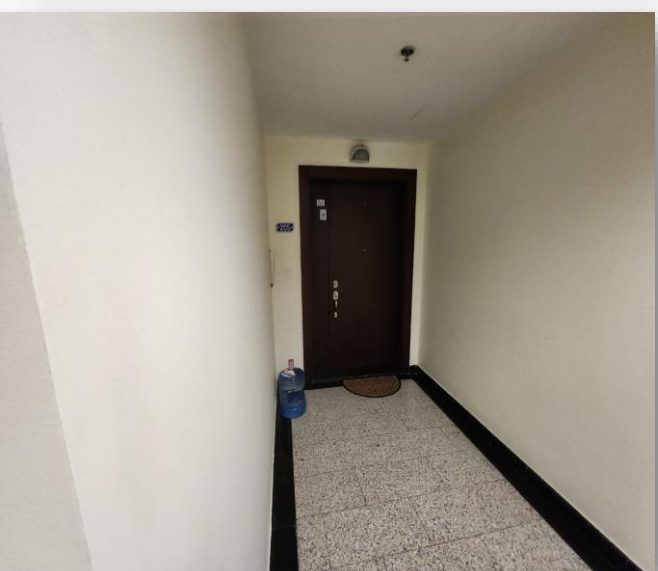
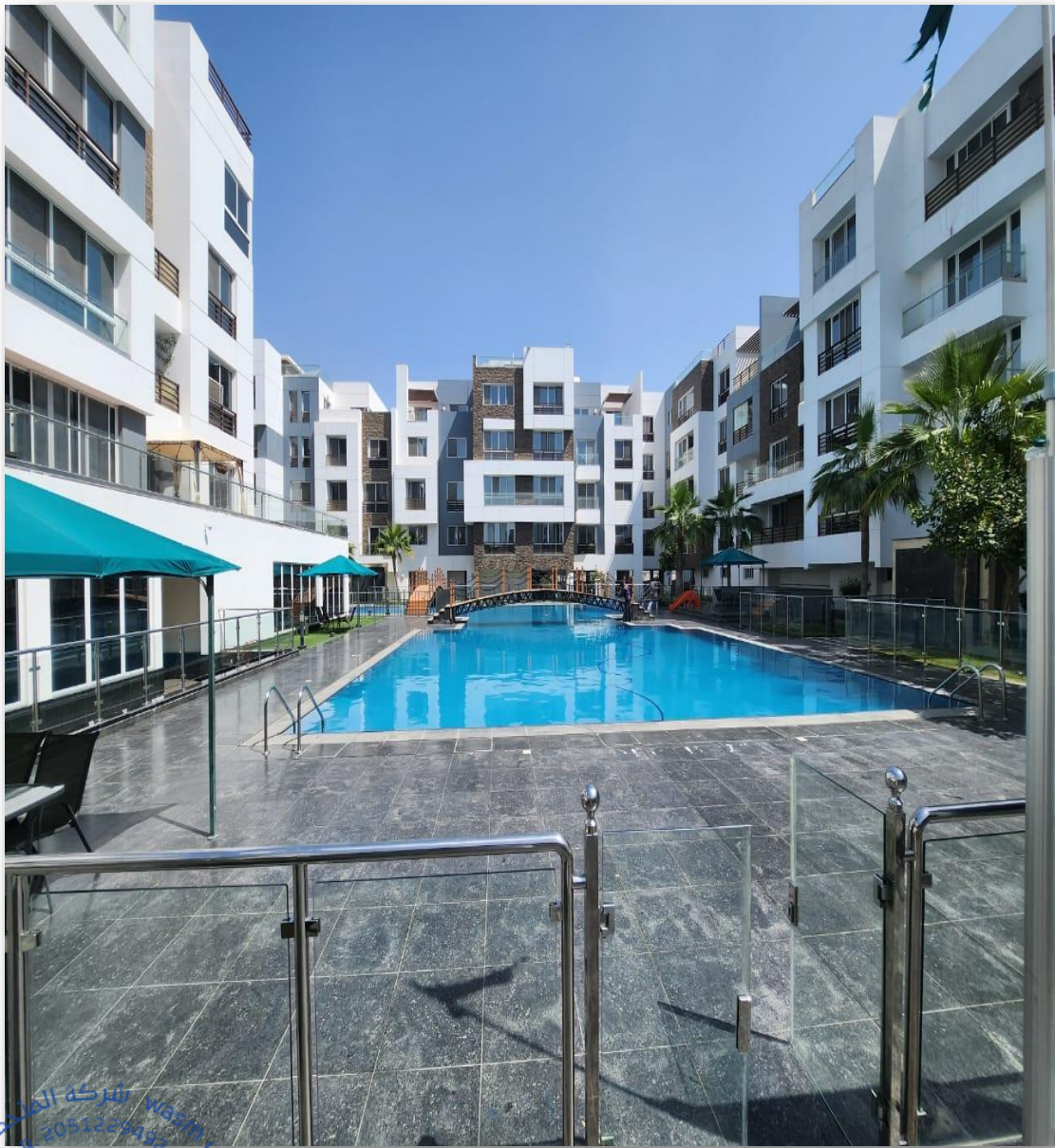


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Property Photos



Property Photos



04

Final opinion on value

## Final opinion on value

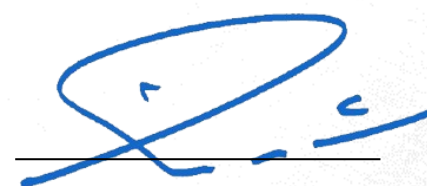
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
three hundred thirty-eight million seventy thousand	338,070,000 SAR



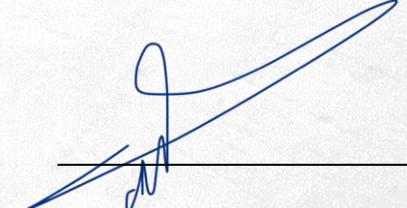
Approved By  
**Abdulwahab Alshuredah**  
 1210001174

Basic Fellow



Review  
**Renad Al Zahrani**  
 1210003531

Affiliate Member



Prepare  
**Ahmed Alhussain**  
 1210002786

Affiliate Member



Preview  
**Faisal Al-Baqmi**  
 1210003581

Affiliate Member





# شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company

# WASM UNITED REAL ESTATE VALUATION COMPANY

## WASM-UR- 836 | 12 | 2024

**Company name : Musharaka Capital**

**Subject: Verdun Tower**

Upon your request to evaluate [Verdun Tower](#), we have conducted an actual inspection of the property. As well as a study of the surrounding area of the property in order to carry out an actual property estimation.

Find attached our report based on the details given , clarifying the factors reaching the attached results to the income Value.

## Report Content

Report Details

Executive  
Summary

Value

Photos &  
Documents

# 01

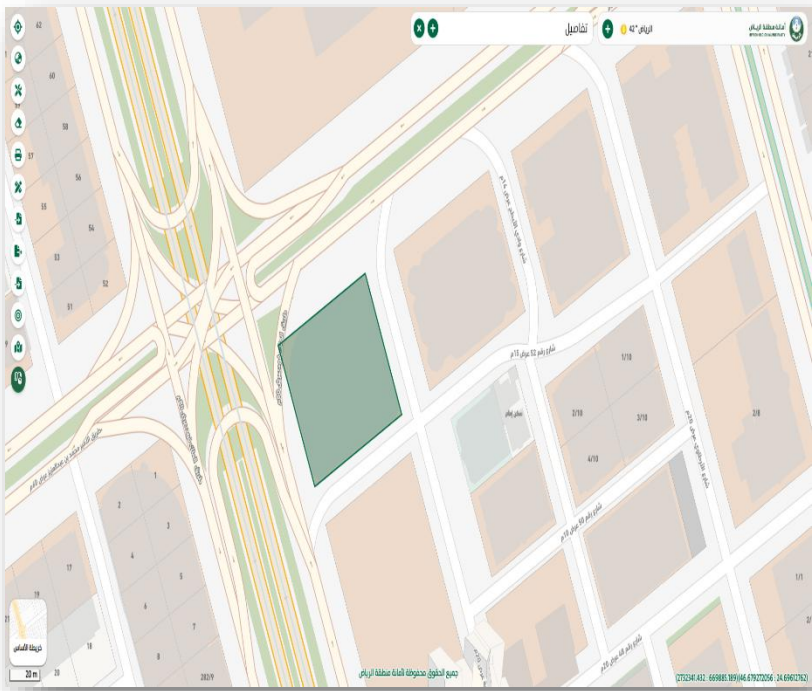
Chapter One

**Executive Summary**

Executive Summary

Beneficiary of the Report:	Musharaka Capital
Client "Applicant":	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Area No.   Block   Layout:	Plot No. 14 of Plan No. 1184
Property Address:	Riyadh – Al Olaya
Registration Number in the (Qima) System:	1319811
Land Area:	3,212 M
Instrument Number:	730205024123
Instrument Date:	1443/9/24 هـ
Value Assumption:	Current use
Ownership Type:	100% Absolute
Valuation Method:	Income method
Nature of the Valuated Asset:	Commercial administrative tower
Valuation Criteria:	The complete departure from the International Valuation Standards (IVS) in response to the International Financial Reporting Standards (IFRS).
Inspection Date:	2 Dec 2024
Report Issue Date:	4 Mar 2025
Date of Value:	31 Dec 2024
Report Expiry:	90 Days
Value Basis:	Fair Value
Valuation Currency:	Saudi Riyal
Value in Numbers:	289,306,000
Value in Words:	two hundred eighty-nine million three hundred six thousand

Property Location



Click on the image to go to the location

02

Report Details



# Scope of Work

Instrument Owner	Hafiz Real Estate Participation Company
Report Beneficiary	Musharaka Capital
Applicant Report	Musharaka Capital
ID of other users	Fund Manager and Investors - Report Reviewers - Capital Market Authority
Report Purposes	the financial statements
Assets Nature	Commercial administrative tower
Ownership Percentage	100% Absolute
Terms of Reference	<ul style="list-style-type: none"><li>• The valuation report was prepared based on the information provided by the esteemed client. The value of the property subject to the valuation is for accounting purposes and therefore this report may not be used for any other purposes.</li><li>• The report was prepared by WASM UNITED REAL ESTATE VALUAION COMPANY after inspecting the property, collecting data and information and analyzing them to reach a neutral opinion on the property in line with the specified offer and in line with international valuation standards.</li><li>• WASM UNITED REAL ESTATE VALUAION COMPANY acknowledges its independence and the absence of a conflict of interest with any of the parties or assets subject to the valuation.</li><li>• The property was valued using the income method after taking the regulatory and legal data and documents from the beneficiary of the report, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data, as the current income data of the property was relied upon based on the information provided by the client, and WASM UNITED REAL ESTATE VALUAION COMPANY does not bear responsibility for any intentional or unintentional error in that data.</li></ul>
Scope of Measurement	The research and analysis included preparing the report according to the intended purpose in accordance with international valuation standards, as the property was inspected from the inside and outside on the date of the property inspection. All the necessary data was obtained to prepare the report.
Level of Measurement (Valuation)	The fair value was measured at the second level of the hierarchy to arrive at the price (the value of the property being measured (the valuation)
Nature and Sources of Data	<ul style="list-style-type: none"><li>• In preparing this report, we relied on the information and documents provided by the client (instruments - building permit - building layout - land lease contract).</li><li>• Ministry of Justice database (real estate index sales operations).</li><li>• Electronic platforms for real estate offers and indicators (Qarin platform - Aqar SAS - Real Estate Authority - Aqar).</li></ul>



# Scope of Work

Valuation Currency	Saudi Riyal
Type of Report	The report (detailed) contains comprehensive explanations for all evaluation work, including steps, data, information, calculations, etc.
Confidentiality and Preservation of Information	This report has been prepared upon the request of the client, and we realize that it is of utmost importance for the applicant to maintain and keep confidential the data and outputs of this report. We are committed to this and the client’s private information will not be used in any other report. The client’s information is the private property of its owner and the users specified in the report, and no other party has the right to view it.
Followed Standards	Complete departure from International Valuation Standards (IVS) in response to International Financial Reporting Standards (IFRS).
Value Assumption	Current use.
General Assumptions	<p>The documents submitted by the client were approved and assumed to be true.</p> <p>The valuation was made on the assumption that the property is free of any alterations or interference.</p> <p>Our report has been prepared on the assumption that there are no hazardous or contaminated materials on site that would significantly affect the value.</p> <p>The property is assumed to comply with all laying out and zoning requirements.</p> <p>The location and area of the property were determined from the documents submitted by the client.</p> <p>The valuation team did not have the ability to evaluate the environmental site, and therefore we exceptionally assume that the property being valued does not contain any environmentally hazardous materials.</p>
Special Assumptions	No important assumptions or any special assumptions were applied.
Valuation Method	<b>Income Method - Discounted cash flow method</b> - is a financial method for estimating the value of a financial or real asset. The value index is derived by calculating the present value of future cash flows.
Value Basis	<b>Fair value:</b> 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. ((The definition adopted by the International Accounting Standards Board (IASB) in International Accounting Standard (13))



# Scope of Work

Scope of Research and Investigation	Field survey for the evaluation area of the property being evaluated and similar properties. We worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the area of the property and the surrounding areas, which are explained in detail in the technical study.
Legal Description of the Property Owner	<ul style="list-style-type: none"><li>- The accuracy of the information and data (title deed, building layout, client information) was provided to us by the client and was assumed to be correct.</li><li>- The type of ownership of the property is free of obligations according to the assumption provided by the client without verifying its truth.</li></ul>
Restrictions on Use, Distribution or Publication	<p>This report is issued to financial advisors, government agencies and bodies and investors who have a relationship with this property, and this report can be published if there are government regulations that require it.</p> <p>United Wasm Real Estate Appraisal Company does not bear any responsibility towards any third party for all or part of its contents.</p> <p>All or any part of this assessment or any reference to may not be included in any published document, circular or statement</p> <p>Or disclosed in any way without the prior written consent of United Wasm Real Estate Appraisal Company on the form and context in which it may appear.</p>
Disclaimer	<ul style="list-style-type: none"><li>- This document prepared by (WASM UNITED REAL ESTATE VALUAION COMPANY) is owned by it and may not be exploited for purposes other than those for which it was prepared.</li><li>- We have no current or future interests in the targeted property.</li><li>- The agreed fees for this report are not linked to the estimated value of the property.</li><li>- We were not asked for any prior opinions before the valuation and we performed our work in accordance with the international valuation standards issued by the Saudi Authority for Accredited Valuers.</li><li>- Our findings may change if we are provided with any data that affects the value or we are able to obtain it from reliable sources.</li><li>- WASM UNITED REAL ESTATE VALUAION COMPANY has not reviewed the originals of the documents related to the valuation and has assumed the integrity and validity of the documents and ownership papers submitted by the client. WASM UNITED REAL ESTATE VALUAION COMPANY is not responsible for any inaccurate information provided intentionally or unintentionally.</li></ul>



# Work Methodology Phases

Work Phase Items	Explanations
Scope of Work	Meeting with the client and defining the scope of work, including the purpose of the valuation, the basis of value, the parties involved, the date of the valuation, and any special or important assumptions, including clarity of the assignment and the expected outcomes.
Site Preview and Analysis	Inspecting the property, identifying its characteristics and specifications, matching documents with reality, analyzing the property's location and the uses surrounding the property, and determining the geographical scope of the search and appropriate project activities.
Data Collection and Analysis	Collecting market data (rents, returns, occupancy rates, maintenance and operating expenses) for income-generating properties, and also searching for similar land prices and contractor costs and analyzing this data to reach knowledge of past and current market trends and future indicators that will be relied upon when implementing the valuation mechanism.
Implementation of Valuation Methods	<ul style="list-style-type: none"><li>Based on the scope of work and market analysis, appropriate valuation methods are determined and all assumptions and inputs are made to perform the financial calculations to find out the market value according to the selected methods explained in this report.</li></ul>
Estimated Value	<ul style="list-style-type: none"><li>The valuation methods used to find out the final market value of the property are reconciled according to our final estimate and the information sources available to us that are reliable and appropriate for the property being valued.</li></ul>
Report Preparation	<ul style="list-style-type: none"><li>We prepare the report according to the scope of work so that it includes the data, results and outputs that were concluded through the previous work phases.</li></ul>



### Property Description

The property is a **commercial administrative tower**.

Verdin Tower is located in the most distinguished locations in the city of Riyadh, as it is located in the Olaya district at the intersection of King Fahd Road with Prince Muhammad bin Abdulaziz Road (formerly Tahlia). The site is distinguished by the fact that it is located on a number of (4) streets, including King Fahd Road, with a facade of 40.08 meters, and Prince Mohammed bin Abdulaziz, with a facade of 43.81 meters, and the tower is leased to several tenants. The tower consists of two floors, a basement, a ground floor, a mezzanine, and (8) floors.

Number of trade showrooms: 3 open.

The number of administrative offices is 34, their areas range from 153 square meters to 1,463 m.

Rentable building surface area: 14,935 m.

Building surface area: 25,591.36 m.

### Services Evaluation

Direction	Length	Description
North	43.81 m	Street width 60 m
South	70 m	Street width 15 m
East	55 m	Street width 20 m
West	40.08 m	Street width 80 m

### Services Evaluation

The area provides basic services such as water, electricity, sewage, telephone and internet.



# Overview of the real estate movement in the Kingdom

## Analysis of the volume of rental supply for commercial sector real estate

According to a recent CBRE report for the Kingdom's real estate market for the second quarter of 2024, the real estate market is recording strong activity, although this activity continues to be limited due to a lack of supply as strong demand for high-quality office space continued to rise in the capital Riyadh during the second quarter of 2024 as more international and local tenants moved to the city. In addition, Riyadh recorded the highest volume of demand and inquiries in all major cities in Saudi Arabia during the second quarter of 2024, as the trend to reuse existing and upcoming properties in office space in an attempt to meet the expected increased demand during 2024

## Analysis of rental change rates for office sector real estate at the level of main regions

### Riyadh City

In Riyadh, luxury offices saw average rents increase by 10.7% year-on-year to an average of SAR 2,767 per square meter. In addition, Grade A increased by 11.5% to an average of SAR 2,050 per square meter. The Grade B segment recorded the highest year-on-year increase of 14.6% with average rent reaching SAR 1,686 per square meter. As for the average occupancy rates in Riyadh, the occupancy of Grade B offices remained unchanged at 99.4% and luxury and Grade A offices witnessed increases of 4.5% and 0.1% respectively to 94.7% and Kamal occupancy respectively.

### Dammam City

The office market in Dammam has seen an increase in rents in both market segments. The average rent for Grade A offices was SAR 1,067 per square meter, an increase of 13.3% year-on-year. The Grade B office category also improved by 6.2% to record an average rent of SAR 567 in Al Khobar, and the average rent of Grade A assets reached SAR 1,145 per square meter after an increase of 6.0% during the same period. Average occupancy levels in both cities also recorded increases, with Al Khobar's Grade A office occupancy reaching 86.3% following a year-on-year increase of 5.3 percentage points. Occupancy rates for Grade A and Grade B offices in Dammam increased by 5.0% and 4.0% respectively to 87.2% and 71.6% respectively.

### Jeddah City

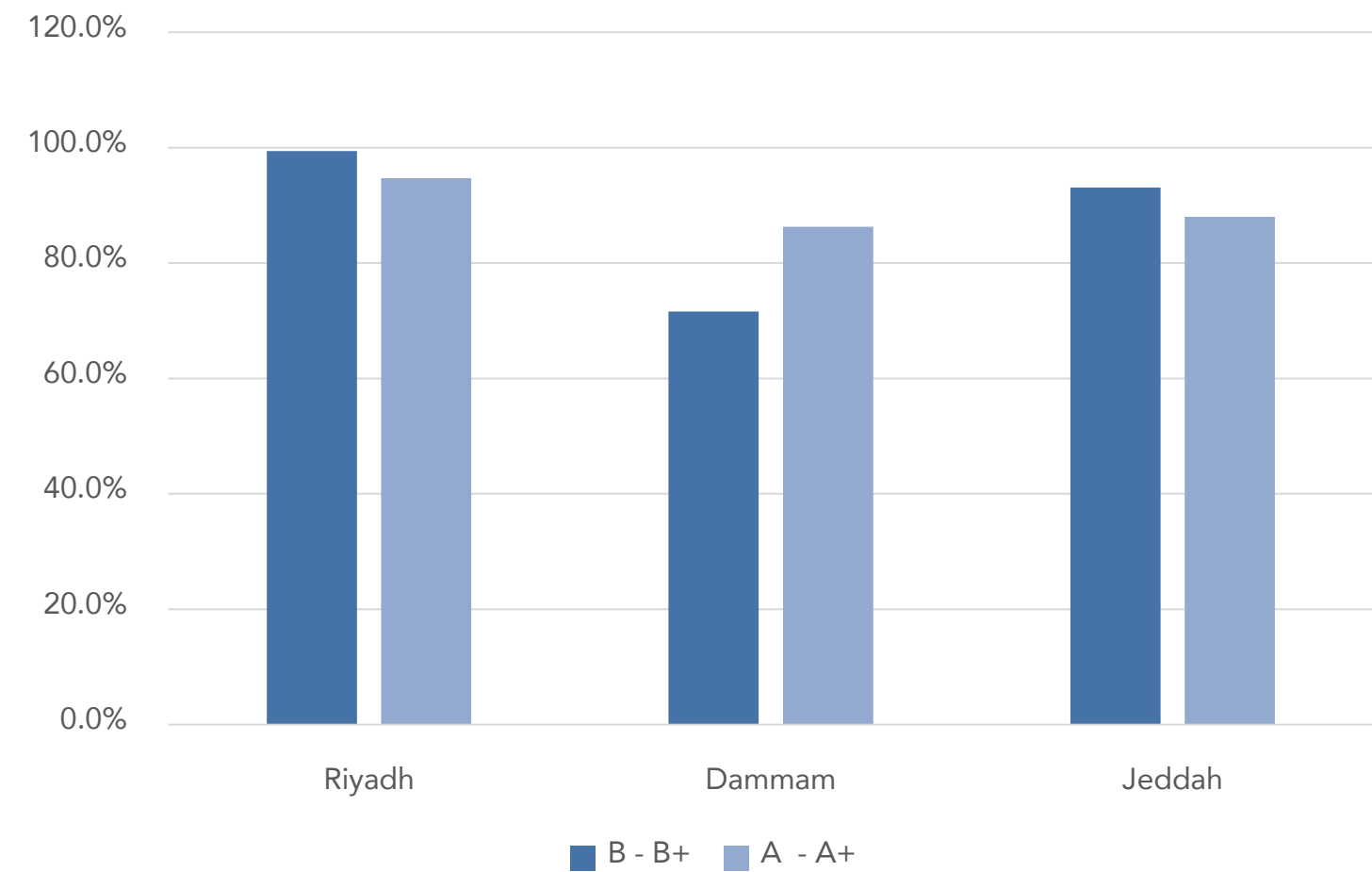
There is a significant improvement in average rental prices for both Grade A and Tier B assets from the beginning of the year to the second quarter of 2024 In the Grade A sector, average rents increased by 8.1% to SAR 1,419 per square meter, while Grade B offices increased by 13.1% to SAR 800 per square meter. In terms of average occupancy, Grade A and Grade B recorded gains of 0.6 percentage points and 8.0 percentage points respectively, resulting in average occupancy rates of 93.1% for Grade A and 88.0% for Grade B, respectively.



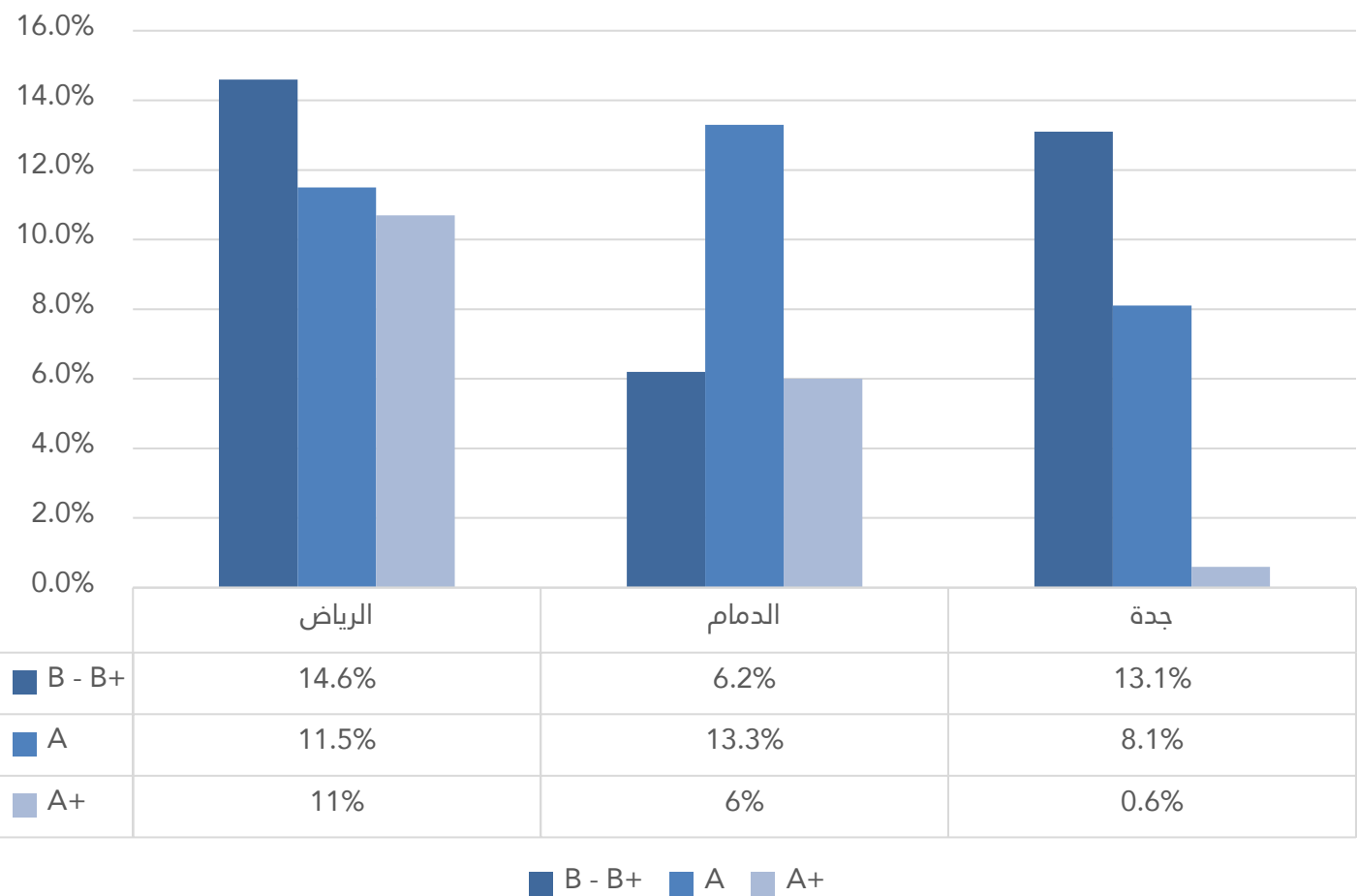
# Overview of the real estate movement in the Kingdom

Analysis of the rates of change in rental meter prices and occupancy rates during 2024

Occupancy rates for the commercial sector



The rate of increase per rental meter for the commercial sector



Analysis of the evaluation result – analysis of the rental movement in the vicinity of the real estate area

Al Olaya District



The rental movement of the commercial sector according to the field research data in the vicinity of the real estate area

Rental prices in the vicinity of the real estate area according to the data of the rental index for the period between June / December -2024

Rental Transactions Executed by Rental Index		
Number of rental transactions	Average price per meter	Unit Type
231	1,575	Administrative Office
71	2,200	store
101	1,081	Trade show

After reviewing the data of the rental index in the real estate area, the Wasm team found that the average rent of a commercial meter is 1,485 riyals per rental meter.

Details of the income of the property according to the data of the rental index

Income calculations for the property		
2m	11,935	Total rental area of the property for offices
2m	3,000	Total exhibition area
riyal	1,619	Average price per rental meter for exhibitions
riyal	24,179.765	Total annual property income in case of occupancy 100%

# Evaluation Result Analysis - Assessment Input Analysis

Valuation inputs used in the Verdain Tower property valuation method, where the data below were used in the property's cash flow table.

## Verdain Tower Details

Complex Details		
2m	3,212	Land Area
2m	25,591.36	Total building areas
%	% 58	Percentage of rental areas
2m	14,935	Total rental area
number	37	Number of Units Showrooms + Offices

## Market Rates According to Saudi Central Bank Data

Cumulative model method		
Saudi Tadawul Fund	5%	Government bond rate of return
Saudi Central Bank	1.9%	Inflation rate (current year average)
Depending on the market situation	1.5%	Market risk premium (recession and recovery)
Depending on the market situation	1.5%	Special Risk Premium (Costs Resulting from the Property)
Current discount rate	9.9%	Discount rate after collecting the above data

## Details of the income of the property according to the customer's data

Income calculations for the property		
2m	11,935	Total rental area for offices
2m	3,300	Total exhibition area
riyal	1,986	Rental meter price for exhibitions
riyal	25,046,474	Total annual property income in case of occupancy 100%

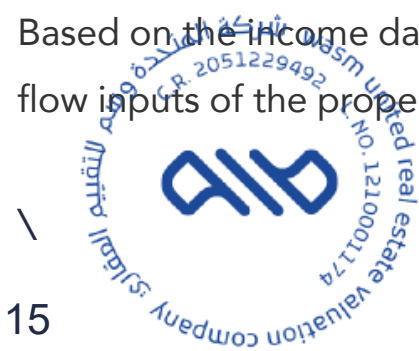
Based on the income data provided by the customer, it was reflected on the discounted cash flow inputs of the property in the valuation of Verdun Tower.

## Capitalization rates

According to the data of the real estate market in the vicinity of the real estate area with similar use of similar properties in commercial real estate plots, which is a measure to determine the appropriate capitalization rate for the property subject to evaluation according to the vision of Wasm Real Estate Appraisal Company

Future cash flow method assumptions for 9 years + 6 months of 2024		
%	9.9%	Discount rate
%	11%	Capitalization rate
%	5%	Growth rate (every three years)

After comparing properties similar to the Verdain Tower property, we have reached a conclusion according to market research that the most appropriate capitalization rate for the property should be 11%, with a rental growth rate every three years for the rental value, provided that it does not exceed 5%.



Valuation Result Analysis – Income Analysis

Valuation Method Used – Income Method

To estimate the market value of the property based on the value, purpose of the valuation and the nature of the property, the income method - cash flow method will be relied upon.

Calculation of the market value of the property

Item	Calculations and pointers to value by residual value method										Redemption Value
Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
sequencing	1	2	3	4	5	6	7	8	9	10	
Growth rate	0%	0%	0%	5%	0%	0%	5%	0%	0%	0%	
Total income of the property by 100%	31,380,000	31,380,000	31,380,000	32,949,000	32,949,000	32,949,000	34,596,450	34,596,450	34,596,450	34,596,450	
Percentage of occupancy	73%	73%	80%	85%	85%	80%	85%	85%	85%	85%	
Value of vacancies	22,913,260	22,907,400	25,104,000	28,006,650	28,006,650	26,359,200	29,406,983	29,406,983	29,406,983	29,406,983	
Additional revenue percentage (services)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Total Revenue Services	1,145,663	1,145,370	1,255,200	1,400,333	1,400,333	1,317,960	1,470,349	1,470,349	1,470,349	1,470,349	111,435,235
Advertising screen revenue	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	
Total Effective Income	27,058,923	27,052,770	29,359,200	32,406,983	32,406,983	30,677,160	33,877,332	33,877,332	33,877,332	33,877,332	
Percentage of operating and maintenance expenses	6%	6%	6%	6%	6%	7%	7%	7%	7%	7%	
Value of operating and maintenance expenses	1,623,535	1,623,166	1,761,552	1,944,419	1,944,419	2,147,401	2,371,413	2,371,413	2,371,413	2,371,413	
Net Operating Income	25,435,388	25,429,604	27,597,648	30,462,564	30,462,564	28,529,759	31,505,918	31,505,918	31,505,918	31,505,918	
Net Cash Flow	25,435,388	25,429,604	27,597,648	30,462,564	30,462,564	28,529,759	31,505,918	31,505,918	31,505,918	31,505,918	
Discount coefficient	0.91	0.83	0.75	0.69	0.62	0.57	0.52	0.47	0.43	0.39	
Present value of cash flows	23,144,120	21,054,465	20,791,173	20,882,172	19,001,067	16,192,427	16,270,777	14,805,075	13,471,406	12,257,876	177,870,557
Total Property Value										289,305,793	
Total property value after rounding										289,306,000	

289,306,000 SAR  
Total Value of the property



03

Documents & Photos

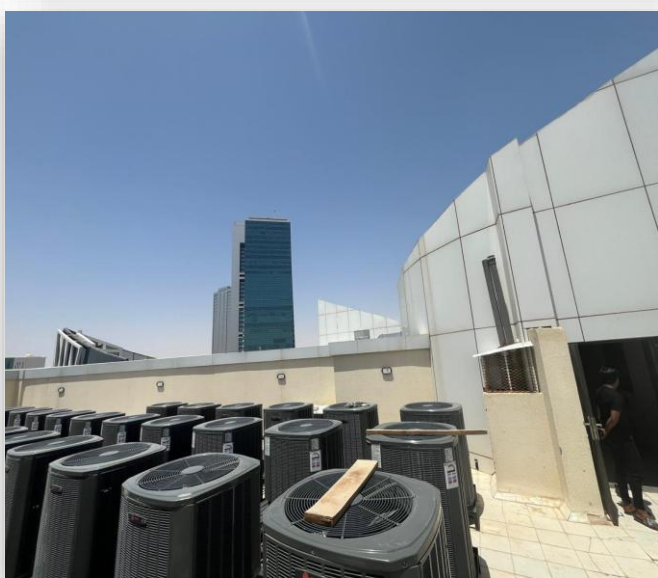
## Land deed



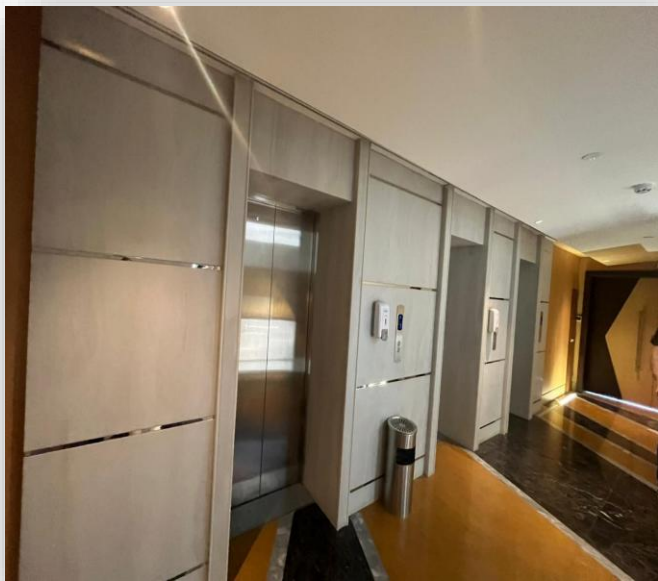
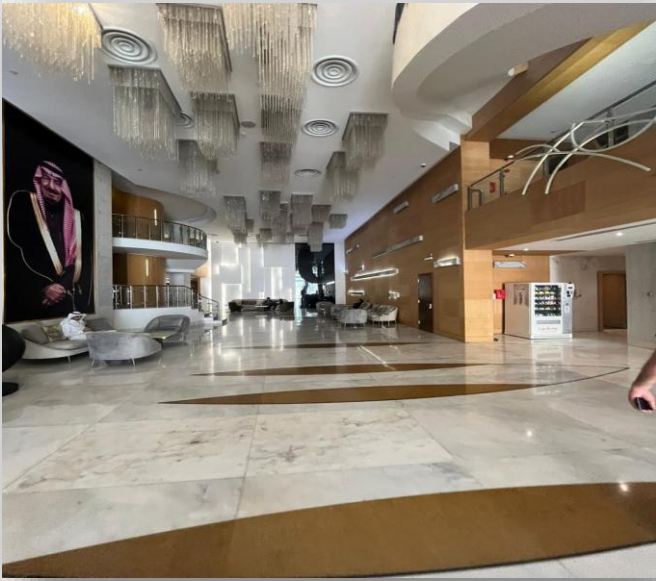
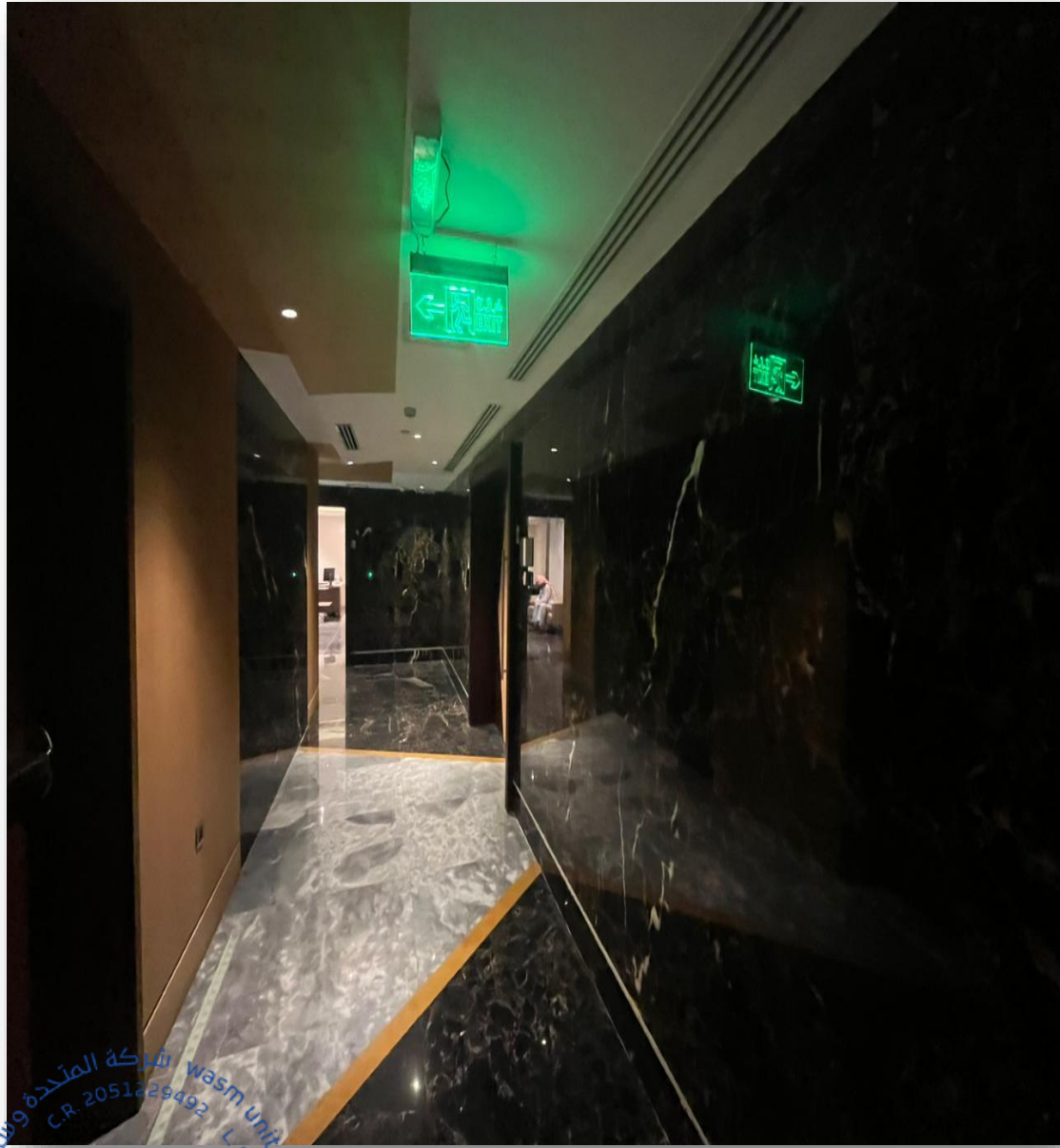
## Building Permit photo

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Property Photos



Property Photos



# 04

Chapter Four

Final opinion on value

## Final opinion on value

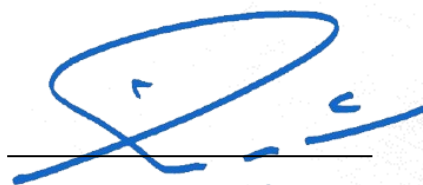
United Wasm Real Estate Valuation Company certifies the market value of the property below using the income method on 31 December 2024

Value in Words	Value in Numbers
two hundred eighty-nine million three hundred six thousand	289,306,000 SAR



Approved By  
**Abdulwahab Alshuredah**  
 1210001174

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شركة المتحدة وسم للتقييم العقاري

wasm united real estate valuation company