

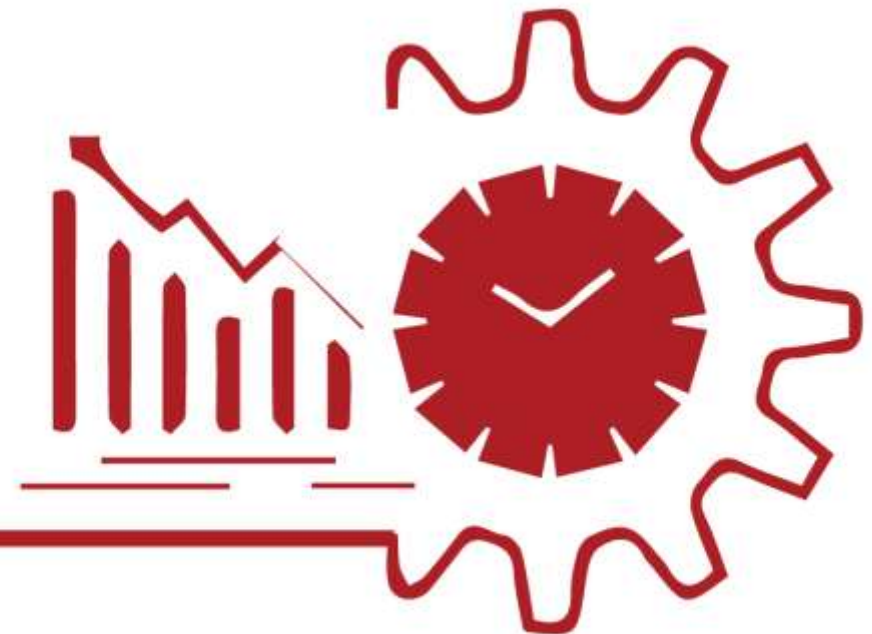
GALLERY MALL AL KHABEER CAPITAL

TABUK CITY

AUGUST 2021



Valuation Report





REF: 2011237-4
Date: 15/08/2021
M/S Al Khabeer Capital

Subject: Valuation Report for the leasing right of Gallery Mall in Tabuk City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on May 22, 2021 for valuation service of the Retail project (Gallery Mall) located in Tabouk city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

Member of the Saudi Authority of Accredited Valuers (Taqeem)





Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	6
1.2	VALUATION REFERENCE	8
1.3	BASIS OF VALUATION	8
1.1	CLIENT APPROVAL DATE	10
1.2	INSPECTION DATE	10
1.3	VALUATION DATE	10
1.4	REPORT DATE	10
1.5	OPINION OF VALUE	10
1.6	PURPOSE OF VALUATION	10
1.7	INSPECTION ROLE	10
1.8	MARKET SURVEY	11
1.9	PROPERTY & LOCATION DESCRIPTION	13
1.10	INFRASTRUCTURE FACILITIES	13
1.11	LOCATION	14
1.12	PROPERTY ACCESS	15
1.13	TITLE DEED & OWNERSHIP	16
1.14	CONSTRUCTION & BUILDINGS	16
1.15	PROPERTY LAYOUTS	17
1.16	PHOTO RECORD	19
1.17	MAINTENANCE & OPERATIONAL EXPENSES	21
1.18	INSURANCE	21
1.19	SAUDI ARABIA ECONOMIC INDICATORS	23
1.20	BUDGET ALLOCATION FOR 2020	23
1.21	SWOT ANALYSIS	24
1.22	SECTOR BRIEF	24
1.23	RISK ANALYSIS	26
1.24	DOCUMENTS RECIEVED	28
1.25	GENERAL ASSUMPTIONS	28
1.26	LEGAL NOTICES	28
1.27	INFORMATION SOURCE	29
1.28	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	29
1.29	VALUATION APPROACH	29



1.30	INPUT VALUATION PROCESS	29
1.31	DISCOUNTED CASH FLOW- MARKET RATES	30
1.32	VALUATION NOTES	33
1.33	SUBJECT PROPERTY VALUE	33
1.34	REPORT USE	33
1.35	DISCLAIMER	33
1.36	CONCLUSION	34
1.37	CONSULTANT STATUS	36
1.38	DISCLOSING CONFLICT OF INTEREST	36
1.39	CONFIDENTIALITY	36
1.40	ENVIRONMENTAL MATTERS	36

EXECUTIVE SUMMARY





1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 22/05/2021 to implement valuation service for a leasing right of Gallery Mall in Tabuk city.
Client	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law.
Reference No.	2011237-4
Purpose of Valuation	Real Estate Investment Trust (REIT)
Subject Property	Retail Project
Property Location	The property is located in Tabuk City.
Title Deed Information	We were not provided by a copy of the title deed related to the subject property.
Ownership Type	The client informed us that the property is a leasehold
Owner	According to the client the owner of the property is شركة أول الملقى العقارية
Land Use	Commercial
Land Area (Sqm)	Based on the client, the property has a total land area of 41,630 Sqm
BUA (Sqm)	As per the site inspection done by our team, the project is still under-construction with a total BUA of 31,381 Sqm
GLA (Sqm)	The total gross leasable area is 35,718 Sqm
Valuation Approach	Discounted Cash Flow Approach (DCF)
Final Property Value	164,965,000 SAR
Valuation Date	14/06/2021
Inspection Date	27/05/2021

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) to estimate the market value of the property / real estate that is the subject of this report for the mentioned purpose only. This report may not be used for other purposes. The valuation was prepared in accordance to the regulations and standards issued by the Saudi Authority of Accredited Valuers and the International valuation Standards of the Council of International Assessment Standards (IVSC).

1.3 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

AN ASSET SHOULD EXCHANGE

“***an asset should exchange***” refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the valuation date;

ON THE VALUATION DATE

“***on the valuation date***” requires that the value is time specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date;

BETWEEN WILLING BUYER

“***between a willing buyer***” refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”;



AND WILLING SELLER

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

IN AN ARM'S LENGTH TRANSACTION

“in an arm's-length transaction” is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of special value. The market value transaction is presumed to be between unrelated parties, each acting independently;

AFTER PROPER MARKETING

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

KNOWLEDGEABLY AND PRUDENTLY

‘where the parties had each acted knowledgeably, prudently’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

AND WITHOUT COMPULSION

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.



1.1 CLIENT APPROVAL DATE

The client approval date reflects the green light given to use by the client to start the inspection procedures of the property / properties subject to the valuation process.

May 22, 2021.

1.2 INSPECTION DATE

The inspection date reflects the exact date of the property’s inspection and the date of executed market survey. Yet, the outcome value of the subject property / properties will be based on the findings at the inspection date.

May 27, 2021.

1.3 VALUATION DATE

The Valuation date is the date on which the opinion of value/s applies. The date of valuation is the date were the value/s of the subject property / properties is reflected. The valuation date is at

June 14, 2021.

1.4 REPORT DATE

The valuation reports usually dated exactly as the valuation date. Yet, and in some cases, the report date can be after the valuation date depending on the nature, size and location of the subject property.

August 15, 2021.

1.5 OPINION OF VALUE

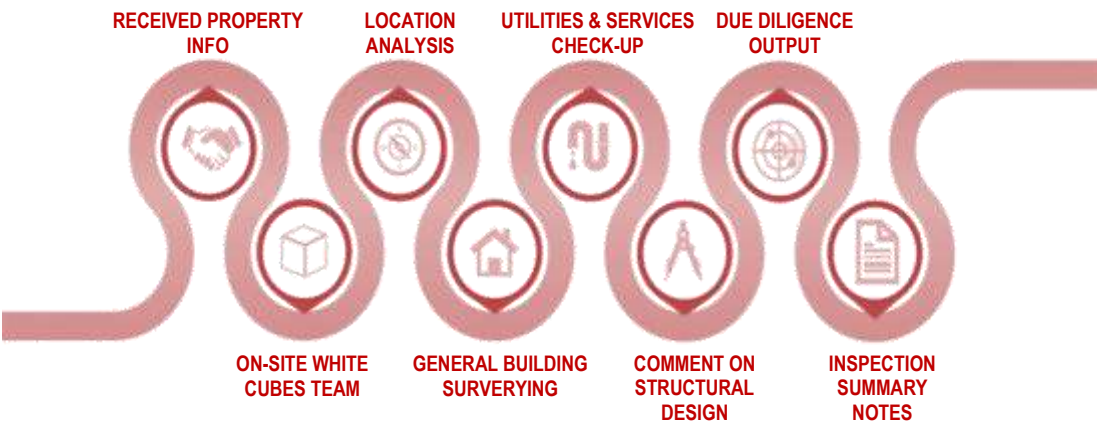
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on the previously mentioned findings.

1.6 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment trust (REIT) Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The discounted Cash Flow Approach (DCF)

1.7 INSPECTION ROLE

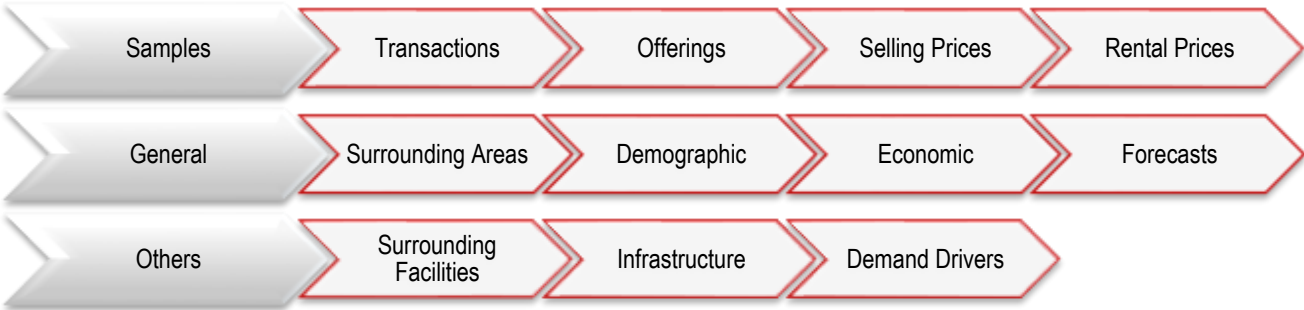
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / boundaries / out layers of the property. No technical inspection has been made such as soil test, construction durability, etc. the following shows the findings from the inspection procedures.





1.8 MARKET SURVEY

During the site visit, our team has made the market survey for the immediate surrounding areas of the subject property to collect all the possible and related data to the valuation process. The collected data will be prices, rents, land offerings, properties transactions, etc. the collected data type will be according to the property data and the purpose of valuation.



PROPERTY DETAILS





1.9 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a lease hold Retail Project (Gallery Mall) located in Tabuk city. The building has a total land area of 41,630 Sqm, a total BUA of 31,381 Sqm. The project is open on 4 sides with a direct view on King Khaled Road where all the infrastructure facilities such as water, electricity, telecommunication and sewage are available in the surrounding and connected to the subject property.
Location Description	The property subject of valuation is a retail project located in Tabuk City. The property is bordered from the north by King Khaled Road The property is bordered from the south by Jaber Ibn Hayyan Street The Property is bordered from the east by Muin Ibn Zaidah Street The property is bordered to the west by an Unnamed Street
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located on King Khaled Road.
Area Surrounding the Property	The subject property is mostly surrounded by Residential & Commercial Buildings

Land		Building	
Land Use	Commercial	Building Type	Retail Project
No. of Streets	4	Building Structural Conditions	Under-Construction
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	King Khaled road	Building Finishing Conditions	Good
Direct View on an Internal Street	Jaber Ibn Zaidah Street	Overall Building Conditions	Good
Land Condition	Constructed		

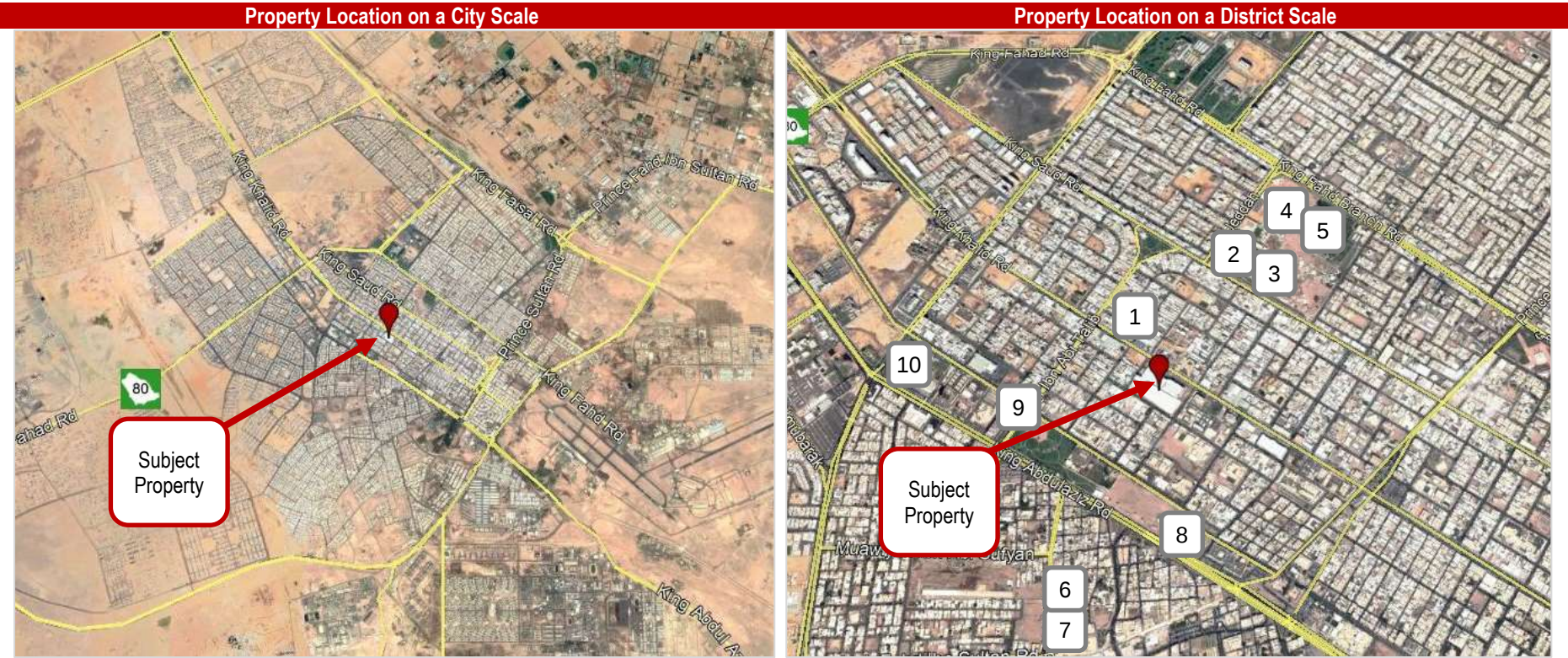
1.10 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.11 LOCATION

The subject property is located in Al Salihiyah, Tabuk city and surrounded by several landmarks as follows:

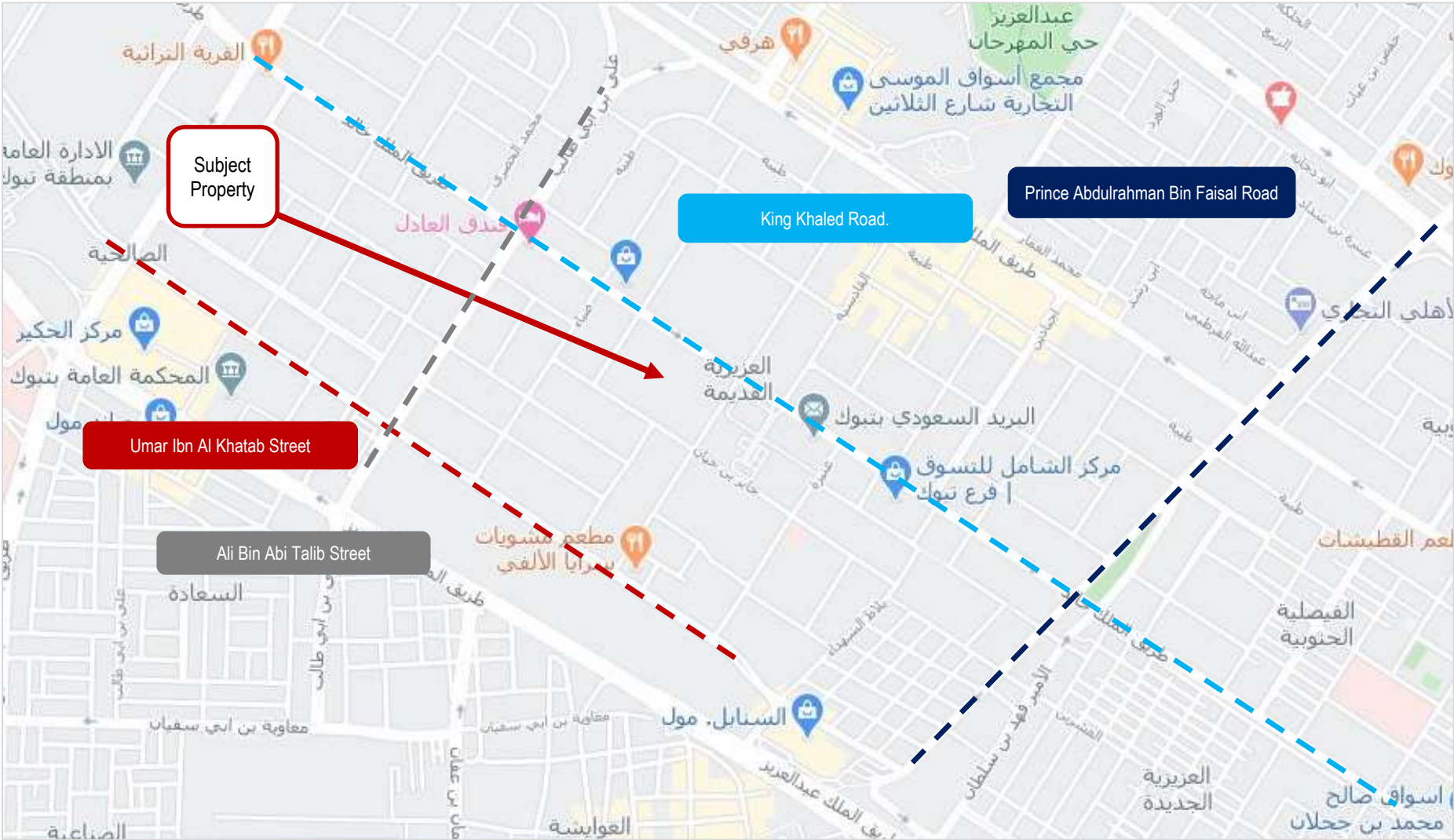


Surrounding Landmarks	
1- Tabuk Electricity Company (0.4 Kilometres)	6- Tabuk Castle (1.4 Kilometres)
2- Mousa Commercial Complex (0.9 Kilometres)	7- Tabuk Ottoman Castle (1.6 Kilometres)
3- Green Land (0.8 Kilometres)	8- Ottoman Hijazi Railway Remains (1.4 Kilometres)
4- Fun Park (1.1 Kilometres)	9- Al Haram Plaza (1 Kilometres)
5- King Abdulaziz Garden (1.3 Kilometres)	10- Al Hukair Mall (1.5 Kilometres)



1.12 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.13 TITLE DEED & OWNERSHIP

We were not provided by a copy of the title deed related to the subject property. Yet, the client informed us that the project is a leasehold.

1.14 CONSTRUCTION & BUILDINGS

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	-----
Other Documents	-----	Other Documents	-----	Under Construction	✓
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		

The subject property is under-construction Retail project composed of 2 floors. The client provided us with a building permit for the subject property, which contains the following data:

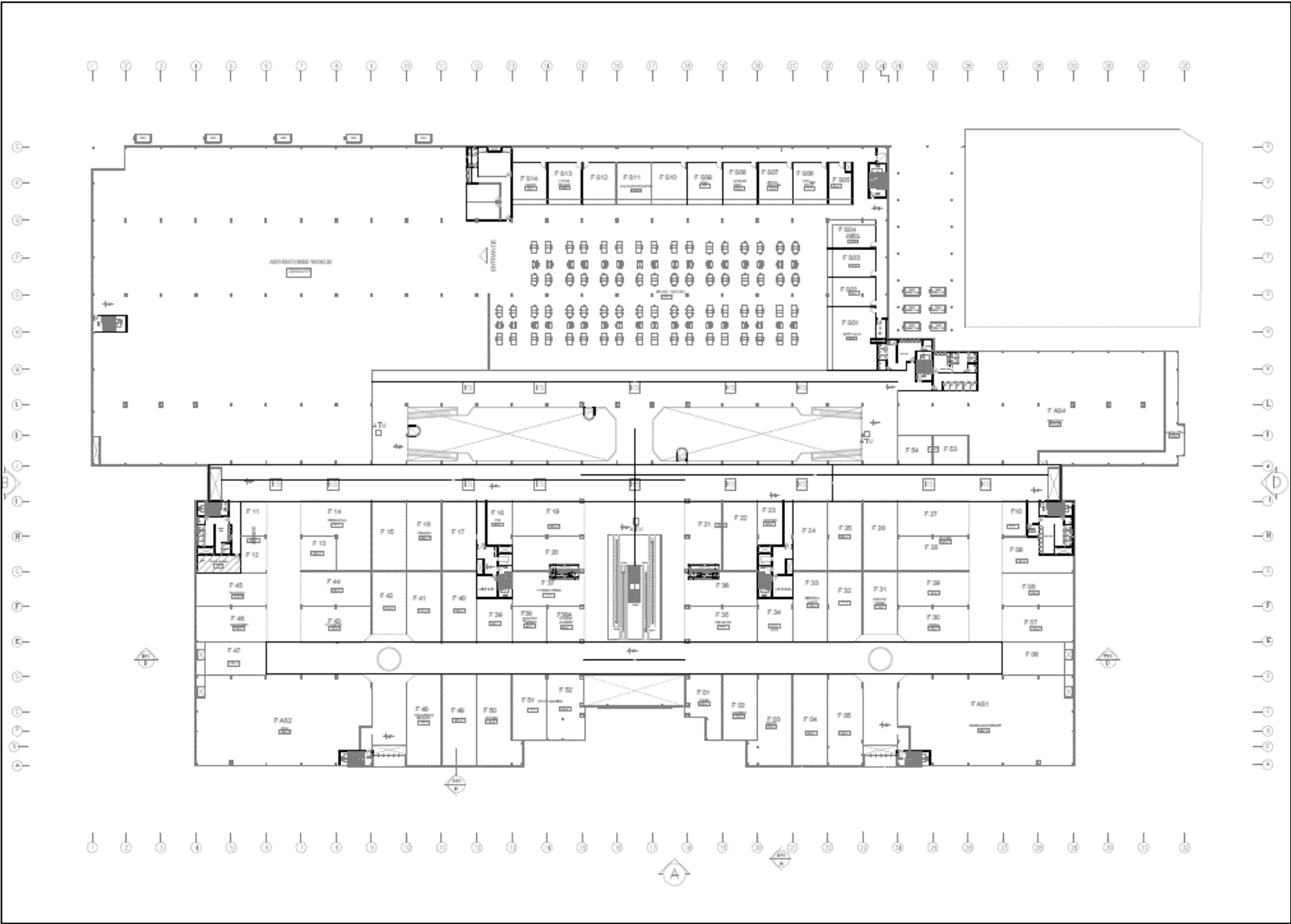
Subject Property	
Construction Permit Type	New Permit
Property Type	Retail
Construction Permit No.	58457
Construction Permit Date	01/07/1434 AH
Permit Expiry Date	01/07/1437 AH

Description	No. of Units	Area (sqm)	Use
Basement	---	---	---
Ground Floor	---	16,136	Commercial
Typical Floors	---	15,245	Commercial
Total BAU (sqm)		31,381	



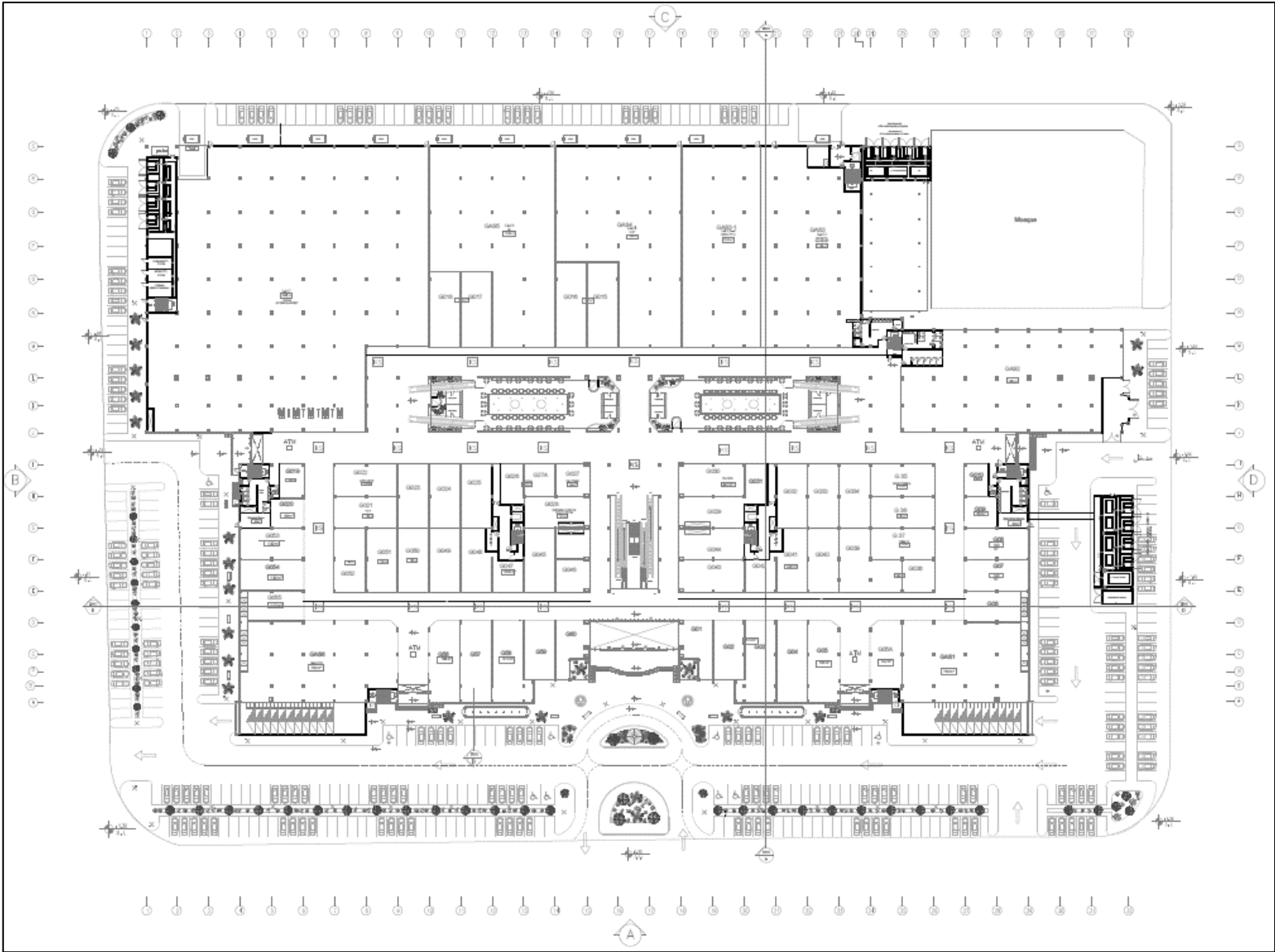
1.15 PROPERTY LAYOUTS

First Floor





Ground Floor





1.16 PHOTO RECORD







1.17 MAINTENANCE & OPERATIONAL EXPENSES

The client did not provide us with the total maintenance and operating costs of the subject property. Yet, we will be estimating these expenses based on market rates.

1.18 INSURANCE

Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Gallery Mall	Erections-all-Risks	P0619-EAR-CCRO-000006/4	Al Rajhi Company for Cooperative Insurance	01/04/2021

MARKET INDICATORS





1.19 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	793.8 Bn	700 Bn Q1 (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	3.58%
Interest Rates (Source: Trading Economics)	2.75%	3%	3.57%
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,100 Bn	1,068 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.86% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

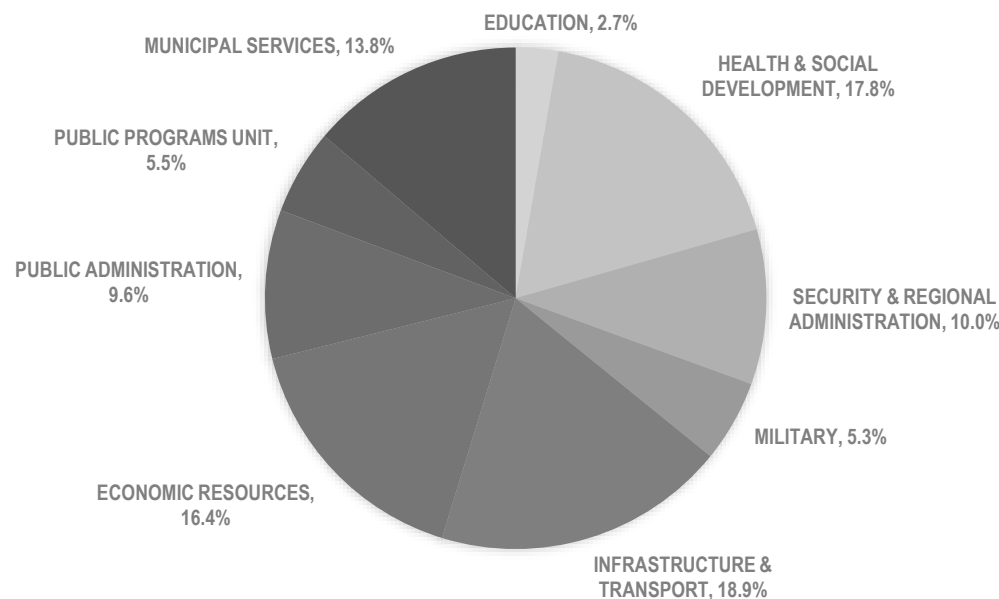
1.20 BUDGET ALLOCATION FOR 2020

Public Administration	28 SAR bn
Military	182 SAR bn
Security & Regional Adm.	102 SAR bn

Municipal Services	54 SAR bn
Education	193 SAR bn
Health & Social Dev.	167 SAR bn

Economic Resources	98 SAR bn
Infrastructure & Transport	56 SAR bn
General Items	141 SAR bn

Source: Ministry of Economy





1.21 SWOT ANALYSIS

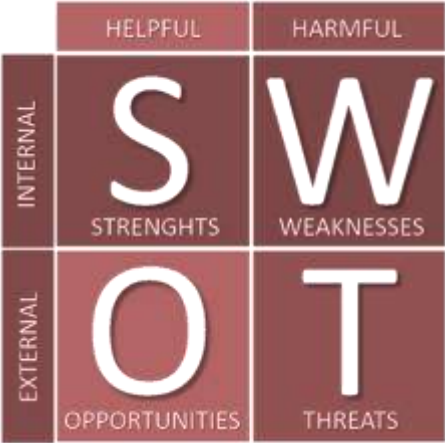
Strength - The subject property has a direct view on Muin Ibn Zaidah Street - The property has 4 sides open - Very Good Design - Good Quality of Exterior Finishing - Very Efficient Internal Circulation - Very Efficient Tenant Mix	Weakness - High traffic Area (King Khaled Road)
Opportunities - Tabuk city is known as a tourism destination city within the kingdom. And since the existing shopping malls in the city are very few compared to high demand for such project (Tabuk city offers low GLA per capita compared to other cities), this can guarantee stability of revenues and support any increase provision in the future.	Threats - Future similar development project - Any future and unexpected change in economy conditions

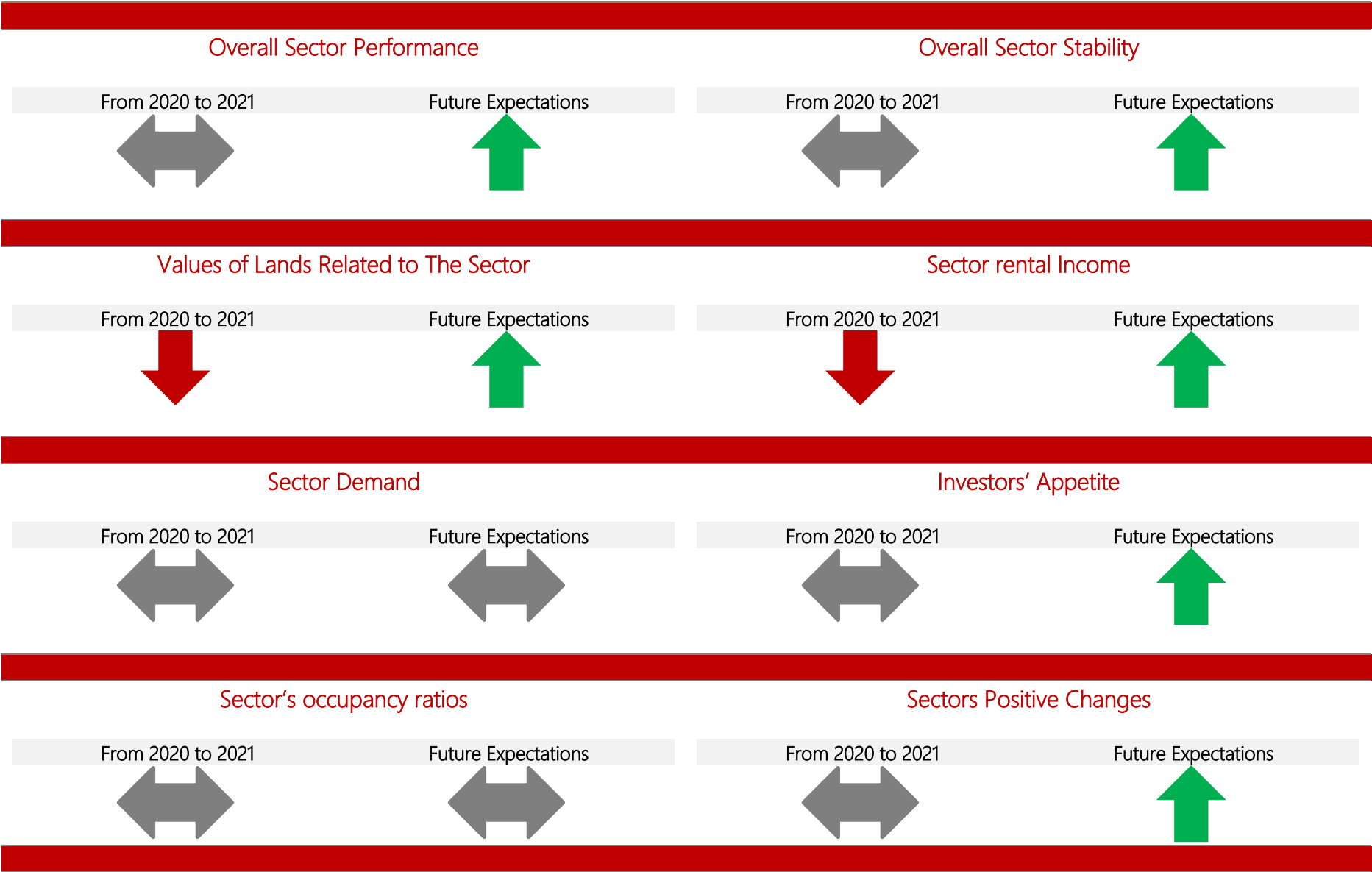
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.22 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to the last year
-  Indicator showing an increase in the current performance comparing to the last year
-  Indicator showing a stable position in the current performance comparing to the last year





White Cubes Team's Analysis



1.23 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Total Risk	0	2	15	0	0
Risk Category 17 Risk Points - Medium Risk					

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	✓				
Location	✓				
Land Shape	✓				
Surrounding Area facilities		✓			
Total Risk	3	2	0	0	0
Risk Category 5 Risk Points – Very Low Risk					

Land Analysis

Risk Category- 5 Risk Points – Very Low Risk

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities		✓			
Management Skills		✓			
Overall Condition	✓				
Total Risk	1	4	0	0	0
Risk Category 5 Risk Points - Minimal Risk					

Property Analysis

Risk Category- 5 Risk Points – Minimal Risk

PROPERTY VALUATION





1.24 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy	Construction Permit	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Location Map
Location Link	Contact Details	Forecasts & Expectations
Tenant List	Income & Revenues	Operational Cost - OPEX

1.25 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.26 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.27 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.28 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.29 VALUATION APPROACH

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	-----	-----	-----	-----
Building	-----	-----	-----	-----	-----
Overall Property	-----	-----	-----	✓	-----

DISCOUNTED CASH FLOW (DCF)

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property

1.30 INPUT VALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



1.31 DISCOUNTED CASH FLOW- MARKET RATES

Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

We will apply the rate of 15% as the OPEX which will be calculated from the total revenues of the property in addition to 60,000 SAR insurance premium. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

Occupancy Rates in the Project

Based on the market survey done by our team, the occupancy rates for similar project is 85% on which we will base our valuation analysis.

Estimated the Discount Rate of Cash Flows

To estimate the discount rate used in the cash flow method, we will use the CAPM model, which includes a calculation of several risk factors related to the property, for the purpose of determining the value of future cash at the present time. The estimation of the existing risk rates has been based according to the developments in the current property market. As a result, the expected discount rate is 11%.

CAPM (Cost of Equity) Calculation	
Risk Free Rate	2.20%
Beta	1.12
Country Risk Premium	2.50%
Equity Risk Premium	4.00%
Indigenous Risk Premium	1.50%
Cost of Equity	11.00%

Contract- Market DCF

The land of the subject property is owned by Tabuk Municipality and rented for Al-Qudaibi and sons Company who transferred it to "شركة أول الملقى العقارية" with leasing right for 25 years starting 1434 HD with annual lease rate of SAR 1,579,000. The client intends to acquire this remaining period of the leasing right (21 years), as for the first 5 years the client will lease back the project for Qudaibi & Sons for SAR 22,959,000 annually. Then, and after the four years, the client will lease the project based on market rates starting year five by applying the same rates in Point 1.16



Cash Flow		0	1	2	3	4	5	6	7	8	9	10
Increase Revision		0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%
Expected Revenues												
Total GLA (GF Shops)	Sqm	7,636	7,636	7,636	7,636	7,636	7,636	7,636	7,636	7,636	7,636	7,636
Rate (SAR)	SAR	1,255	1,255	1,286	1,286	1,286	1,286	1,286	1,318	1,318	1,318	1,318
Total	SAR	9,579,362	9,579,362	9,818,846	9,818,846	9,818,846	9,818,846	9,818,846	10,064,317	10,064,317	10,064,317	10,064,317
Total GLA (First Floor Shops)	Sqm	6,297	6,297	6,297	6,297	6,297	6,297	6,297	6,297	6,297	6,297	6,297
Rate (SAR)	SAR	1,044	1,044	1,070	1,070	1,070	1,070	1,070	1,096	1,096	1,096	1,096
Total	SAR	6,570,920	6,570,920	6,735,192	6,735,192	6,735,192	6,735,192	6,735,192	6,903,572	6,903,572	6,903,572	6,903,572
Total GLA (Fast Food Lines)	Sqm	1,052	1,052	1,052	1,052	1,052	1,052	1,052	1,052	1,052	1,052	1,052
Rate (SAR)	SAR	1,100	1,100	1,128	1,128	1,128	1,128	1,128	1,156	1,156	1,156	1,156
Total	SAR	1,157,200	1,157,200	1,186,130	1,186,130	1,186,130	1,186,130	1,186,130	1,215,783	1,215,783	1,215,783	1,215,783
Total GLA (Entertainment)	Sqm	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823
Rate (SAR)	SAR	375	375	384	384	384	384	384	394	394	394	394
Total	SAR	140,625	140,625	147,744	147,744	147,744	147,744	147,744	155,224	155,224	155,224	155,224
Total GLA (Hyper Market)	Sqm	4,624	4,624	4,624	4,624	4,624	4,624	4,624	4,624	4,624	4,624	4,624
Rate (SAR)	SAR	425	425	436	436	436	436	436	447	447	447	447
Total	SAR	1,965,200	1,965,200	2,014,330	2,014,330	2,014,330	2,014,330	2,014,330	2,064,688	2,064,688	2,064,688	2,064,688
Total GLA (ATMs)	Sqm	6	6	6	6	6	6	6	6	6	6	6
Rate (SAR)	SAR	210,000	210,000	215,250	215,250	215,250	215,250	215,250	220,631	220,631	220,631	220,631
Total	SAR	1,260,000	1,260,000	1,291,500	1,291,500	1,291,500	1,291,500	1,291,500	1,323,788	1,323,788	1,323,788	1,323,788
Total GLA (Anchor Stores)	Sqm	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333
Rate (SAR)	SAR	432	432	443	443	443	443	443	454	454	454	454
Total	SAR	4,463,856	4,463,856	4,575,452	4,575,452	4,575,452	4,575,452	4,575,452	4,689,839	4,689,839	4,689,839	4,689,839
Total GLA (Kiosks)	Sqm	39	39	39	39	39	39	39	39	39	39	39
Rate (SAR)	SAR	77,436	77,436	79,372	79,372	79,372	79,372	79,372	81,356	81,356	81,356	81,356
Total	SAR	3,020,000	3,020,000	3,095,500	3,095,500	3,095,500	3,095,500	3,095,500	3,172,888	3,172,888	3,172,888	3,172,888
Total GLA (Others)	Sqm	7	7	7	7	7	7	7	7	7	7	7
Rate (SAR)	SAR	1,220,000	1,220,000	1,250,500	1,250,500	1,250,500	1,250,500	1,250,500	1,281,763	1,281,763	1,281,763	1,281,763
Total	SAR	8,540,000	8,540,000	8,753,500	8,753,500	8,753,500	8,753,500	8,753,500	8,972,338	8,972,338	8,972,338	8,972,338
Overall Revenues		36,697,163	36,697,163	37,618,195	37,618,195	37,618,195	37,618,195	37,618,195	38,562,436	38,562,436	38,562,436	38,562,436
Expenses												
Vacancy Rates		55%	50%	45%	30%	20%	10%	10%	10%	10%	10%	10%
Total		20,183,439	18,348,581	16,928,188	11,285,459	7,523,639	3,761,820	3,761,820	3,856,244	3,856,244	3,856,244	3,856,244
OPEX	20.0%	7,339,433	7,339,433	7,523,639	7,523,639	7,523,639	7,523,639	7,523,639	7,712,487	7,712,487	7,712,487	7,712,487
Land Rent		1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Insurance		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Overall Expenses		29,161,872	27,327,014	26,090,827	20,448,098	16,686,278	12,924,459	12,924,459	13,207,731	13,207,731	13,207,731	13,207,731
NOI		7,535,291	9,370,149	11,527,368	17,170,098	20,931,917	24,693,737	24,693,737	25,354,705	25,354,705	25,354,705	25,354,705
Terminal Value @ ----->	0.0%											
Discount Rate	11.00%	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35
Present Value		7,535,291	8,441,575	9,355,871	12,554,627	13,788,502	14,654,531	13,202,280	12,212,307	11,002,078	9,911,782	8,929,534
Market Rate / Net Present Value												



Cash Flow		11	12	13	14	15	16	17
Increase Revision		0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%
Expected Revenues								
Total GLA (GF Shops)	Sqm	7,636	7,636	7,636	7,636	7,636	7,636	7,636
Rate (SAR)	SAR	1,318	1,351	1,351	1,351	1,351	1,351	1,385
Total	SAR	10,064,317	10,315,925	10,315,925	10,315,925	10,315,925	10,315,925	10,573,823
Total GLA (First Floor Shops)	Sqm	6,297	6,297	6,297	6,297	6,297	6,297	6,297
Rate (SAR)	SAR	1,096	1,124	1,124	1,124	1,124	1,124	1,152
Total	SAR	6,903,572	7,076,162	7,076,162	7,076,162	7,076,162	7,076,162	7,253,066
Total GLA (Fast Food Lines)	Sqm	1,052	1,052	1,052	1,052	1,052	1,052	1,052
Rate (SAR)	SAR	1,156	1,185	1,185	1,185	1,185	1,185	1,214
Total	SAR	1,215,783	1,246,178	1,246,178	1,246,178	1,246,178	1,246,178	1,277,332
Total GLA (Entertainment)	Sqm	5,823	5,823	5,823	5,823	5,823	5,823	5,823
Rate (SAR)	SAR	394	404	404	404	404	404	414
Total	SAR	155,224	163,082	163,082	163,082	163,082	163,082	171,338
Total GLA (Hyper Market)	Sqm	4,624	4,624	4,624	4,624	4,624	4,624	4,624
Rate (SAR)	SAR	447	458	458	458	458	458	469
Total	SAR	2,064,688	2,116,305	2,116,305	2,116,305	2,116,305	2,116,305	2,169,213
Total GLA (ATMs)	Sqm	6	6	6	6	6	6	6
Rate (SAR)	SAR	220,631	226,147	226,147	226,147	226,147	226,147	231,801
Total	SAR	1,323,788	1,356,882	1,356,882	1,356,882	1,356,882	1,356,882	1,390,804
Total GLA (Anchor Stores)	Sqm	10,333	10,333	10,333	10,333	10,333	10,333	10,333
Rate (SAR)	SAR	454	465	465	465	465	465	477
Total	SAR	4,689,839	4,807,085	4,807,085	4,807,085	4,807,085	4,807,085	4,927,262
Total GLA (Kiosks)	Sqm	39	39	39	39	39	39	39
Rate (SAR)	SAR	81,356	83,390	83,390	83,390	83,390	83,390	85,475
Total	SAR	3,172,888	3,252,210	3,252,210	3,252,210	3,252,210	3,252,210	3,333,515
Total GLA (Others)	Sqm	7	7	7	7	7	7	7
Rate (SAR)	SAR	1,281,763	1,313,807	1,313,807	1,313,807	1,313,807	1,313,807	1,346,652
Total	SAR	8,972,338	9,196,646	9,196,646	9,196,646	9,196,646	9,196,646	9,426,562
Overall Revenues		38,562,436	39,530,474	39,530,474	39,530,474	39,530,474	39,530,474	40,522,915
Expenses								
Vacancy Rates		10%	10%	10%	10%	10%	10%	10%
Total		3,856,244	3,953,047	3,953,047	3,953,047	3,953,047	3,953,047	4,052,292
OPEX	20.0%	7,712,487	7,906,095	7,906,095	7,906,095	7,906,095	7,906,095	8,104,583
Land Rent		1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Insurance		60,000	60,000	60,000	60,000	60,000	60,000	60,000
Overall Expenses		13,207,731	13,498,142	13,498,142	13,498,142	13,498,142	13,498,142	13,795,875
NOI		25,354,705	26,032,332	26,032,332	26,032,332	26,032,332	26,032,332	26,727,041
Terminal Value @ ----->	0.0%							
Discount Rate	11.00%	0.32	0.29	0.26	0.23	0.21	0.19	0.17
Present Value		8,044,625	7,441,103	6,703,697	6,039,366	5,440,871	4,901,685	4,533,778
Market Rate / Net Present Value								164,693,503



	Discount Rate				
Discount Rate	9.00%	10.00%	11.00%	12.0%	13.0%
Market Value	187,576,690	175,006,894	164,693,503	153,410,106	144,113,856

1.32 VALUATION NOTES

- As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology (DCF).
- The market rates are used based the actual rates within the project which are used as market actual transactions.

1.33 SUBJECT PROPERTY VALUE

We are of an opinion that the total value of the leasing right of the subject property taking into consideration the purpose of valuation by using the Discounted Cash Flow Approach is:

Property Value: **164,693,503 SAR**
 Rounded Value: **164,965,000 SAR**
 One Hundred Sixty-Four Million and Nine Hundred Sixty-Five Thousand Riyals

1.34 REPORT USE

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

1.35 DISCLAIMER

In undertaking and executing this assignment, extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc. It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.



1.36 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Essam Hussaini
Site Inspection Check

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GENERAL NOTES



