أبعاد
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Final Valuation Report

Gallery Mall, Al-Salihiyah District, Tabuk

Client/ Alkhabeer Capital

09 January 2024

V230275

P230352

الخبير المالية
Alkhabeer Capital

Introduction

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Dear **Alkhabeer Capital**,

RE: Valuation of Gallery Mall, Al-Salihiyah District, Tabuk

Further to your request, Abaad thank you for inviting us to complete and submit a valuation report with respect to the aforementioned property.

We have prepared our valuation on the basis of Fair Value for Financial Statements Purposes.

We confirm that the valuation has been prepared in accordance with International Valuation Standards (IVS) 2022 and is compliant with the Saudi Authority of Accredited Valuers, also referred to as "Taqeem."

We confirm that the valuation has been undertaken by us as external valuers and we possess the required knowledge, skills, and understanding to undertake the valuation competently.

We confirm that we are not aware of any existing or potential conflict of interest with respect to this engagement.

Eng. Ammar Abdulaziz Sindi
Chief Executive Officer
Kingdom of Saudi Arabia
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Registration Certificate

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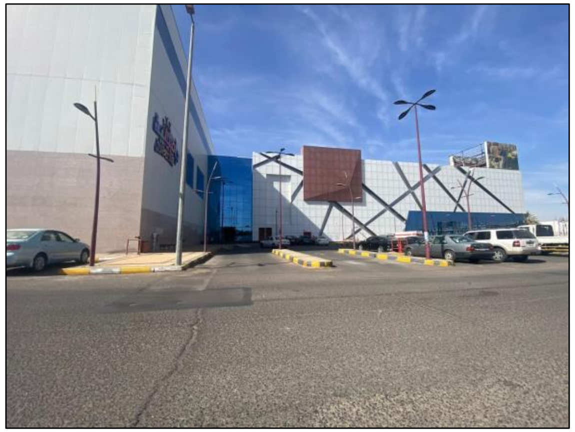
Executive Summary

Property Overview

- The Subject property is a closed commercial center consisting of two floors and a basement, the land area is 41,630 square meters and the total rental area is 35,868 square meters.
- The property is located in Al-Salhiya district on King Khalid Road in Tabuk.
- The subject property is approximately 4 km north of downtown, and about 7 km from Prince Sultan bin Abdulaziz International Airport in the Salhiya district of Tabuk.
- The Subject property is located in Tabuk, which is the base for the Principality of Tabuk Province and the largest northern city of Saudi Arabia, and around it are some of the most important monuments in the Arabian Peninsula and It is considered one of the important agricultural areas in the Kingdom. It has a population of approximately 551,124 people.

Subject Property Pictures



Property Details

Site Details	Information
District	Al-Salihiyah
Use	Commercial Office Center
Ownership	Usufruct
Land Area (m²)	41,630
Total Built-Up Area (m²)	43,625
Gross Leasable Area (m²)	35,868
Current Property Owner (Usufruct)	Sulaiman Al-Qudaibi & Sons Company
Original Property Owner	State Property Represented by Madinah Municipality

Valuation Summary

Site Details	Information
Report Type	Detailed Report
Other independent Users	Alkhabeer Capital- Fund Manager & Investors - Report Reviewers - CMA
Purpose of Valuation	Financial Statement
Valuation Approach	Income Approach
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Adopted Currency	Saudi Riyal
Property Fair Value	**151,690,000**

Executive Summary

Terms and Conditions

- The Subject Property has been valuated according to the International Valuation Standards (IVS) issued by the Council of International Valuation Standards (IVSC) in 2022 and the rules and regulations of the Saudi Authority for Accredited Valuers in the Kingdom of Saudi Arabia (Taqeem).

- This report was relied upon and valuated according to the specific conditions and restrictions presented in this report.

- The report was issued without any conflict of interest or personal gain.

- This valuation report was prepared based on the instructions received from "The Client" to estimate its "basis of value" for the "purpose" as requested by "The Client".

- Abaad and Partner Co. are confident that this report meets the client's requirements and instructions, and that the information contained in this report is completely confidential and that the report is issued to the client only.

- The responsibility of the Abaad and Partner Co. is limited to the report and the information contained in the report. Otherwise, the (client) is responsible for requesting the valuation of the Property and the legal consequences thereof.

- The estimated values in this report are for The Subject Property, and any distribution of (value - values) on the parts of the Property applies only according to the narration of the report and for its purpose, and these values should not be used for any other purposes, as it may be incorrect if the purpose has been changed from the valuation for which the report was created.

- This report has been prepared based on the information collected or received and analyzed according to best practices to reach the value, and any material observations that may impact the value are usually noted.

- Please be aware that our inspection was carried out on a visual basis only. No part of the structure was opened up for a detailed examination or testing. We have therefore, where appropriate, made assumptions based on experience of the Property type, construction and materials used. We cannot guarantee that defects do not exist in those parts of the structure, which are concealed, unexposed or not reasonably accessible.

- In the event that any information in the future that is mentioned in the report is found to be untrue and unintentional, the value in this report may change and the client will be notified in due course.

- This valuation report is valid only if approved by the company's seal, in addition to the signature of the accredited valuers.

Valuation Terms

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- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the Fair Value by the required date.
- The subject of the valuation is the assessment of the Fair Value of Gallery Mall Property at Al-Salihiyah District, Tabuk, for Financial statements Purposes.

Applicable Standards

- We confirm that this valuation report has been prepared in accordance with International Valuation Standards (IVS) 2022 and is compliant with the Saudi Authority of Accredited Valuers, also referred to as "Taqeem".

Status of Valuer

- This report has been compiled and verified by Ammar Qutub and Ammar Sindi, who have the necessary qualifications, ability and relevant experience to conduct a valuation of the Subject Property. They have also acted in the capacity of external valuers.

Conflict of Interest

- We confirm that we are not aware of any conflict of interest in acting on your behalf on this exercise.

Purpose of Valuation

- We have prepared our valuation for Financial Statements purpose.

Date of Inspection

- We confirm that the Property was inspected by Abaad Team on 22 November 2023.

Date of Valuation

- We confirm that the date of valuation is 31 December 2023.

Basis of Valuation

- We have prepared our valuation on the basis of Fair Value, which is defined in IVS 2022 as per the below:

"International Accounting Standard No. (13) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Sources of Information

- We have relied upon the information provided to us by the Client with respect to the Subject Property, which is outlined below:
  - Title Deed.
  - Lease Contract Document
  - Alkhabeer REIT Fund Prospectus.

Disclaimers

Disclaimers

General Disclaimers

Liability and Publication

- This report is issued for your use, and that of your professional advisers, for the specific purpose to which it refers. Abaad does not accept any responsibility to any third party for the whole or any part of its contents.

- Neither the whole nor any part of this valuation or any reference to it, may be included in any published document, circular, or statement or disclosed in any way without Abaad prior written consent to the form and context in which it may appear.

Confidentiality

- This report is confidential to the Client and their advisors, and we accept no responsibility 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 to it will only be notified to the Client to whom it is authorized.

Assumptions and Special Assumptions

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

- Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date. Special assumptions are often used to illustrate the effect of changed circumstances on value.

- Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required shall be made.

- No important assumptions or any special assumptions were applied.

Disclaimers

Fair Value Disclaimers

Fair Value Hierarchy

- In accordance with the Fair Value Hierarchy prescribed by IFRS 13, our real estate valuation process adheres to three distinct levels of inputs to ensure transparency and reliability in the determination of fair value.

    - **Level 1 Inputs**: Quoted prices for identical properties in an active market represent the most reliable and transparent inputs. However, due to the unique characteristics of our real estate assets, the availability of Level 1 inputs may be limited.
    - **Level 2 Inputs:** Observable inputs other than quoted prices, such as recent transactions or prices for similar properties, are considered in the absence of Level 1 inputs. These inputs contribute to the valuation process and enhance the robustness of our fair value measurements.
    - **Level 3 Inputs:** The valuation of certain real estate assets relies significantly on Level 3 inputs, which are unobservable and require management judgment. This involves the use of proprietary valuation models, assumptions, and estimates tailored to the specific attributes of our properties. Level 3 inputs are particularly relevant when market activity is limited or absent.

- The choice of input level is determined by the nature of each asset and the availability of observable market data. Our commitment to providing a comprehensive and accurate representation of fair value includes detailed disclosures regarding the methods, assumptions, and risks associated with each valuation.
- This disclosure aims to communicate the approach taken in the real estate valuation process, highlighting the reliance on different levels of inputs and emphasizing transparency for stakeholders.

Fair Value Measurement Disclosure

- In accordance with the Fair Value Hierarchy outlined in IFRS 13, our real estate valuation primarily relies on Level 3 inputs. Level 3 inputs involve unobservable data and require significant management judgment. This is due to the unique characteristics of our properties and the absence of readily available market prices for identical or similar assets. Our valuation approach includes the use of appropriate and relevant valuation methodologies, and the fair value estimates are sensitive to changes in key assumptions. For a detailed understanding of our valuation methodologies and the associated risks, please refer to the comprehensive disclosures provided in through out the report and the valuation methodology section

- This disclosure communicates to stakeholders that Level 3 inputs are a key component of the real estate valuation process, emphasizes the reliance on unobservable data, and encourages users to review the detailed disclosures for a more thorough understanding of the valuation methodologies and associated risks. Providing transparency in this way helps stakeholders make informed decisions based on the unique circumstances of the real estate being valued.

Disclaimers

Tenure

Title Information

Title Information

Description	Details	
Owner's Name	Tabuk Municipality	
Property Name	Gallery Mall	
Lease Contract Number	143000123	
Lease Contract Date	15/03/1434	
Area (Property's Address)	Al-Salihiyah District	
Street Name	King Khalid	
Location Coordinates	28° 23.642'N	36° 33.638'E
City	Tabuk	
Ownership Information	Usufruct	

Sources: Title Deed

Dimensions and street widths

Side	Dimension (m)	Street Name	Type	Width (m)	Frontage
North	253	King Khalid	Main	30	1
South	253	Unnamed	Sub-Street	20	2
East	180	Unnamed	Sub-Street	18	4
West	180	Unnamed	Sub-Street	18	3

Sources: Title Deed

Tenure

Contract Details

Land Lease Contract Summary

Description	Details
Landlord	Tabuk Municipality
Land Tenant	Awwal Al Malqa Real Estate Company
Contract Term	25 Years (binding)
Contract Effective Date	15/03/1434
Land Annual Lease	SAR 1,579,000

Management Service Contract

Description	Details
1st Party	Al Mahmal Facilities Services Company
2nd Party	Awwal Al Malqa Real Estate Company
Contract Term	3 Years
Contract Effective Date	31/03/2024
1st Party Obligations	Maintenance, Cleaning and Security
Management Service Fees	4,749,324 SAR

- After examining the current management service agreement provided by the client, we have found it's a binding contract for a period of 3 years.
- The contract automatically renews for the same period.
- Both parties are independent, and there are no common interests that would make the contract suspicious.
- 1st Party is obliged to hire a 3rd Party to provide the security service.

Information Sources (Contracts Copy).

Operation Contract Summary

Description	Details
1st Party	Awwal Al Malqa Real Estate Company
2nd Party	Gulf Growth Media Company
Contract Term	1 Year
Contract Effective Date	10/04/2021
2nd party Obligations	Operating, leasing, and advertising
1st Party Obligations	Management Salary and Operation Service Costs
Management salary	4٪ of Gross Rent Income
Lease Service Fees	1٪ of Gross Rent Income
New Tenants Commission	6٪ of new unit lease contracts

- After examining the current operation agreement provided by the client, we have found it's a binding contract for a period of 1 year. The contract doesn't automatically renew every year unless it was asked by the 1st party to do so.
- Both parties are independent, and there are no common interests that would make the contract suspicious
- According to the client, the management service contract will remain valid with the same conditions until the expiry date of the land lease contract. Abaad will be updated once any changes to contract details and conditions occur.
- The operating company takes a cut of 6٪ of every new lease contract(s) is signed with the new tenant(s) and to be paid only once.

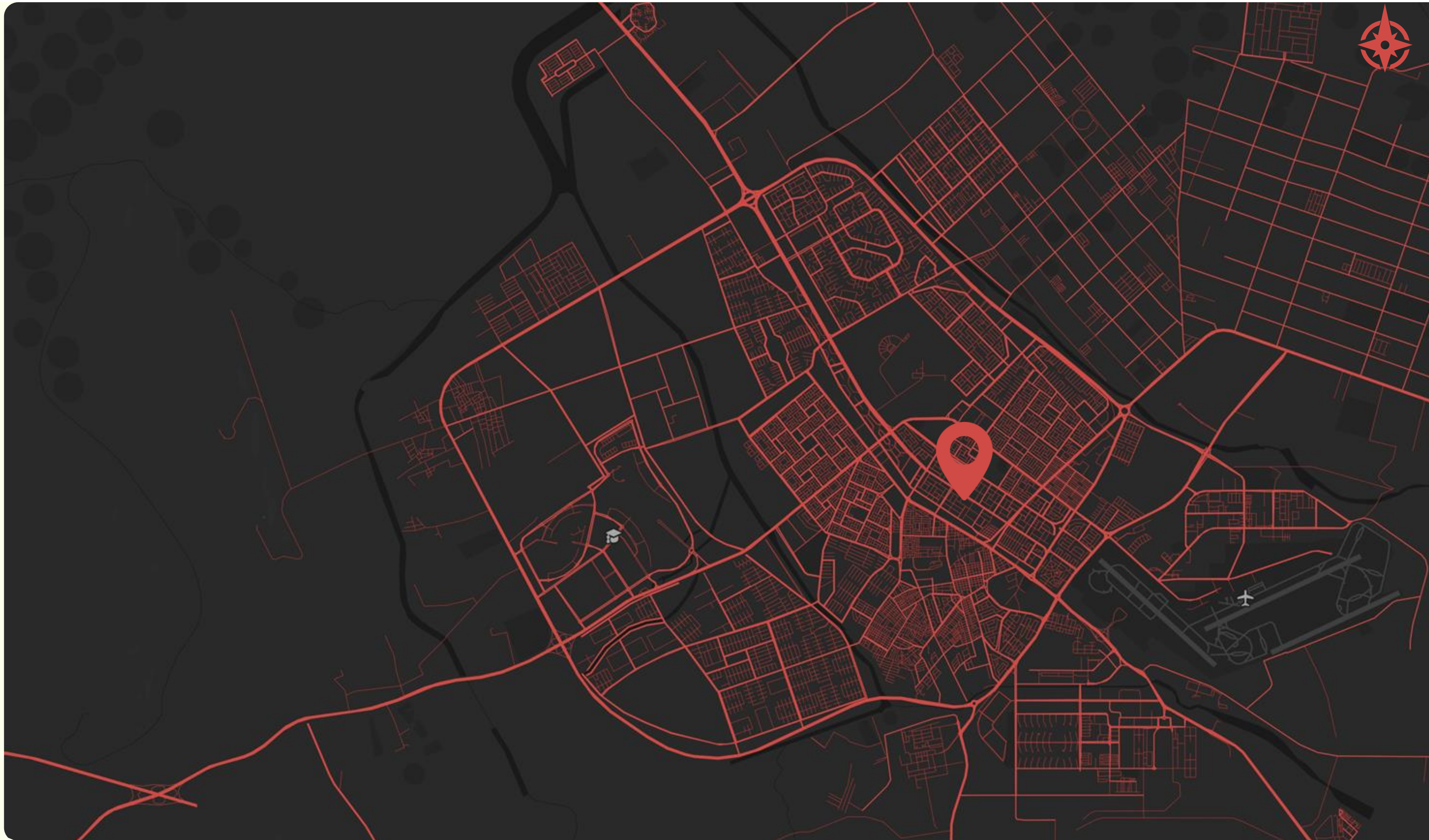
Information Sources (Contract Copy).

Site Location Analysis

Site Location Analysis

Development Projects at City Level

- The subject property is located in the City of Tabuk, the headquarters of the Principality of Tabuk Province and the largest northern city in the Kingdom of Saudi Arabia. The City is surrounded by some of the most important archeological sites in the Arabian Peninsula.
- Tabuk Province is the northern gate of the Arabian Peninsula, and a vital road for trade , Hajj and Umrah pilgrims from outside the Arabian Peninsula. It is one of the important agricultural areas in the Kingdom.
- As per the **2017** population survey, the City has a population of approximately **551,124**.
- Tabuk existed before **500** B.C.E, as evidenced by the historical monuments found there. It was named (Tabou) or (Tabawa). Ruins indicate that Tabuk Province was the home for many nations before Islam, such as the original Arab tribes, for example the Thamud people and the Nabataens. Historians mention that Tabuk was a home for the Jadham Tribe.
- The property is located approximately four kilometers to the north of the City Center, and approximately seven kilometers from Prince Sultan bin Abdulaziz International Airport at Al-Salihiyah District, Tabuk.



Site Location Analysis

Development Projects at District Level

- The property is prominently situated in the bustling Tabuk City Center, offering a strategic location characterized by well-defined borders. To the north lies the dynamic King Khalid Road, while the southern boundary is marked by the influential King Abdulaziz Road. Prince Sultan Road bounds the property to the east, and the western outlook is framed by the distinctive King Abdullah Road, providing the property with a well-connected and dynamic setting.

- Al-Salihiyah District, enveloping the property, is intricately surrounded by noteworthy districts, with the Northern Al-Faisaliyah District to the north, Saada District to the south, Ancient Aziziyah District to the east, and Al Rajhi Plan District to the west, creating a rich tapestry of diverse neighborhoods.

- Ease of accessibility defines the surroundings of the subject property, with key junctions and roads at the city level facilitating seamless movement. Notable thoroughfares such as King Abdulaziz Road and King Khalid Road play a pivotal role in connecting the property to the broader cityscape, making it a well-positioned and highly accessible hub within Tabuk's urban fabric.

Site Location Analysis

Property Description

- The featured property stands as a distinguished closed commercial center, showcasing a meticulously designed structure comprising two floors and a basement, all situated on a sprawling land area spanning 41,630 square meters. Within this expansive layout, the built-up area measures an impressive 43,625 square meters, with a gross leasable area of 35,868 square meters, underscoring its substantial and versatile spatial offerings.
- Comprising a total of 139 commercial stores, 15 restaurants, 39 kiosks, and four cafes, the property caters to a diverse range of businesses. For the convenience of patrons, it boasts outdoor parking lots and an underground parking facility accommodating over 900 cars. Navigating the commercial center is made seamless through the inclusion of three electric lifts, six escalators, service elevators, and an entertainment hall, enhancing both accessibility and overall visitor experience.
- The exterior of the property exudes a modern aesthetic, characterized by aluminum cladding and glass facades, while the internal corridors boast sophisticated finishes with porcelain floors and aluminum marble columns. In contrast, the stores are designed with a practical yet elegant finishing touch. Moreover, utility services are seamlessly integrated, ensuring each store is equipped with essential amenities, further solidifying the property's status as a comprehensive and well-appointed commercial hub.

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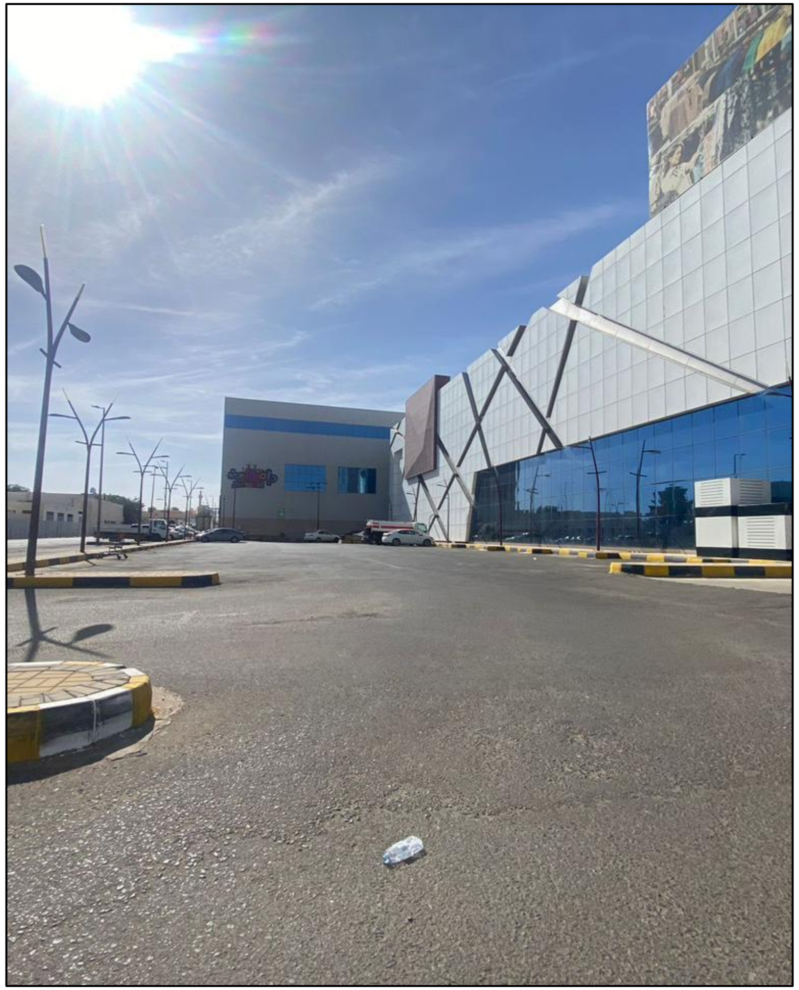
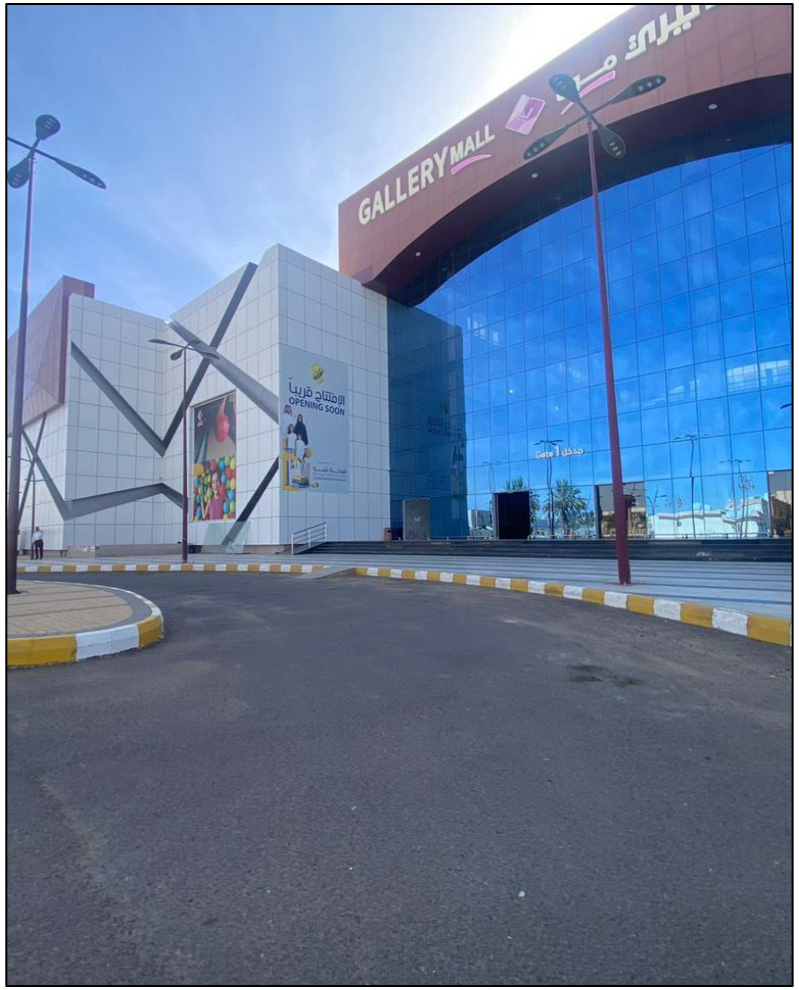
Site Location Analysis

Property Photographs





Site Location Analysis

Property Photographs

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Income Valuation Methodology - DCF

Income Valuation Approach

- In determining our opinion of [Fair Value] for the Subject Properties and based on the fact that they are all multi-tenanted income producing assets, we have utilized the Investment Approach of Valuation via the Discounted Cash Flow technique.
- Discounting Cash Flow (DCF) analysis is a financial modelling technique based on explicit assumptions regarding the prospective cashflow of a property. This analysis involves the projection of a series of periodic cash flows that a property is anticipated to generate. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with a property.
- With regard to the subject properties, the cashflow has been calculated on an annual basis. With respect to the growth rate applied throughout our cashflow, we have adopted the long-term average inflation rate for Saudi Arabia at 2.8٪.
- The cashflow is discounted back to the date of valuation at an appropriate rate to reflect the time value of money, and in so doing thus determining the [Fair Value]. It is important to note that the cashflows reflect assumptions that market participants would use when pricing the asset (i.e., determining its value).
- The projected rents, as well as costs, are forecasts formed on the basis of information currently available to us and are not representations of what the values of the Properties will be as at a future date.

Valuation Steps Using Income Approach - DCF

01

Income Approach

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

02

Cost Assumptions

The Discounted Cashflow is calculated on annual basis, with a growth rate of 2.8 ٪/annum.

03

Property Income

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

04

Property Costs

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

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Property Risk Analysis

Long-term contract risks

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

Competition risk

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

Regulatory and legislative risks

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

Revenue security risk

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

Economic risk

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

Market Study-Demand and Supply

Office

- In the first three months of 2023, around 50,000 sq. m. of office gross leasable area (GLA) was delivered in Riyadh and Jeddah collectively. This brought the total existing stock to approximately 4.9 million sq. m. in the capital and 1.2 million sq. m. in Jeddah. Over the remainder of this year, an additional 61,000 sq. m. and 583,000 sq. m. of office GLA is scheduled to enter the market in Jeddah and Riyadh, respectively.
- In the capital, the supply and demand dynamics have further shifted the tide towards landlords, and they are expected to continue to remain bullish in order to capitalize on the strong demand. Additionally, corporates have been expanding towards the north, where office offerings come with better accessibility and parking. There is tight availability of good quality office space in the market. Indeed, the average market-wide vacancy in Riyadh dropped to 1٪ in Q1 2023. As a result, average Grade A rents increased by 19٪ year-on-year (Y-o-Y) to reach SAR 1,764 per sq. m. per annum during the same period.
- In Jeddah however, the office market is exhibiting signs of softening. That said, well managed, single owned quality office spaces are highly sought after. Consequently, average Grade A rents rose by 15٪ Y-o-Y to reach SAR 1,199 per sq. m. per annum in the first quarter of 2023. Broadly, market-wide demand is being led by local companies and family businesses relocating to newer areas towards the north and west. Accordingly, the citywide average vacancy stood at 8٪ in Q1 2023.
- The office market in the Kingdom is expected to sustain its positive momentum. As Riyadh is being positioned as the new commercial nerve center, we expect more efforts towards substantially improving the infrastructure of the capital, to cater to its increasing popularity.

Source of Info: Jll

Residential

- Riyadh witnessed the completion of close to 7,800 residential units in Q1 2023, pushing up the total stock to 1.4 million residential units. Over the same period, 4,400 units were handed over in Jeddah to bring the city's residential inventory to 864,000 units. In the remaining months of this year, 45,000 units are planned to be delivered across the two cities combined.
- Several government-backed projects were launched in recent months to support the growing residential sector, such as the first phase of Al Arous in Jeddah, Al Fursan, and the second phase of Khuzum in the capital. One of the biggest announcements has been the launch of New Murabba in Riyadh, which aims to be one of the world's largest downtowns. All these announcements are reflective of strong pent-up demand and the government's continued confidence in the long-term growth of the residential sector in the Kingdom.
- The government has introduced several measures to expedite home ownership among Saudi nationals and boost the residential sector. Demand has been increasing, and I expect to continue to trend up. In a recent announcement, 100 million sq. m. of land was allocated to the residential sector in the capital and other cities to control the increase in land and residential prices. Undeniably, in the first quarter of 2023, average sale prices and rents in Riyadh increased by 7٪ and 2٪, Y-o-Y, respectively. On the same basis, in Jeddah, average sale prices increased by 11٪ annually, and average rents climbed by 9٪.
- Overall, there has been a structural shift in the market, and demand for apartments has been outpacing villas, with sale prices registering an annual growth of 6٪ in the capital and 17٪ in Jeddah, in Q1 2023. Over the same period, rents for apartments grew by 4٪ in Riyadh and 13٪ in Jeddah.

Source of Info: Jll

Market Study-Demand and Supply

Retail

- In Q1 2023, there were two retail developments completed in Riyadh, adding approximately 84,000 sq. m. of retail space and increasing the total supply to 3.4 million sq. m. Over the same period, Jeddah's retail stock increased by roughly 46,000 sq. m. to 1.8 million sq. m. In the remaining nine months of this year, 478,000 sq. m. of retail floorspace is scheduled to enter the market in Jeddah and about 105,000 sq. m. in Riyadh. With the retail market softening in Jeddah, we continue to be cautious about completing future projects on schedule.
- Overall, strip retail and smaller community centers have been performing better than larger super regional malls. The majority of the inquiries were for smaller spaces, particularly in Jeddah, where enquired spaces ranged between 8 to 120 sq. m. Additionally, tenants displayed a preference for corner locations with high visibility on the street, and outdoor seating areas have become very important for F&B (Food and Beverage) retailers due to their increasing popularity among consumers. In line with this trend, several malls have started to establish a separate F&B area located outside of the malls to attract tenants and increase footfall in their developments.
- F&B and entertainment segments have been the key footfall generators with increased focus on experiential retail. Moreover, landlords in the capital are trying to attract new market entrants who do not have a local presence in the country. In contrast, landlords in Jeddah are being more cautious and are seeking well-known brands to avoid risks associated with new market entrants.
- Looking at the rental performance, in annual terms, rents for super regional and regional malls increased by 11٪ and 8٪, respectively, in Riyadh in the first quarter of this year. On the same basis, rents in Jeddah fell on average by 6٪ across super regional malls and remained stable for regional malls, signaling slowing market conditions in the city.

Source of Info: Jll

Hospitality

- There were no new hotel developments completed in the capital in Q1 2023, keeping the total stock stable at 21,000 keys. During the same period, Jeddah saw the delivery of 300 keys, increasing the total existing supply to 16,000 keys. An additional 3,000 keys are scheduled to enter the market in 2023 in both cities combined. Of this, around 2,000 keys are expected to enter Riyadh, and the remaining 1,000 keys are in Jeddah.
- As part of its efforts to increase tourism in the Kingdom and reach the target of 100 million visits a year by 2030, the government recently launched a new national airline, Riyadh Air, which will have its hub at Riyadh's King Salman International Airport. Additionally, a new stop-over (transit) visa was also announced for passengers traveling using existing national airlines, Saudia and Flynas. All these initiatives are going to boost the hospitality industry and help position Saudi Arabia as a global tourism destination in the long run.
- The Saudi market is currently going through a cultural shift, where new entertainment venues are being created, and global events are being hosted to establish its presence on the global tourism map. Looking at the growth prospects of the hotel industry, the majority of the operators who already have a presence in the country are planning to aggressively expand their offerings in the Kingdom and increase the volume of rooms under their portfolios. That said, owners of hospitality developments, are seeking to attract new unique operators.
- As a result, the hospitality sector performed strongly in the first quarter of 2023. Riyadh's occupancy rate rose to 76٪, and the average daily rate (ADR) increased to USD 212 for YT February 2023, compared to the same period last year. On the same basis, Jeddah's occupancy rate reached 54٪ and ADR was recorded at USD 147. The Saudi hospitality market is expected to sustain its positive drive and improve further.

Source of Info: Jll

Valuation Approach

Key Assumptions in the Discounted Cash Flow Method:

Inflation Rate

- Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of 2.8٪ per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past 12 years, as per the Central Bank of Saudi Arabia.

Capitalization Rate

- Comparing the Al Makan Mall to the subject property considering the location, performance, capacity, and facilities, we have adopted a cap rate of 9.00٪ for the subject property.

Discount Rate

- We have used the build-up method to calculate the discount rate, which considers inflation, cap rate, and market risk.
- Since the subject property enjoys a long-term binding lease securing income, market risk is null. Hence, the discount rate is set as 11.05٪.

Occupancy

- the subject property has a current occupancy of 50٪. Abaad's team has conducted market research to conclude the stable occupancy rate for the subject property. Thus, the market study shows a stable occupancy rate of about 83٪.
- Ocupancy will increase by 5٪ annually starting the mid 2024.

Building Insurance

- The client has provided the annual Building Insurance of 60,040 SAR.

Valuation

Comparable Sites

Tabuk Park

Type of Units	AVG Size (sqm)	AVG Rent (SAR/sqm)
Kiosk	9	10,222
Generic Retail	110	1,763
Anchor	227	650
Other Income	4٪ of total Income	

- The project is a commercial entertainment compound, which is considered one of the largest markets in Tabuk and a significant tourism landmark in the region. It is located on King Faisal Road alongside Prince Fahad bin Sultan Park, and was built on an area of 180,000 m2. It includes many brands, and is comprised of two huge floors, in addition to an outdoor garden area designed to enrich the users' shopping experience. It is one of the best touristic places in Tabuk, with a group of domestic and global brand stores. Tabuk Park has a leasable area of 80,000 m2.

Entertainment	Security	Restaurant	Showrooms	Parking
✓	✓	✓	✓	✓
Global Brands	**Escalators**	**Elevators**	**Cinema**	**Hypermarket**
✓	✓	✓	✓	✓

Information Source (Field Research)

Valuation

Revenues Estimation

Revenues

- The client has provided the current tenant schedule and analyzed the lease rate status and performance of the subject property.

#	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/unit)	Service (SAR/unit)	Total Income (SAR)	Rent (SAR/sqm)
1	G022	Retail Shop	Ground Floor	136	136	34,000	194,000	1,426
2	G46A	Retail Shop	Ground Floor	66	66	16,500	122,100	1,850
3	G27-28	Retail Shop	Ground Floor	266	266	66,500	438,900	1,650
4	G046	Retail Shop	Ground Floor	67	67	16,750	123,950	1,850
5	F011	Retail Shop	First Floor	48	48	12,000	88,800	1,850
6	GK09	Kiosk	Ground Floor	9	9	10,000	110,000	12,222
7	FF25	Retail Shop	First Floor	84	84	21,000	105,000	1,250
8	FF25A	Retail Shop	First Floor	84	84	21,000	105,000	1,250
9	GAS7	Anchor	Ground Floor	4,810	4,810	0	2,044,250	425
10	FSA3	Anchor	First Floor	5,900	5,900	0	2,212,500	375
11	FK12	Kiosk	First Floor	9	9	0	75,000	8,333
12	FS12	Retail Shop	First Floor	75	75	21,150	92,400	1,232
13	FS04	Retail Shop	First Floor	75	75	21,150	97,400	1,299
14	FS11	Retail Shop	First Floor	75	75	21,150	97,400	1,299
15	FS10	Retail Shop	First Floor	75	75	21,150	96,150	1,282
16	FK19	Kiosk	First Floor	6	6	21,150	96,150	1,282
17	FO01	Kiosk	First Floor	0	0	5,000	75,000	12,500
18	GK22	Kiosk	Ground Floor	9	9	0	40,000	40,000
19	GKS7	Retail Shop	Ground Floor	120	120	10,000	100,000	11,111
20	FS14	Retail Shop	First Floor	75	75	13,000	143,000	1,192
21	F18	Retail Shop	First Floor	50	50	0	300,000	375
22	GK25	Kiosk	Ground Floor	9	9	12,500	97,500	1,950
23	FAS1	Anchor	First Floor	800	800	10,000	100,000	11,111
24	FK21	Kiosk	First Floor	9	9	0	300,000	375
25	FK20	Kiosk	First Floor	6	6	5,000	75,000	8,333
26	GAS6-6A	Anchor	Ground Floor	800	800	5,000	75,000	12,500
27	GAS8	Anchor	Ground Floor	9,681	9,681	0	2,275,035	235
28	GK14	Kiosk	Ground Floor	6	6	0	50,000	8,333

Revenues Estimation – Ground Floor

- We have analyzed the prices of shops, kiosks, and anchors on the ground floor

Shops

#	Unit Code	Floor	Type	Size (sqm)	Total Income (SAR)	Rent (SAR/sqm)
1	G022	Ground Floor	Shop	136	160,000	1,176
2	G46A	Ground Floor	Shop	66	105,600	1,600
3	G27-28	Ground Floor	Shop	266	372,400	1,400
4	G046	Ground Floor	Shop	67	107,200	1,600
19	GKS7	Ground Floor	Shop	120	130,000	1,083
AVG Rent (SAR/sqm) (<85 sqm)				**133**	**212,800**	**1,600**
AVG Rent (SAR/sqm) (>85 sqm)				**522**	**662,400**	**1,284**

Kiosks

#	Unit Code	Floor	Type	Size (sqm)	Total Income (SAR)	Rent (SAR/sqm)
6	GK09	Ground Floor	Kiosk	9	100,000	11,111
18	GK22	Ground Floor	Kiosk	9	90,000	10,000
22	GK25	Ground Floor	Kiosk	9	100,000	11,111
28	GK14	Ground Floor	Kiosk	6	50,000	8,333
AVG Rent (SAR/sqm)				**33**	**340,000**	**10,408**

Anchors

#	Unit Code	Floor	Type	Size (sqm)	Total Income (SAR)	Rent (SAR/sqm)
9	GAS7	Ground Floor	Anchor	4,810	2,044,250	425
26	GAS6-6A	Ground Floor	Anchor	800	300,000	375
27	GAS8	Ground Floor	Anchor	9,681	2,275,035	235
Primary Anchor Rent (SAR/sqm)						**325**
Secondary Anchor Rent (SAR/sqm)						**375**

Valuation

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Revenues Estimation – First Floor

- We have analyzed the prices of shops, kiosks, and anchors on the ground floor

Shops

#	Unit Code	Floor	Type	Size (sqm)	Total Income (SAR)	Rent (SAR/sqm)
5	F011	First Floor	Shop	48	76,800	1,600
7	FF25	First Floor	Shop	84	84,000	1,000
8	FF25A	First Floor	Shop	84	84,000	1,000
12	FS12	First Floor	Shop	75	71,250	950
13	FS04	First Floor	Shop	75	76,250	1,017
14	FS11	First Floor	Shop	75	76,250	1,017
15	FS10	First Floor	Shop	75	75,000	1,000
20	FS14	First Floor	Shop	75	75,000	1,000
21	F18	First Floor	Shop	50	85,000	1,700
AVG Rent (SAR/sqm) (<85 sqm)				**641**	**703,550**	**1,149**
AVG Rent (SAR/sqm) (>85 sqm)						**957**

Kiosks

#	Unit Code	Floor	Type	Size (sqm)	Total Income (SAR)	Rent (SAR/sqm)
11	FK12	First Floor	Kiosk	9	75,000	8,333
16	FK19	First Floor	Kiosk	6	70,000	11,667
24	FK21	First Floor	Kiosk	9	75,000	8,333
25	FK20	First Floor	Kiosk	6	75,000	12,500
AVG Rent (SAR/sqm)				**30**	**295,000**	**10,184**

Anchors

#	Unit Code	Floor	Type	Size (sqm)	Total Income (SAR)	Rent (SAR/sqm)
10	FSA3	First Floor	Anchor	5,900	2,212,500	375
23	FAS1	First Floor	Anchor	800	300,000	375
Primary Anchor Rent (SAR/sqm)				**6,700**	**2,512,500**	**375**
Secondary Anchor Rent (SAR/sqm)						**375**

Revenues Estimation – Gross Potential Income

Income Estimation

- After analyzing the actual rent, we have found that Primary Anchor lease rates are within the market range. However, the Retail lease rate alongside the kiosks falls under the market range.
- Therefore, the current leased units will remain on the actual lease rates based on their contract and the vacant units that will be leased, will follow the market.
- As for the other income, the market study shows that the market range is 3-4٪, and the subject property is no more likely similar to Tabuk Park. Therefore, we will adopt other income rate of 4٪ for the subject property.

Type	GF Rent (SAR/sqm)	FF Rent (SAR/sqm)	GF GLA (sqm/type)	FF GLA (sqm/type)	GF Income (SAR)	FF Income (SAR)
Showrooms (45-85 sqm)	1,973	1,480	1,403	1,818	2,767,954	2,690,025
Showrooms (86-500 sqm)	1,565	1,174	5,713	5,578	8,939,131	6,545,922
Kiosk	11,456	10,310	1,025	198	11,741,944	2,041,380
Secondary Anchor	573	401	2,113	1,645	1,211,259	660,087
Primary Anchor	425	300	19,548	7,416	8,307,900	2,224,800
Gross Potential Income (SAR)					**47,130,404**	

Units Income Details (1/7)

#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
1	Vacant	G01	Ground Floor	Showroom	124	1,565	194,023
2	Vacant	G02	Ground Floor	Showroom	132	1,565	206,540
3	Vacant	G03	Ground Floor	Showroom	165	1,565	258,176
4	Vacant	G04	Ground Floor	Showroom	167	1,565	261,305
5	Vacant	G05	Ground Floor	Showroom	166	1,565	259,740
6	Vacant	G05A	Ground Floor	Showroom	142	1,565	222,187
7	Vacant	G06	Ground Floor	Showroom	128	1,565	200,282
8	Vacant	G07	Ground Floor	Showroom	129	1,565	201,846
9	Vacant	G08	Ground Floor	Showroom	128	1,565	200,282
10	Vacant	G09	Ground Floor	Showroom	65	1,973	128,237
11	Vacant	G10	Ground Floor	Showroom	50	1,973	98,644
12	Vacant	G11	Ground Floor	Showroom	60	1,973	118,373
13	Vacant	G12	Ground Floor	Showroom	55	1,973	108,509
14	Vacant	G13	Ground Floor	Showroom	40	1,973	78,915
15	Vacant	G14	Ground Floor	Showroom	40	1,973	78,915
16	Vacant	G15	Ground Floor	Showroom	40	1,973	78,915
17	Vacant	G16	Ground Floor	Showroom	40	1,973	78,915
18	Vacant	G17	Ground Floor	Showroom	40	1,973	78,915
19	Vacant	G18	Ground Floor	Showroom	40	1,973	78,915
20	Vacant	G19	Ground Floor	Showroom	40	1,973	78,915
21	Vacant	G20	Ground Floor	Showroom	40	1,973	78,915
22	Vacant	G21	Ground Floor	Showroom	130	1,565	203,411
23	Occupied	G22	Ground Floor	Showroom	136	1,284	174,605
24	Vacant	G23	Ground Floor	Showroom	127	1,565	198,717
25	Vacant	G24	Ground Floor	Showroom	128	1,565	200,282
26	Vacant	G25	Ground Floor	Showroom	128	1,565	200,282
27	Vacant	G26	Ground Floor	Showroom	60	1,973	118,373
28	Occupied	G27	Ground Floor	Showroom	133	1,284	170,753
29	Occupied	G28	Ground Floor	Showroom	133	1,284	170,753
30	Vacant	G29	Ground Floor	Showroom	130	1,565	203,411
31	Vacant	G30	Ground Floor	Showroom	130	1,565	203,411
32	Vacant	G31	Ground Floor	Showroom	58	1,973	114,427
33	Vacant	G32	Ground Floor	Showroom	129	1,565	201,846
34	Vacant	G33	Ground Floor	Showroom	129	1,565	201,846
35	Vacant	G34	Ground Floor	Showroom	129	1,565	201,846
36	Vacant	G35	Ground Floor	Showroom	132	1,565	206,540

Valuation

Units Income Details (2/7)

#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
37	Vacant	G36	Ground Floor	Showroom	130	1,565	203,411
38	Vacant	G37	Ground Floor	Showroom	132	1,565	206,540
39	Vacant	G38	Ground Floor	Showroom	66	1,973	130,210
40	Vacant	G39	Ground Floor	Showroom	191	1,565	298,858
41	Vacant	G40	Ground Floor	Showroom	129	1,565	201,846
42	Vacant	G41	Ground Floor	Showroom	129	1,565	201,846
43	Vacant	G42	Ground Floor	Showroom	83	1,973	163,749
44	Vacant	G43	Ground Floor	Showroom	134	1,565	209,670
45	Vacant	G44	Ground Floor	Showroom	133	1,565	208,105
46	Vacant	G45	Ground Floor	Showroom	127	1,565	198,717
47	Occupied	G46	Ground Floor	Showroom	67	1,600	107,200
48	Occupied	G46A	Ground Floor	Showroom	66	1,600	105,600
49	Vacant	G47	Ground Floor	Showroom	79	1,973	155,858
50	Vacant	G48	Ground Floor	Showroom	127	1,565	198,717
51	Vacant	G49	Ground Floor	Showroom	128	1,565	200,282
52	Vacant	G50	Ground Floor	Showroom	126	1,565	197,152
53	Vacant	G51	Ground Floor	Showroom	129	1,565	201,846
54	Vacant	G52	Ground Floor	Showroom	69	1,973	136,129
55	Vacant	G52A	Ground Floor	Showroom	65	1,973	128,237
56	Vacant	G53	Ground Floor	Showroom	132	1,565	206,540
57	Vacant	G54	Ground Floor	Showroom	136	1,565	212,799
58	Vacant	G55	Ground Floor	Showroom	120	1,565	187,764
59	Vacant	G56	Ground Floor	Showroom	166	1,565	259,740
60	Vacant	G57	Ground Floor	Showroom	167	1,565	261,305
61	Vacant	G58	Ground Floor	Showroom	165	1,565	258,176
62	Vacant	G59	Ground Floor	Showroom	133	1,565	208,105
63	Vacant	G60	Ground Floor	Showroom	104	1,565	162,729
64	Vacant	G61	Ground Floor	Showroom	40	1,973	78,915
65	Vacant	G62	Ground Floor	Showroom	40	1,973	78,915
66	Vacant	G63	Ground Floor	Showroom	40	1,973	78,915
67	Vacant	G64	Ground Floor	Showroom	40	1,973	78,915
68	Vacant	G65	Ground Floor	Showroom	40	1,973	78,915
69	Vacant	G66	Ground Floor	Showroom	40	1,973	78,915
70	Vacant	F01	First Floor	Showroom	104	1,174	122,047
71	Vacant	F02	First Floor	Showroom	118	1,174	138,476
72	Vacant	F03	First Floor	Showroom	181	1,174	212,408

Units Income Details (3/7)

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#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
73	Vacant	GK14	Ground Floor	Kiosk	8	10,909	81,818
74	Vacant	GK15	Ground Floor	Kiosk	8	10,909	81,818
75	Vacant	GK16	Ground Floor	Kiosk	8	10,909	81,818
76	Vacant	GK17	Ground Floor	Kiosk	8	10,909	81,818
77	Vacant	GK18	Ground Floor	Kiosk	8	10,909	81,818
78	Vacant	GK19	Ground Floor	Kiosk	8	10,909	81,818
79	Vacant	GK20	Ground Floor	Kiosk	8	10,909	81,818
80	Occupied	GK21	Ground Floor	Kiosk	8	10,909	81,818
81	Vacant	GK22	Ground Floor	Kiosk	8	10,909	81,818
82	Vacant	GK23	Ground Floor	Kiosk	8	10,909	81,818
83	Vacant	GK24	Ground Floor	Kiosk	8	10,909	81,818
84	Vacant	GK25	Ground Floor	Kiosk	8	10,909	81,818
85	Vacant	F001	First Floor	Shop	104	1,175	122,232
86	Vacant	F002	First Floor	Shop	133	1,175	156,316
87	Occupied	F003	First Floor	Shop	168	1,175	197,452
88	Vacant	F004	First Floor	Shop	165	1,175	193,926
89	Vacant	F005	First Floor	Shop	166	1,175	195,101
90	Vacant	F006/AS1	First Floor	Shop	886	823	728,926
91	Vacant	F007	First Floor	Shop	130	1,175	152,790
92	Vacant	F008	First Floor	Shop	126	1,175	148,089
93	Vacant	F009	First Floor	Shop	100	1,175	117,531
94	Occupied	F010	First Floor	Shop	45	1,410	63,467
95	Occupied	F011/012	First Floor	Shop	98	1,175	115,180
96	Vacant	F013	First Floor	Shop	133	1,175	156,316
97	Vacant	F014	First Floor	Shop	129	1,175	151,615
98	Vacant	F015	First Floor	Shop	127	1,175	149,264
99	Vacant	F016	First Floor	Shop	129	1,175	151,615
100	Vacant	F017	First Floor	Shop	129	1,175	151,615
101	Vacant	F018	First Floor	Shop	50	1,410	70,519
102	Vacant	F019	First Floor	Shop	135	1,175	158,667
103	Vacant	F020	First Floor	Shop	131	1,175	153,965
104	Vacant	F021	First Floor	Shop	132	1,175	155,141
105	Vacant	F022	First Floor	Shop	132	1,175	155,141
106	Vacant	F023	First Floor	Shop	60	1,410	84,622
107	Vacant	F024/025	First Floor	Shop	257	1,175	302,054
108	Vacant	F026	First Floor	Shop	126	1,175	148,089

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Units Income Details (4/7)

#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
73	Vacant	F04	First Floor	Showroom	165	1,174	193,632
74	Vacant	F05	First Floor	Showroom	163	1,174	191,285
75	Vacant	F06	First Floor	Showroom	106	1,174	124,394
76	Vacant	F07	First Floor	Showroom	129	1,174	151,385
77	Vacant	F08	First Floor	Showroom	126	1,174	147,864
78	Vacant	F09	First Floor	Showroom	100	1,174	117,353
79	Vacant	F10	First Floor	Showroom	45	1,480	66,585
80	Occupied	F11	First Floor	Showroom	48	1,149	55,134
81	Vacant	F12	First Floor	Showroom	50	1,480	73,983
82	Vacant	F13	First Floor	Showroom	133	1,174	156,079
83	Vacant	F14	First Floor	Showroom	129	1,174	151,385
84	Vacant	F15	First Floor	Showroom	129	1,174	151,385
85	Vacant	F16	First Floor	Showroom	129	1,174	151,385
86	Vacant	F17	First Floor	Showroom	129	1,174	151,385
87	Occupied	F18	First Floor	Showroom	50	1,149	57,431
88	Vacant	F19	First Floor	Showroom	132	1,174	154,905
89	Vacant	F20	First Floor	Showroom	132	1,174	154,905
90	Vacant	F21	First Floor	Showroom	138	1,174	161,946
91	Vacant	F22	First Floor	Showroom	128	1,174	150,211
92	Vacant	F23	First Floor	Showroom	60	1,480	88,780
93	Vacant	F24	First Floor	Showroom	128	1,174	150,211
94	Occupied	F25	First Floor	Showroom	84	1,149	96,484
95	Occupied	F25A	First Floor	Showroom	84	1,149	96,484
96	Vacant	F26	First Floor	Showroom	85	1,174	99,750
97	Vacant	F27	First Floor	Showroom	131	1,174	153,732
98	Vacant	F28	First Floor	Showroom	131	1,174	153,732
99	Vacant	F29	First Floor	Showroom	133	1,174	156,079
100	Vacant	F30	First Floor	Showroom	125	1,174	146,691
101	Vacant	F31	First Floor	Showroom	110	1,174	129,088
102	Vacant	F32	First Floor	Showroom	127	1,174	149,038
103	Vacant	F33	First Floor	Showroom	129	1,174	151,385
104	Vacant	F34	First Floor	Showroom	81	1,480	119,853
105	Vacant	F35	First Floor	Showroom	133	1,174	156,079
106	Vacant	F36	First Floor	Showroom	131	1,174	153,732
107	Vacant	F37	First Floor	Showroom	128	1,174	150,211
108	Vacant	F38	First Floor	Showroom	64	1,480	94,698

Units Income Details (5/7)

#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
109	Vacant	F38A	First Floor	Showroom	69	1,480	102,097
110	Vacant	F39	First Floor	Showroom	83	1,480	122,812
111	Vacant	F40	First Floor	Showroom	129	1,174	151,385
112	Vacant	F41	First Floor	Showroom	127	1,174	149,038
113	Vacant	F42	First Floor	Showroom	110	1,174	129,088
114	Vacant	F43	First Floor	Showroom	125	1,174	146,691
115	Vacant	F44	First Floor	Showroom	133	1,174	156,079
116	Vacant	F45	First Floor	Showroom	124	1,174	145,517
117	Vacant	F46	First Floor	Showroom	129	1,174	151,385
118	Vacant	F47	First Floor	Showroom	106	1,174	124,394
119	Vacant	F48	First Floor	Showroom	166	1,174	194,805
120	Vacant	F49	First Floor	Showroom	165	1,174	193,632
121	Vacant	F50	First Floor	Showroom	165	1,174	193,632
122	Vacant	F51	First Floor	Showroom	119	1,174	139,649
123	Vacant	F52	First Floor	Showroom	118	1,174	138,476
124	Vacant	FS01	First Floor	Showroom	75	1,480	110,975
125	Vacant	FS02	First Floor	Showroom	75	1,480	110,975
126	Vacant	FS03	First Floor	Showroom	75	1,480	110,975
127	Occupied	FS04	First Floor	Showroom	75	1,149	86,146
128	Vacant	FS05	First Floor	Showroom	75	1,480	110,975
129	Vacant	FS06	First Floor	Showroom	50	1,480	73,983
130	Vacant	FS07	First Floor	Showroom	75	1,480	110,975
131	Vacant	FS08	First Floor	Showroom	75	1,480	110,975
132	Vacant	FS09	First Floor	Showroom	75	1,480	110,975
133	Occupied	FS10	First Floor	Showroom	75	1,149	86,146
134	Occupied	FS11	First Floor	Showroom	75	1,149	86,146
135	Occupied	FS12	First Floor	Showroom	75	1,149	86,146
136	Vacant	FS13	First Floor	Showroom	75	1,480	110,975
137	Occupied	FS14	First Floor	Showroom	75	1,149	86,146
138	Vacant	FS15	First Floor	Showroom	75	1,480	110,975
139	Vacant	GAS1	Ground Floor	Secondary Anchor	641	573	367,448
140	Vacant	GAS2	Ground Floor	Primary Anchor	1,292	425	549,100
141	Vacant	GAS3	Ground Floor	Primary Anchor	1,191	425	506,175
142	Vacant	GAS3-1	Ground Floor	Secondary Anchor	672	573	385,218
143	Vacant	GAS4	Ground Floor	Primary Anchor	1,290	425	548,250
144	Vacant	GAS5	Ground Floor	Primary Anchor	1,284	425	545,700

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Units Income Details (6/7)

#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
145	Occupied	GAS8	Ground Floor	Primary Anchor	9,681	425	4,114,425
146	Occupied	GAS6-6A	Ground Floor	Secondary Anchor	800	553	442,000
147	Occupied	FAS1	First Floor	Secondary Anchor	866	375	324,750
148	Vacant	FAS2	First Floor	Secondary Anchor	486	401	195,017
149	Vacant	FAS-2A	First Floor	Secondary Anchor	293	401	117,572
150	Vacant	FAS4	First Floor	Primary Anchor	1,516	300	454,800
151	Occupied	FAS3	First Floor	Primary Anchor	5,900	300	1,770,000
152	Occupied	GAS7	Ground Floor	Primary Anchor	4,810	425	2,044,250
153	Vacant	GKS01	Ground Floor	Kiosk	100	1,174	117,353
154	Vacant	GKS02	Ground Floor	Kiosk	100	1,480	147,966
155	Vacant	GKS03	Ground Floor	Kiosk	100	1,174	117,353
156	Vacant	GKS04	Ground Floor	Kiosk	100	1,174	117,353
157	Vacant	GKS05	Ground Floor	Kiosk	100	1,174	117,353
158	Vacant	GKS06	Ground Floor	Kiosk	100	1,174	117,353
159	Occupied	GKS07	Ground Floor	Kiosk	100	1,174	117,353
160	Vacant	GKS08	Ground Floor	Kiosk	100	1,174	117,353
161	Vacant	GFK01	Ground Floor	Kiosk	9	1,480	13,317
162	Vacant	GFK02	Ground Floor	Kiosk	9	1,174	10,562
163	Vacant	GFK03	Ground Floor	Kiosk	9	1,174	10,562
164	Vacant	GFK04	Ground Floor	Kiosk	9	1,174	10,562
165	Vacant	GFK05	Ground Floor	Kiosk	9	1,174	10,562
166	Vacant	GFK06	Ground Floor	Kiosk	9	1,480	13,317
167	Vacant	GFK07	Ground Floor	Kiosk	9	1,174	10,562
168	Vacant	GFK08	Ground Floor	Kiosk	9	1,174	10,562
169	Occupied	GFK09	Ground Floor	Kiosk	9	1,174	10,562
170	Vacant	GFK10	Ground Floor	Kiosk	9	1,174	10,562
171	Vacant	GFK11	Ground Floor	Kiosk	9	1,174	10,562
172	Vacant	GFK12	Ground Floor	Kiosk	9	1,174	10,562
173	Vacant	GFK13	Ground Floor	Kiosk	9	1,174	10,562
174	Occupied	GFK14	Ground Floor	Kiosk	9	1,174	10,562
175	Vacant	GFK15	Ground Floor	Kiosk	9	1,480	13,317
176	Vacant	GFK16	Ground Floor	Kiosk	9	1,174	10,562
177	Vacant	GFK17	Ground Floor	Kiosk	9	1,174	10,562
178	Vacant	GFK18	Ground Floor	Kiosk	9	1,480	13,317
179	Vacant	GFK19	Ground Floor	Kiosk	9	1,480	13,317
180	Vacant	GFK20	Ground Floor	Kiosk	9	1,480	13,317

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Units Income Details (7/7)

#	Status	Unit Code	Floor	Type	Size (sqm)	Rent (SAR/sqm)	Income (SAR/unit)
181	Vacant	GFK21	Ground Floor	Kiosk	9	1,174	10,562
182	Occupied	GFK22	Ground Floor	Kiosk	9	1,174	10,562
183	Vacant	GFK23	Ground Floor	Kiosk	9	1,174	10,562
184	Vacant	GFK24	Ground Floor	Kiosk	9	1,174	10,562
185	Occupied	GFK25	Ground Floor	Kiosk	9	1,174	10,562
186	Vacant	FFK01	First Floor	Kiosk	9	10,310	92,790
187	Vacant	FFK02	First Floor	Kiosk	9	10,310	92,790
188	Vacant	FFK03	First Floor	Kiosk	9	10,310	92,790
189	Vacant	FFK04	First Floor	Kiosk	9	10,310	92,790
190	Vacant	FFK05	First Floor	Kiosk	9	10,310	92,790
191	Vacant	FFK06	First Floor	Kiosk	9	10,310	92,790
192	Vacant	FFK07	First Floor	Kiosk	9	10,310	92,790
193	Vacant	FFK08	First Floor	Kiosk	9	10,310	92,790
194	Vacant	FFK09	First Floor	Kiosk	9	10,310	92,790
195	Vacant	FFK10	First Floor	Kiosk	9	10,310	92,790
196	Vacant	FFK11	First Floor	Kiosk	9	10,310	92,790
197	Occupied	FFK12	First Floor	Kiosk	9	10,184	91,653
198	Vacant	FFK13	First Floor	Kiosk	9	10,310	92,790
199	Vacant	FFK14	First Floor	Kiosk	9	10,310	92,790
200	Vacant	FFK15	First Floor	Kiosk	9	10,310	92,790
201	Vacant	FFK16	First Floor	Kiosk	9	10,310	92,790
202	Vacant	FFK17	First Floor	Kiosk	9	10,310	92,790
203	Vacant	FFK18	First Floor	Kiosk	9	10,310	92,790
204	Occupied	FFK19	First Floor	Kiosk	9	10,184	91,653
205	Occupied	FFK20	First Floor	Kiosk	9	10,184	91,653
206	Occupied	FFK21	First Floor	Kiosk	9	10,184	91,653
207	Vacant	FFK22	First Floor	Kiosk	9	10,310	92,790
Total					46,457		36,219,885

Valuation

Income Approach

Valuation Using the Income Method

Given the prior information, cash flows were calculated over 14 years to reach the value of the subject property, with an income of SAR 36,219,885 based on the actual of leased units and market for vacant units.

Cash Flow Calculations:

Period (semi-annual)	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Discount Period (Y)	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5	7
Inflation Factor	1.01	1.03	1.04	1.06	1.07	1.09	1.10	1.12	1.13	1.15	1.16	1.18	1.20	1.21
GPI (SAR)	18,361,731	18,617,021	18,875,860	19,138,297	19,404,384	19,674,170	19,947,707	20,225,046	20,506,242	20,791,348	21,080,417	21,373,506	21,670,669	21,971,964
Occupancy Rate (٪)	50.4٪	52.9٪	55.4٪	57.9٪	60.4٪	62.9٪	65.4٪	67.9٪	70.4٪	70.4٪	72.9٪	75.4٪	75.4٪	75.4٪
GEI (SAR)	9,250,626	9,844,666	10,453,436	11,077,231	11,716,352	12,371,102	13,041,795	13,728,746	14,432,277	14,632,934	15,363,391	16,111,332	16,335,333	16,562,449
Additional Income (SAR)	370,025	393,787	418,137	443,089	468,654	494,844	521,672	549,150	577,291	585,317	614,536	644,453	653,413	662,498
Gross Income (SAR)	9,620,651	10,238,453	10,871,574	11,520,321	12,185,006	12,865,947	13,563,467	14,277,895	15,009,568	15,218,252	15,977,927	16,755,785	16,988,746	17,224,947
Management Fees (٪)	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪
Management Fees (SAR)	384,826	409,538	434,863	460,813	487,400	514,638	542,539	571,116	600,383	608,730	639,117	670,231	679,550	688,998
Lease Service Fees (٪)	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪
Lease Service Fees (SAR)	96,207	102,385	108,716	115,203	121,850	128,659	135,635	142,779	150,096	152,183	159,779	167,558	169,887	172,249
New Tenants Commission (٪)	0.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	0.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪
New Tenants Commission (SAR)	0	35,642	36,526	37,428	38,347	39,285	0	41,217	42,212	12,039	43,827	44,876	13,440	13,627
Operating Costs (SAR)	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962
Insurance (SAR)	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020
Land Lease (SAR)	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500
Total Costs (SAR)	3,675,515	3,742,047	3,774,587	3,807,926	3,842,079	3,877,064	3,872,655	3,949,594	3,987,172	3,967,434	4,037,206	4,077,148	4,057,359	4,069,356
Net Income	5,945,136	6,496,406	7,096,987	7,712,395	8,342,926	8,988,882	9,690,811	10,328,302	11,022,396	11,250,818	11,940,721	12,678,637	12,931,387	13,155,591
PV Factor	0.95	0.89	0.85	0.80	0.76	0.72	0.68	0.64	0.61	0.57	0.54	0.51	0.48	0.46
NPV (SAR)	5,622,648	5,810,738	6,003,594	6,170,291	6,312,682	6,432,507	6,558,640	6,610,917	6,672,489	6,441,323	6,465,478	6,492,646	6,262,870	6,025,842

Valuation

Income Approach

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Cash Flow Calculations:

Period (semi-annual)	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Discount Period (Y)	7.5	8	8.5	9	9.5	10	10.5	11	11.5	12	12.5	13	13.5	14
Inflation Factor	1.23	1.25	1.26	1.28	1.30	1.32	1.34	1.35	1.37	1.39	1.41	1.43	1.45	1.47
GPI (SAR)	22,277,448	22,587,179	22,901,216	23,219,620	23,542,450	23,869,769	24,201,639	24,538,123	24,879,285	25,225,190	25,575,905	25,931,495	26,292,030	26,657,577
Vacancy Rate (٪)	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪	75.4٪
Vacancy Costs (SAR)	16,792,722	17,026,197	17,262,919	17,502,931	17,746,280	17,993,013	18,243,176	18,496,817	18,753,985	19,014,728	19,279,097	19,547,141	19,818,911	20,094,461
Additional Income (SAR)	671,709	681,048	690,517	700,117	709,851	719,721	729,727	739,873	750,159	760,589	771,164	781,886	792,756	803,778
Net Income (SAR)	17,464,431	17,707,245	17,953,435	18,203,048	18,456,132	18,712,734	18,972,903	19,236,690	19,504,145	19,775,317	20,050,261	20,329,026	20,611,668	20,898,239
Management Fees (٪)	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪	4.0٪
Management Fees (SAR)	698,577	708,290	718,137	728,122	738,245	748,509	758,916	769,468	780,166	791,013	802,010	813,161	824,467	835,930
Lease Service Fees (٪)	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪	1.0٪
Lease Service Fees (SAR)	174,644	177,072	179,534	182,030	184,561	187,127	189,729	192,367	195,041	197,753	200,503	203,290	206,117	208,982
New Tenants Commission (٪)	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪	6.0٪
New Tenants Commission (SAR)	13,816	14,009	14,203	14,401	14,601	14,804	15,010	15,218	15,430	15,645	15,862	16,083	16,306	16,533
Operating Costs (SAR)	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962	2,374,962
Insurance (SAR)	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020	30,020
Land Lease (SAR)	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500	789,500
Total Costs (SAR)	4,081,520	4,093,853	4,106,357	4,119,035	4,131,890	4,144,923	4,158,137	4,171,535	4,185,119	4,198,892	4,212,857	4,227,016	4,241,372	4,255,927
Net Income	13,382,911	13,613,393	13,847,078	14,084,013	14,324,242	14,567,811	14,814,766	15,065,155	15,319,025	15,576,425	15,837,403	16,102,010	16,370,296	16,642,312
PV Factor	0.43	0.41	0.39	0.37	0.35	0.33	0.31	0.29	0.28	0.26	0.25	0.23	0.22	0.21
NPV (SAR)	5,797,451	5,577,402	5,365,409	5,161,194	4,964,489	4,775,032	4,592,571	4,416,861	4,247,666	4,084,756	3,927,909	3,776,910	3,631,551	3,491,632
Fair Value (SAR) (rounded)	**151,690,000**													

Valuation Summary

Opinion of Value

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

Fair Value of Subject Property Using Income Approach as of 31 December 2023

- 151,690,000 SAR (One Hundred Fifty-One Million Six Hundred Ninety Thousand Saudi Riyal)

Signatures & Authorizations

Eng. Yousuf Abdullah Khan
Taqeem ID: 1220001989
Membership Type: Provisional Member
Sector: Real Estate Sector
Membership Date: 17/09/2020
Contribution: Inspector, Valuer and Report Creator

Eng. Ammar Mohamed Qutub
Taqeem ID: 1210000392
Membership Type: Fellow Member
Sector: Real Estate Sector
Membership Date: 24/01/2016
Contribution: Valuation & Report Reviewer

Eng. Ammar Abdulaziz Sindi
Taqeem ID: 1210000219
Membership Type: Fellow Member
Sector: Real Estate Sector
Membership Date: 22/12/2015
Contribution: Report Reviewer & Authorizer

Company Stamp
Company Name: Abaad & Partner for Real Estate Valuation
Company No. 11000111
CR No: 4030297686
CL No: 323/18/781

Appendices

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Appendix : Valuation Glossary

Saudi Authority

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

Asset or Assets

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

Client

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

Intended Use

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

Intended User

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

Jurisdiction

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

May

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

Appendix : Valuation Glossary

Must

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

Participant

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

Purpose

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

Should

- The word "should" indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.

- In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate.

- If a standard provides that the valuer "should" consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Appendix : Valuation Glossary

Significant and/or Material

- Assessing significance and materiality require professional judgement. However, that judgement should be made in the following context:

- Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the subject asset.

- As used in these standards, "material/materiality" refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset:

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

Valuation

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

- Valuation Purpose or Purpose of Valuation:
- See "Purpose".

Valuation Reviewer

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

Value (n)

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

Valuer

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

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Appendix : Valuation Glossary

Weight

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

Weighting

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

أبعاد

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