



Dear Alinma Investment

Topic: Evaluation of a commercial center (Al-Makan Mall), Al-Rayyan neighborhood, Dawadmi Governorate

In accordance with your request to **Evaluation of a commercial center (Al-Makan Mall)**, **Al-Rayyan neighborhood**, **Dawadmi**, we have examined the property, inspected and studied the necessary documents and maps. After conducting a study with the surrounding area of the property, we attach the following report that provides the necessary data and shows the reasons for reaching the market value of the property.

The purpose of this report is to estimate the market value of the property as it is on 30-11-2022; the purpose of its issuance is to know the market value of the property for (REIT Fund) and the report is for Derayah Financial Company use. The estimated property is a hotel tower - commercial detailed as follows:

Deed Number	Land Area	Building Area	Real Estate Type
-	72,678.43 m²	37,961 m²	Shopping Mall

Based on the study completed, we estimate the market value of the property's current status at the date of estimation and an amount of only:

138,690,000 SR

(one hundred thirty-eight million, six hundred ninety thousand Saudi riyals)

Taking into account the location and as documented in this report on 30-11-2022

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Evaluation of a commercial center (Al-Makan Mall), Al-Rayyan neighborhood, Dawadmi Governorate		
Client (Applicant)	Alinma Investment	
User Request	Alinma Investment	
Purpose of Valuation	Periodic evaluation of the Alinma (General) Retail Fund (REIT)	
Property Location	Kingdom of Saudi Arabia - Dawadmi Governorate	
Property Type	Commercial	
Property Area	72,678.43 m ²	
Building Area	37,961 m ²	
license number	1431/5260000001	
Deed Date	16/03/1431 AH	
Ownership Type	A usufruct right to a leased land.	
Basis of Value	Market Value	
Valuation Criteria	International Valuation Standards	
Valuation Method	Income Method - (Cash Flow Method)	
Inspection Date	25/11/2022	
Valuation Date	30/11/2022	
Issue Date	21/12/2022	

400 standard

an introduction:

The principles contained in General Standards (101-105) apply to valuations of real estate interests. This standard stipulates additional requirements that apply to valuations of real estate interests.

Real estate interest:

It is the right to own, control, exploit, or occupy land and buildings.

Land interest includes informal tenure rights to communal or tribal land, exclusive informal settlements, rural or transitional economies, which can take the form of tenure, occupation, or use rights.

It includes three main types:

The supreme interest in any particular area of land, and the owner of such interest has an absolute right to possess and permanently control the land any buildings, subject only to any minimum interests and any statutory or other legally applicable restrictions.

The minimum interest usually gives the landlord exclusive ownership and control over a specific area of land or buildings for a specified period, for example: according to the terms of the lease.

The right to use land or buildings, but without enjoying the right of ownership or exclusive control, such as the right to pass ownership of land or exploit it only for a specific activity.

The interest identified in the assessment:

The supreme interest in any particular land area, and the owner of this interest has an absolute right to possess the land and any buildings and control it permanently.



Scope of work - Standard No. 101

	items	clarification
1	Client name	Alinma Investment
2	Report user	Alinma Investment
3	The subject matter of the evaluation	Shopping Centre
4	Valuation currency	The Saudi riyal (SR - SR) is the official currency used in this report.
5	Purpose of Valuation	Periodic evaluation of the (General) Alinma Retail Fund (REIT)
6	value (use) hypothesis	Market Value
7	value basis	Market value: It is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller. And within the framework of a transaction on a neutral basis after appropriate marketing, where each of the parties acts on the basis of knowledge and prudence without coercion or coercion.
8	valuation	Income Method - Cash flow
9	Inspection Date	25/11/2022
10	Valuation Date	30/11/2022
11	Issue Date	21/12/2022
12	Evaluation range	It included research and analysis to prepare the report according to the intended purpose and in accordance with international valuation standards, where the property was examined from the inside and outside on the day of the property inspection date. All the necessary data for preparing the report were obtained.
13	Nature and sources of information	In preparing this report, we relied on the information and documents provided by the client (the deed - the building permit - the statement of investment analysis - a statement of the rental spaces). Rental platform (real estate index for leasing operations), real estate exchange traded REITs (Capital Market Authority - Tadawul) Electronic platforms for real estate offers and indicators (Compare platform - Real Estate SAS - Real Estate Authority) Real estate offices in the target area, the database of Value Expert, which is continuously updated.



Standard - No. (101), (102)

	scope of work items	clarification
11	Scope of research and survey	Field survey of the real estate area under evaluation and similar real estate. And we worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the real estate area and its surrounding areas, which are explained in detail in the technical study.
12	Report type	The report (detailed) contains complete explanations of all evaluation works, including steps, data, information, accounts, etc.
15	standards	IVS International Evaluation Standards Version (2022) issued by the Saudi Authority for Accredited Valuers.
14	Legal description of the property owner	The validity of the information and data (customer information) provided to us by the customer has been assumed to be correct. The type of ownership of the property is a property free of obligations according to the hypothesis submitted by the client without verifying its truth.

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Standard - No. (101)

	scope of work items	clarification
11	Restrictions on use, distribution or publication	This report is provided for the purpose for which it was prepared only and may not be used, circulated, quoted from or referred to in any way for any other purpose, and accordingly neither the company nor the evaluator bears any responsibility for any loss incurred by any party as a result of using the evaluation report in such a manner Contradicts the provisions of this clause. The evaluator reserves all rights to issue the valuation report. This report may not be reproduced in any manner without the express consent of the Company. This report may not be submitted to any other party other than those referred to in it without the express consent of the company. It is a matter of caution that the Company and the evaluator reserve the right to make any amendments and make any revisions to the valuation or to support the valuation result under specific circumstances. The company reserves the right, without any obligation, to review the evaluation accounts, amend and revise its results in the light of information that existed at the date of the evaluation, but became clear to it later.
12	Confidentiality and preservation of information	This report has been prepared at the request of the client, and for this reason we realize the utmost importance of the requester in preserving and secrecy the data and outputs of this report, and we are committed to that. Any other party may view it.
13	Disclaimer	This document prepared by (Value Expert Real Estate Appraisal Company) is owned by it and may not be used for purposes other than what it was prepared for. We have no current or future interests in the target drug. The agreed fees for making this report are not linked to the estimated value of the property. We were not asked for any prior opinions before the evaluation, and we have performed our work in accordance with the international evaluation standards issued by the Saudi Authority for Accredited Valuers. Our results may change if we are provided with any data affecting the value or if we are able to obtain it from reliable sources.



Standard - No. (101)

	scope of work items	clarification
11	General assumptions	-The documents sent by the client were relied upon, and they were assumed to be correctThe appraisal was carried out on the assumption that the property is free of any modifications or interferenceOur report has been prepared on the assumption that there are no hazardous or polluting materials at the site that affect the value significantlyThe property has been assumed to comply with all regular planning and zoning requirementsThe location of the land and the total area of the land were inferred by the clientNo legal document has been verified for the property under evaluation, which includes planning, ownership, mortgage, and some legal matters on which thisreport or part of it is based. It was assumed that the real estate deed is valid, negotiable, and free from any restrictions, unusual conditions, or other burdens, -and has no pending claimsThe evaluation was based on economic conditions, current data in the real estate market, supply and demand, and therefore the value may change based on -the change of these data
12	own assumptions	-It was assumed that the drug is free of pollution and other environmental hazardsThe development costs of the project are based on special assumptions for the development according to the project on which it is based and the source of which is the information provided by the clientThe hypothesis of value was based on the hypothesis of the highest and best useThe hypothesis of the value of the property, based on studies of the highest and best use, based on a prior study from the client, and tests were conducted on it in terms of legal clearance, the possibility of physical use, financial feasibility, and achieving the highest amount of profitsThe value of the property was assumed using the income method, the residual value method, instead of the comparisons method, the similar sales method, because there were no comparisons and similar evidence for the property to be evaluated. A better and higher policy was followed for the income method, the residual value method, according to the neighboring plansWe find that the cost of the lands is not available to the customer, because the title deed is also not available or does not exist, or does not explain what the cost is after its transfer from state property to the government agency, and based on the data available to us and consulting experts and specialists in the field of -evaluation and accounting, we conclude that the fair value required for the purposes of The financial reports are the same as the market value in the International Valuation StandardsThe report refers to the term (value or average value), which means the measurement priceDuring our calculation of the development cost, it was assumed that the basic infrastructure on the site is available and the price of the development cost was estimated through the information provided by the client.



General Criteria: Research and Survey



Asset Inspection

Deed was received from the client, which shows the area of the property. A detailed statement was received showing the location of the property and the area of the land, after which the property was identified and the information received from the client was matched with reality.



Define the Property Assets

Through the preview, it was found that the asset under valuation is hotel building.



Data Analysis

The available data analysis in the property, which have been drawn from informal sources such as real estate offices operating in the subject area.



Application of Valuation Methods

After the experts assessed the current use in terms of the market and the data available about it, it was concluded that the valuation method (future discounted cash flow), taking into account the purpose of the valuation.

Criteria No. 102





Data Collection

Based on the type of property valuated, the scope of data collection was determined; especially in the area surrounding the property.



Estimated Value

After reconciling the results of the valuation methods, a value corresponding to the scope of the work described with the client is weighted.



Value Review

A review of the value by the audit committee, consisting of two experts will review the information and analyzes and assumptions reached by valuator.



8

Report Preparation

Work on report preparation in accordance with the Standard 101 for report description, and criteria 103 for report preparation.

Criteria No. 102



Value Experts has a distinguished team with professional qualification and experience in valuation work and a team of 5 registered with the Saudi Commission for Accredited Valuers, the most prominent of the team:



Alaa Ibrahim Al - Thaqafi
Founder and CEO

14

Years experience in valuation work
Supervising all valuation projects of company.
Bachelor of Urban Planning Engineering

Membership No. 1210000027



Hisham Saleh Al - Aqeel

Partner - V. P. Director Valuation

9

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000185



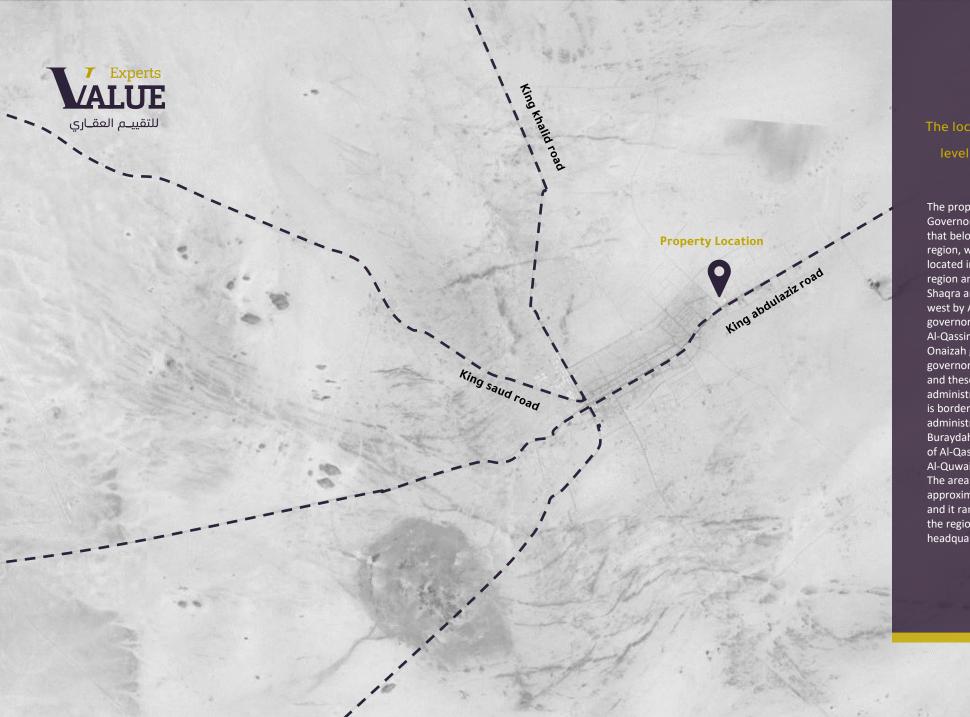
Abdulrahman A. Al Wadi Assistant Director, Valuation Dep. 7

Years experience in valuation work Supervising all valuation projects of company. *Computer Diploma*

Membership No. 1220000513



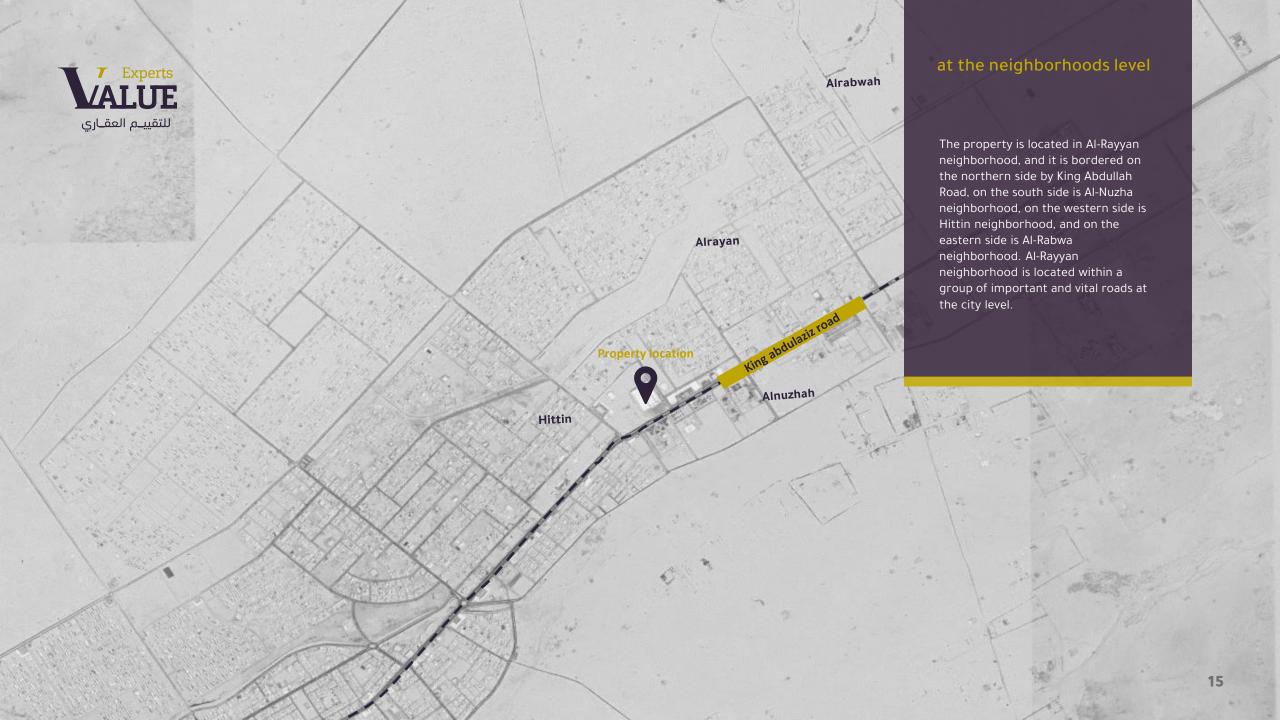
	On-site Facilities	Yes	No
	Government Entities	✓	
	Police Station	✓	
Governmental Services	Schools	✓	
	Banks	✓	
	Civil Defense	✓	
	Hospitals	✓	
Medical Services	Clinics	✓	
	Medical Centers	✓	
	Commercial Centers	✓	
	Supermarkets	✓	
	Mall Centers	✓	
Commercial Services	Restaurants	✓	
	Hotels	✓	
	Furnished Apartments	✓	
	Gas Stations	✓	
	ATM Machine	✓	
	Electric Network	✓	
	Water System	✓	
0 15 110	Telephone Network	✓	
General Facilities	Rain Water Drainage Network	✓	
	Mosques	✓	
	Parks	✓	
	Other		





The location of the property at the level of Dawadmi Governorate

The property is located in the Dawadmi Governorate, which is a Saudi governorate that belongs to the emirate of the Riyadh region, where the Dawadmi governorate is located in the northwest of the Riyadh region and is bordered to the east by Shaqra and Marat governorates, and to the west by Afif governorate, and Al-Rass governorate administratively affiliated to Al-Qassim region, and to the north by Onaizah governorate, and Al-Mithnab governorate, Al Bukayriyah Governorate, and these three governorates belong administratively to Al-Qassim Region, and it is bordered to the north by part of the administrative scope of the city of Buraydah (the headquarters of the Emirate of Al-Qassim Region), and to the south by Al-Quwaiyah Governorate. The area of Al-Dawadmi governorate is approximately 27,500 square kilometers, and it ranks 5th among the governorates of the region and its administrative headquarters in terms of area.







General description of the buildings

The ground floor consists of 38 shops (rented), 11 kiosks (rented), 58 non-rented shops, in addition to 2 chapels and 10 toilets.

The first floor consists of 6 offices and 3 bathrooms.

The property is located in Al-Dawadmi Governorate, in Al-Rayyan neighborhood, which is an area with a medium population density

Finishes details

Facades: Facades covered with cladding, and the external façades of the mall that form the largest advertising façade are equipped with mobile lighting systems.

Ventilation and air conditioning units: central air conditioning.

Facilities: emergency exits - fire extinguishers - mosques

Buildings details

The following table shows the details of the building areas of the property:

m	Unit	Usage	Area (m2)
1	Grand flor	Commercial	35,000.0
2	1 st Floor	Commercial	2,961.0
	Total		37,961





Property Description

Unit	Discretion
Shopping mall type	Local
Center rating	В
Opening date	2015
Building area (sqm)	37,961
Leasable area (sqm)	27.493
Number of floors	2
Number of stores	123
Number of barking spot	
% of parking spaces	

Commercial spaces and their division

Unit space	Total Sqm
50-0	123
200-51	5,914
500-201	2,998
SUB ANCHOR	2,408
ANCHOR	14,660
Atm	4
KISOK	465
Food court	922
	27,493

Interior photo of the mall





Description of the operating contract for the mall

The commercial center (Al-Makan Mall) consists of 123 stores, with multiple tenants. We were not provided with copies or copies of lease contracts, and according to the customer's instructions, we have relied on the information contained in the rental schedule that was provided to us for the purpose of this evaluation.

Based on the information provided to us by the client, we understand that on the date of the evaluation, the total income of the property is 9,537,118 riyals, including service fees.

General description of land lease contracts

The land is leased to Wabel Fund Company, for a period of twenty-five years, starting from the date of 1/11/1433 AH and ending at the end of 1/11/1458 AH, payable on the first day of each contractual year.

Statement of entitlement to rent the land according to the contracts:

Period	due date	Value SR
1	01 ذو القعدة, 1433	650,000
2	01 دو القعدة, 1434 01 ذو القعدة, 1434	650,000
3	01 دو القعدة, 1435 01 ذو القعدة, 1435	650,000
4	01 دو القعدة, 1436 01 ذو القعدة, 1436	650,000
5		
	01 ذو القعدة, 1437 1430 : ستام 1430	650,000
6	01 ذو القعدة, 1438	650,000
7	01 ذو القعدة, 1439	650,000
8	01 ذو القعدة, 1440	650,000
9	01 ذو القعدة, 1441	650,000
10	01 ذو القعدة, 1442	650,000
11	01 ذو القعدة, 1443	650,000
12	01 ذو القعدة, 1444	650,000
13	01 ذو القعدة, 1445	650,000
14	01 ذو القعدة, 1446	650,000
15	01 ذو القعدة, 1447	650,000
16	01 ذو القعدة, 1448	650,000
17	01 ذو القعدة, 1449	650,000
18	01 ذو القعدة, 1450	650,000
19	01 ذو القعدة, 1451	650,000
22	01 ذو القعدة, 1452	650,000
23	01 ذو القعدة, 1453	650,000
24	01 ذو القعدة, 1454	650,000
25	01 ذو القعدة, 1455	650,000
26	01 ذو القعدة, 1456	650,000
27	01 ذو القعدة, 1457 1457 خو القعدة ا	650,000











1- Market Method (Similar Sales Method for Land, Exhibitions, and Hotel Rooms)

Standard No. 105

Method	Used for	Method Definition
		This method provides indicators of value by comparing lands and warehouses that are valuated with identical or similar data available for information on their prices.
Market Method	Land, Exhibitions, and Hotel Rooms	 According to this method, the first step is to study the transaction prices of the corresponding or similar assets that have recently occurred in the market, and if the transactions have been few, it is also better to study the corresponding or similar asset prices listed or offered for sale and are objectively analyzed. Information about the prices of such transactions must be adjusted to reflect differences in the terms and conditions of the effective transaction, the basis of the value and assumptions adopted in the valuation process being performed, and differences in the legal, economic and material characteristics of the assets of the other transactions may be found compared to the asset being valued.

Use of Method

Methodology:

- This method is based mainly on the prices currently circulating in the market for selling or offers of another real estate (comparable properties) similar to the property subject of evaluation.
- Since it is impossible to find exactly the same real estate, appropriate adjustments are made to the prices
 of the comparative real estate by deducting the value of the items that represent an advantage of the
 comparative property and adding the items that represent an advantage to the property under
 evaluation.
- By comparing the natural properties and services adjacent to the site (not including the development) with their counterparts at nearby sites, the price of the land is adjusted for the same fundamental differences between the evaluation site and the nearby sites.

Application:

- Determine the geographical scope of similar properties.
- Determine the appropriate time period according to market variables, reflecting the market situation at the time of evaluation.
- Collecting comparison data for similar properties within the specified geographical range and time frame.
- Test the adequacy of comparisons for the evaluation process (if sufficient comparisons are not available, the evaluation method is excluded).
- Applying adjustments to comparative properties to reach at the property value.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



2- Cost Method Standard No. 105

Method	Used for	Definition method
Cost Method	Buildings	 The cost method is sometimes referred to as the contractor method. The cost method determines the value by estimating the cost of acquiring land and building a new property with equivalent benefits or modifying an old property for the same use without any unnecessary expenses resulting from delay. The cost of the land is collected on the total cost of the construction. It is customary for the project incentives or the real estate developer's profits / losses to be added to the construction costs, if appropriate.

Use of Method

Methodology:

- If there is a major market for the land or real estate being valued, it is preferable to use evidence from the market or comparable sales.
- Study the approvals likely to be issued by the regulator in the region and use the evidence and evidence from the market to verify the possibility of using the land according to the regulatory approvals.
- Study a virtual site in the same area with the same characteristics.
- Study the private use of a virtual site in another region.

Application:

- Estimating the value of the land.
- Determine the current cost of erecting the building.
- The depreciation value must be deducted from the cost based on what was specified in Clause (2) for a cost adjustment. New added on the current state.
- Market value = (1) + (2) (3) i.e. the value of the land plus the value of new construction minus depreciation.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



3-Income Method (Discounted Future Cash Flow)

Standard No. 105

Method	Used for	Definition method
Income Method	The Property is a Changeable Income- Generating	It is a financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future discounted cash flows.

Use of Method

Methodology:

- This method depends on the net income of the property and the (capitalization rate).
- Total maintenance and operation are deducted from the total revenue of the property to be evaluated.
- Research for income-generating properties that are similar to the real estate to be evaluated.
- The (capitalization rate) is determined according to the current market prices and according to the type of property to be evaluated.

Application:

- Estimating future cash flows resulting from the income of the asset subject evaluation.
- Determine the discount rate or required rate of return.
- · Determine the retention period of the asset an the final value.
- Calculating the current value of the expected income of the asset subject to evaluation to reach to the capital value of the property (after considering the time value of money).

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



Th Used Valuation Methods







Valuation Techniques Market		Income	Cost
Technique Used It was mainly used to value the land, exhibitions, and hotel rooms.		Based on the income method by using the future discounted cash flow; it is the most appropriate to estimate the investment value of the property.	
Valuation Method Used	Comparisons	Cash Flow	Replacement
Reasons for Use	To get the value of the land, exhibitions, and hotel rooms.	Property is income-generating	To find out the construction costs of the property

Estimate the value

Income method - discounted cash flow method

A financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future cash flows.



Evaluation

Real estate evaluation risks



Competition risks: The commercial space leasing sector for companies operating in the retail sector in the Kingdom is a highly competitive field, and this competition is expected to increase in the future.

As a result, there may be difficulties in keeping up with competitors, given the policies of significantly reducing rental rates, which may negatively affect competitiveness.

Market risk: Revenues from renting space and amenities for commercial centers may be subject to unexpected fluctuations as a result of seasonal changes in spending patterns or visitor behavior, and as a result of these fluctuations in revenues, this may limit the ability to predict future revenues.

Risks of Physical deprecation and lack of maintenance

: Renovation, expansion, improvement and redevelopment of commercial centers must be carried out on an ongoing basis, in order to maintain their attractiveness and continued demand for them by tenants and visitors. Due to the development of the commercial centers market in the Kingdom, the aspirations, tastes and preferences of tenants and visitors may change. In the absence of renovation and improvement to keep pace with changes in the preferences of tenants and visitors, this will have a negative and significant impact.

Macroeconomic risks: The country's macroeconomic conditions may affect the value of any real estate, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the general movement in the local and global stock markets. Changing these indicators or one of them may negatively affect the value of the real estate.

Risks of lack of long-term contracts: The absence or lack of long-term contracts greatly affects the value of the property, as the presence of such contracts gives a kind of stability to the income of the property and thus to its value, while the absence of their existence can lead to fluctuation in the value of the property.



Similar samples



Unit	Info
Opening year	2014
Building area / square meters	46,292
Leasable area / square meter	22,711
Category	Local
Number of parking	680
occupancy rate	%92
Unit area m2	Market rent (SAR/year)
50-0	2,900
200-51	2,400
500-201	2,000
1500-501	900
More than 1500	800





Unit	Info
Opening year	2017
Building area / square meters	21,909
Leasable area / square meter	11,191
Category	Local
Number of parking	300
occupancy rate	100
Unit area m2	Market rent (SAR/year)
50-0	2,204
200-51	1,824
500-201	1,520
1500-501	760
More than 1500	608





Valuation - Income Method - Cash Flow Method

Revenue estimate

Field research

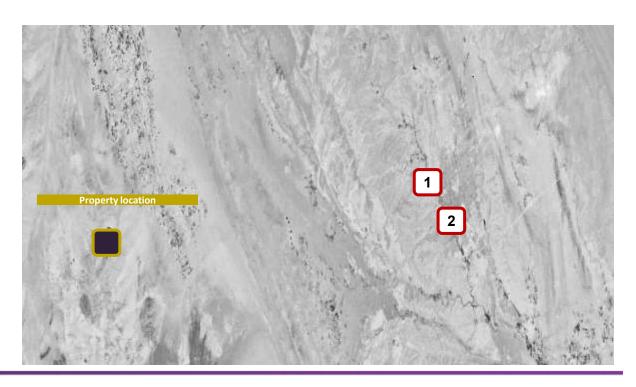
In order to reach the revenues of the Al-Makan Mall, the relative control and the study of the comparative properties were carried out in order to find the relative differences and determine the revenues for each component of the property under evaluation, the table below shows this

Rental rates prevailing in the market - Tala Mall

Unit area m2	Market rent (SAR/year)	Site leveling	Average price per square meter	Weighting ratio (%)	Square meter value after weighting (SAR)
50-0	2,900	-20%	2,320	40%	928
200-51	2,400	-20%	1,920	40%	768
500-201	2,000	-20%	1,600	40%	640
1500-501	900	-20%	720	40%	288
More than 1500	800	-20%	640	40%	256

Rental rates prevailing in the market - The Elite Mall

Unit area m2	Market rent (SAR/year)	Site leveling	Average price per square meter	Weighting ratio (%)	Square meter value after weighting (SAR)
50-0	2,204	-20%	1,763	60%	1058
200-51	1,824	-20%	1,459	60%	876
500-201	1,520	-20%	1,216	60%	730
1500-501	760	-20%	608	60%	365
More than 1500	608	-20%	486	60%	292





Valuation

The main assumptions in the valuation process - the income method - the discounted cash flow method

Rental spaces

According to the information provided by the client, the following table summarizes the leasable areas of the property under appraisal.

Unit area	Total area	Ratio
50-0	123	0.45%
200-51	5,914	21.51%
500-201	2,998	10.90%
1500-501	2,408	8.76%
More than 1500	14,660	53.32%
Atm	4	0.01%
KISOK	465	1.69%
Food court	922	3.35%
	27.493	100%

Unit area	Total area	Market rent	Annual rent
50-0	123	1,986	243,474
200-51	5,914	1,644	9,720,533
500-201	2,998	1,370	4,106,198
1500-501	2,408	360	867,892
More than 1500	14,660	300	4,403,864
Atm	4	32,000	128,000
KISOK	465	16,000	7,432,000
Food court	922	2,354	2,170,609
	27,493	1,057	29,072,570

The inputs and assumptions of the income method are the

discounted future cash flow method

1.1 Income Analysis:

By examining the mall from the inside, it became clear to us that the property is leased at a rate of 94.15% of the rental space, according to the attached statement from the client.

1.2 Total Revenues:

The total rents that are collected according to the contract at the date of the evaluation, or the total revenues that are assumed according to the market. We were provided with a list of rents from the client, and we were not provided with any data on the operating and management expenses of the complex. The data on rents and income was collected by market.

1.3 Capital Expenditures:

Information regarding capital costs has not been provided to us by the client. We analyzed the level of provisions for capital expenditures in similar properties that we participated in the evaluation. We have assumed that the prudent owner will bear the capital expenditures to maintain the property well, improve the production capacity and preserve the tenants. Through inspection of the property, we found that it was renovated, and accordingly, no capital expenditures were assumed during the entire period.

1.4 Operational Expenses:

We were provided with operating expenses for the mall, and they were compared to the market, and due to the absence of relative differences compared to the market, they were applied throughout the investment period.



The main assumptions in the valuation process - the income method - the discounted cash flow method

1.7 Fixed Expenses:

No fixed expenses for the property, such as insurance and any other expenses, have been calculated.

1.8 Tenant Incentives:

Due to the difficult market conditions, some tenants resort to requesting subsidies to reduce the burden of rent. No incentives were calculated for the tenants, and it was assumed that the tenant would bear them.

1.9 Doubtful Debts (Credit Losses):

It is that any owner may incur some loss of income due to bad debts. According to the data provided by the client, no losses have been applied.

1.10 Growth rate:

Due to the lack of market data and previous indicators for similar real estate and the growth rate at the level of supply and demand, and since the inflation rate is available as information announced according to the data of the Central Bank, an average has been calculated for each year based on the inflation rate for a previous year to estimate future periods as shown in the table. Adopting the Gordon growth model, meaning that the drug grows steadily forever.

1.11 Rate of return on investment:

Through the market survey of real estate that was evaluated by us in the city of Dammam and viewing the reports of REIT funds and similar real estate in the retail sector, the capitalization rate for similar real estate ranges between 7% and 9%, and accordingly the rate of return was determined at 7.5%.

1.12 Discount rate:

With regard to the discount rate, and according to the methods used to calculate the discount rate stipulated in the international evaluation standards, and as it was studied in the evaluation methodologies of the Saudi Authority for Accredited Valuers, it was reached by the cumulative method as shown in the table below, which depends on (the rate of inflation, regular risks, the rate of returns of government years for the period, and in addition to real estate risks, market risks). - Sources for data (Central Bank - Debt Services - Capital Market Authority data for similar properties that have been acquired).

1.14 Explicit Prediction Period (Investment Duration):

The investment period indicator was mainly based on the method used in the evaluation, the discounted future cash flows, according to the equation investment period = actual life - life expectancy - market life.

1.15 Table of assumptions of the inputs of the income method, the cash flow method

Unit	Value	clarification
Land area (sqm)	72,678.43	_
Inflation rate (%) (Rs)	2.01%	regular risk premium
7-year government bond yield ratio (Rf)	4.50%	Risk free rate of return
Real estate risk premium	1.90%	The irregular risk premium represented in the quality of the real estate investment and the costs involved in maintenance and operation
Market risk	3.00%	Based on supply and demand in the area in which the property to be evaluated is located
discount percentage (%)	11.41%	It is the ratio that converts future cash flows into present value
Yield Ratio (%)	25%	market survey
Operation and maintenance costs for exhibitions (%)	100.00%	Costs incurred for the maintenance and operation of the property throughout the period
Credit costs for exhibitions (%)	25.00%	The percentage of non-payment tenants facing the establishment throughout the investment period
Vacancies costs for exhibitions (%)	2.01%	The percentage of vacancies for real estate according to the prevailing in the current situation, based on the assumption that the building is at the beginning of the operation period and stabilizes in the recent period as a prevailing average according to the market



Mall revenue schedule

Unit	Rental area (sqm)	rental price	Gross Income
Unit rental income	27,493	1,057	29,072,570

Income method - market discounted cash flow method (absorption period)

Period	1/11/1444	1/11/1445	1/11/1446	1/11/1447	1/11/1448	1/11/1	449	1/11/1450
Cash flows - by market								
Gross Expected Income - GPI (SR)	16,014,551	29,072,570	29,072,570	29,072,570	29,072,570	29,072	570	29,072,570
Credit and vacancy costs (%)	25.0%	25.0%	25.0%	25.0%	25.0%	25.0	%	25.0%
Credit and vacancy costs (SAR)	4,003,638	7,268,142	7,268,142	7,268,142	7,268,142	7,268,	142	7,268,142
Expected Gross Income (SR)	12,131,503	22,242,260	22,680,093	23,117,926	23,555,759	23,993	592	24,431,425
Capital Expenditure -CE (%)	19.3%	19.3%	19.3%	19.3%	19.3%	19.3	%	19.3%
Capital Expenditure -CE (SR)	2,347,067	4,303,184	4,387,891	4,472,598	4,557,305	4,642,	012	4,726,719
Land rent expense	357,042	650,000	650,000	650,000	650,000	650,0	00	650,000
Operating Expenses - OE (SR)	9,427,393	17,289,077	17,642,202	17,995,328	18,348,454	18,701,	580	19,054,706
Present value coefficient	0.95	0.90	0.81	0.72	0.65	0.58	3	0.52
Present value of net income (SAR)	8,931,686	15,518,703	14,214,122	13,013,995	11,910,609	10,896	,736	9,965,612
Period	1/11/1451	1/11/1452	1/11/1453	1/11/1454	1/11/1455	1/11/1456	1/11/1457	1/11/1458
Cash flows - by market								
Gross Expected Income - GPI (SR)	29,072,570	29,072,570	29,072,570	29,072,570	29,072,570	29,072,570	29,072,570	29,072,570
Credit and vacancy costs (%)	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Credit and vacancy costs (SAR)	7,268,142	7,268,142	7,268,142	7,268,142	7,268,142	7,268,142	7,268,142	7,268,142
Expected Gross Income (SR)	24,869,258	25,307,091	25,744,923	26,182,756	26,620,589	27,058,422	27,496,255	27,934,088
Capital Expenditure -CE (%)	19.3%	19.3%	19.3%	19.3%	19.3%	19.3%	19.3%	19.3%
Capital Expenditure -CE (SR)	4,811,426	4,896,133	4,980,840	5,065,547	5,150,254	5,234,961	5,319,668	5,404,375
Land rent expense	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Operating Expenses - OE (SR)	19,407,832	19,760,958	20,114,084	20,467,210	20,820,335	21,173,461	21,526,587	21,879,713
Present value coefficient	0.47	0.42	0.38	0.34	0.30	0.27	0.25	0.22
Period	9,110,923	8,326,778	7,607,691	6,948,561	6,344,648	5,791,557	5,285,210	4,821,835
Real estate value (SAR)	138,688,665							
Real estate value (SAR)(rounded)	138,690,000							
Meter price (SR/m2)	3,719							



Evaluation

Market value

Unit	Value (SR)
The value of the property according to the market	110,410,000
The market value of the property	110,410,000

Note: The cost method, the substitution method in the evaluation, is an auxiliary and indicative method only, so it was not included as a weighting opinion for the market value. **Justifications**

- The market value of the property has been weighted according to the market, since the property is vacant by more than 50% according to the contracts and does not reflect the actual revenues of similar operating activities.
- The lack of sufficient data and maintenance and operation contracts for the real estate according to the contract, in order to investigate accuracy and study the operational activity of the real estate and apply it to the cash flow tables.
- The general direction of the state, represented by Vision 2030, is to revive the tourism and entertainment sector.
- Regional orientation and the increase of international companies to make the Kingdom of Saudi Arabia a center for it at the regional level, which will be reflected successively on the recovery of the retail sector in the future.
- Increasing population density and expected future for the region.
- Public awareness and the general orientation of the residents of the area towards malls and similar recreational areas.

Findings and Recommendations:

- Based on the results of the search in the area, the surrounding area is considered to have a medium density, and the presence of modern housing plans
- The presence of vital facilities in the region and on a main artery of Dawadmi, for example, but not limited to (Dawadmi General Hospital, Technical College in Dawadmi for Girls, Aba Al-Khail Medical Complex, Colleges Complex, Municipality of Dawadmi Governorate).
- The state's general direction is to improve the tourism and hotel sector and to develop new entertainment programs that will allow for high occupancy



Findings and recommendations

Possible threats:

- The imbalance in the level of supply and demand.
- Maintain periodic maintenance and development as possible to make the property more attractive and profitable for the investor.
- Developing and providing services that serve the competitive advantage of the entertainment sector, in line with Vision 2030.
- High future operating costs and the requirements of quality and sustainability standards.
- Availability of retail spaces that achieve efficiency and the highest quality standards in other locations.
- High rental prices compared to the services and activities available at the mall, which constitutes a barrier that prevents investors from taking risks in similar projects.



Based on the completed study, we estimate the market value of the property by an amount

138,690,000 SR

(one hundred thirty-eight million, six hundred ninety thousand Saudi riyals)

Considering the site, and as documented in this report on 30-11-2022

Report Participants			Approved evaluation	Company Stamp		
Member Name		Member name	Mr. Mohammed Idrees	Mr. Hisham Al Aqeel		
	Omar Al ShAmmri	Membership Class	Fellow	Fellow		Experts LUE
Role	Preparing Report	Membership Number	1220001030	1210000185	10104699 لقيمــة وشريكه العقــارى	
		Signature	Fluta	انتا		
Signature		Signature	ح رقم العضوية 1220001080	Trad	1010469884 744/18/323	Commercial register License Number
					ച 1438/07/08	License Date





The International Valuation Framework

Valuator and Status:

- This report was prepared by Value Expert & partner for Real Estate Valuation and its highly qualified team of staff, benefiting from the resources available to us, namely the efficiency of our advisory team, which includes qualified consultants with high academic degrees and experience in the field of valuation and consulting, and what is available to our company from the database was built through its valuation expertise and through the collection of data, information and statistics issued by the official and non-official bodies, which gives valuators the capacity to realize their tasks to the fullest. The company is also working to update their information base continuously.
- We have over 15 years of experience in valuation work and have submitted more than 20,000 valuation reports during our real estate appraisal period.
- Value Experts and its representatives of valuators who have conducted the valuation process have been immensely impartial, objectively employed and independent from the client and its subsidiaries or affiliates. Neither the Company nor its representatives have any current or foreseeable interest with the client or any of its subsidiaries or affiliates, nor are such agents among the client or those who have internal relationships or affiliations with the client and its subsidiaries or affiliates. The valuator's fees against the valuation process are unconditional on his findings or any other events. If the Company receives significant assistance from another party in respect of any important aspect of the assessment, the nature of such assistance, the extent of reliance thereon and, if any, documented in the report.





General Terms In The Report

Can

The word (could) describes the procedures that the evaluator has the responsibility to consider. Matters described in this way require the evaluator's attention and understanding. As the applicability of these matters in the evaluation process depends on the evaluator's exercise of his judgment and professional experience in the circumstances that are in line with the objectives of the standards.

Should

The word (must) denotes unconditional liability, the resident must fulfill responsibilities of this kind in all cases and circumstances to which the condition applies

Participant

The word (participant) refers to the relevant participants according to the value basis (or bases) used in the valuation engagement (see Standard 104 Basis of Value). The different bases of value require the evaluator to consider different points of view, such as: the views of market participants such as: market value, fair value of international standards for reporting, or a joint venturer.

The purpose

The word (purpose) refers to the reasons for conducting the assessment, and general purposes include (but are not limited to) the purposes of financial reporting, tax reporting, litigation support, transaction support, and lending support.

Commission

Refers to the Saudi Authority for Accredited Valuers (Taqeem), which is the authority concerned with setting the necessary controls and standards for evaluating real estate, economic establishments, equipment, movable property and the like, under the Accredited Residents System issued by Royal Decree No. (M/43) dated (9/7/1433 AH) It aims to develop the evaluation profession, raise the level of its employees, set general rules for acquiring and maintaining the membership of the Commission at its various levels, and provide the means for continuous development to raise its members to the best levels of practice and international standards for the profession. Under the supervision of the Ministry of Commerce and Investment

Asset or Assets

To facilitate the process of reading the criteria and to avoid repetition, the terms (asset) and (assets) generally refer to the items that are the focus of the evaluation task. Unless otherwise stated in the standard, these terms can be considered to mean and include each of the following words: (an asset, a group of assets, a liability, a group of obligations, or a group of assets and liabilities).

Client

The word (client) refers to the person, persons or entity for whom the evaluation is conducted. This includes external clients (when the evaluator is contracted with a third party), as well as internal clients (the evaluations prepared for the employer).

Jurisdiction

The word (jurisdiction) refers to the legal and regulatory environment in which the evaluation process is carried out. It includes laws and regulations enacted by government agencies such as the province, state, and municipality, as well as laws established by some regulatory agencies for the purpose of evaluation, such as central banks and securities regulators.

An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia



An overview of the Saudi economy

	2013	2014	2015	2016	2017	2018	2019	2020
Nominal gross product								
(Billion Saudi Riyals)	2,800	2,836	2,454	2,419	2,582	2,949	2,974	2,625
(annual percentage change)	1.5	1.3	-13.5	-1.4	6.8	14.2	0.8	-11.7
Inflation (annual percentage change)	3.5	2.2	1.2	2.1	-0.8	2.5	-2.1	3.5
Actual GDP (annual rate of change)								
Oil sector (annual percentage change)	-1.63	2.09	5.27	3.60	-3.09	3.13	-3.65	-6.65
Non-oil private sector (annual percentage change)	7.00	5.38	3.41	0.07	1.50	1.91	3.78	-3.10
Non-oil government sector (annual percentage change)	5.09	3.67	2.72	0.58	0.71	2.86	2.20	-0.49
Real GDP (annual percentage change)	2.70	3.65	4.11	1.67	-0.74	2.43	0.33	-4.11
Oil Indicators (average)								
Brent crude (dollars / barrel)	108.56	98.97	52.32	43.64	54.13	71.34	64.30	41.96
Production (million barrels/day)	9.63	9.71	10.19	10.46	9.96	10.32	9.81	9.22
Indicators of the general budget (billion Saudi riyals)								
Country revenue	1152.61	1040.14	612.69	519.46	691.51	905.61	926.85	781.83
Country expenses	994.73	1140.60	1001.29	830.51	930.00	1079.47	1059.45	1075.73
surplus/financial deficit	157.88	-100.46	-388.60	-311.06	-238.49	-173.86	-132.60	-293.90
(as a percentage of nominal GDP)	5.64	-3.54	-15.84	-12.86	-9.24	-5.89	-4.46	-11.19
Total public debt	60.12	44.26	142.26	316.58	443.25	559.98	677.93	853.52
(as a percentage of nominal GDP)	2.15	1.56	5.80	13.09	17.17	18.99	22.80	32.51
Total state deposits with SAMA (state current account + general reserve)	1484.43	1378.95	1023.30	730.58	641.38	562.37	529.25	436.57
(as a percentage of nominal GDP)	53.02	48.62	41.71	30.21	24.84	19.07	17.80	16.63

	2013	2014	2015	2016	2017	2018	2019	2020
Monetary Indicators (average)								
Consumer price index	3.9	2.9	2.3	2.1	-0.8	2.5	-1.2	3.4
The basic lending rate to the Monetary Agency	0.3%	0.5%	0.8%	1.5%	2.5%	1.8%	1.8%	0.5%
Annual percentage	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	2.0%	2.0%
Foreign trade indicators (billion riyals)								
oil exports	1207.08	1067.09	573.41	510.73	638.40	868.44	751.83	456.04
Total exports of goods	1409.63	1284.21	763.26	688.53	831.98	1103.95	981.06	657.60
Goods imports	575.04	594.23	597.27	479.41	462.75	471.14	526.05	449.56
Goods trade balance	834.59	689.98	166.00	209.12	369.23	632.81	455.01	208.04
current account balance	507.91	276.59	-212.71	-89.41	39.24	269.89	143.36	-42.71
(as a percentage of nominal GDP)	18.14	9.75	-8.67	-3.70	1.52	9.15	4.82	-1.63
Net international investment position	2861.88	2968.41	2586.77	2239.77	2338.58	2466.10	2516.34	2335.15
(as a percentage of nominal GDP)	102.21	104.66	105.43	92.61	90.57	83.61	84.62	88.94
Social and demographic indicators								
Population (million people)	29.38	30.00	30.89	31.79	32.61	33.41	34.22	35.11
Saudi unemployment rate (Unemployment rate among Saudis 15 years and over, percentage)	11.70	11.70	11.50	11.60	12.80	12.70	12.00	12.63
Average per capita income (SAR)	95300.01	94552.92	79425.50	76083.44	79177.33	88270.99	86901.95	74768.90

- Source:
- Jadwa forecasts for the years 2019-2020-2021, the General Authority for Statistics, for GDP figures and population indicators.
- The Saudi Arabian Monetary Agency for monetary and foreign trade indicators.
- Ministry of Finance for budget indicators.



Kingdom Vision 2030

With the support and patronage of the Custodian of the Two Holy Mosques, may God preserve him, the Kingdom's Vision 2030 was launched, which is the vision of His Highness the Crown Prince for the future of this great country, which seeks to invest in our strengths that God has endowed us with, from a distinguished strategic location, a pioneering investment force, and an Arab and Islamic depth, as he assumed the leadership for that All attention, and harness all potential to achieve ambitions.

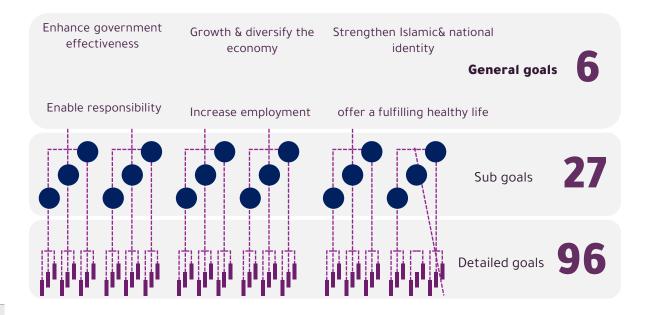
During the past five years, many achievements have been made, and a number of transformational enablers have crystallized, which contributed to achieving tangible results at the level of the government work system, the economy and society, and laid the foundations for success for the future. We have faced many challenges and gained many experiences, which have strengthened our confidence in achieving our goals. We worked to increase the government's effectiveness and responsiveness, by investing in government digital transformation, creating opportunities for growth and investment, creating a number of new economic sectors, opening our doors to the world, and raising the quality of life for citizens. All of these achievements were accomplished by the sons and daughters of this great nation.

Saudi Vision 2030 relies on pivotal strengths

The Kingdom of Saudi Arabia is the land of the Two Holy Mosques, the purest place on earth and the destination of more than a billion Muslims, making it the heart of the Arab and Islamic worlds.

The Kingdom is harnessing its investment power to create a more diversified and sustainable economy.

The Kingdom harnesses its strategic location to strengthen its position as a major engine of international trade and to connect the three continents: Africa, Asia and Europe.







Entrepreneurial projects

Information

Private area Multi use

Arabia

Easy to start business

diverse

NEOM project





Entrepreneurial projects

Amala Project

Unit	Information
Project classification	Tourism
Usage	Multi use
Developer	Amala company
Owner	Public Investment Fund
Total land area (sq km)	5.6
Budget	7 billion riyals

Red Sea Project

Unit	Information
Project classification	Entertainment tourism
Usage	Multi use
Developer	The Red Sea Development Company
Owner	Public Investment Fund
Total land area (sq km)	28,000
Budget	14 billion riyals







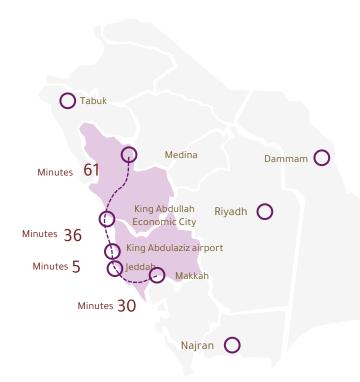








Haramain train track



Entrepreneurial projects Public transport

Information

Al-Haramain Express train extends

for a distance of 450 km. Linking

the religious path between the

city of Makkah Al-Mukarramah

and Al-Madinah Al-Munawwarah, passing through the city of Jeddah.

The train has five stations:

Jeddah station (Sulaymaniyah).

King Abdulaziz Airport station.

King Abdullah City Station.

Makkah station.

Medina station

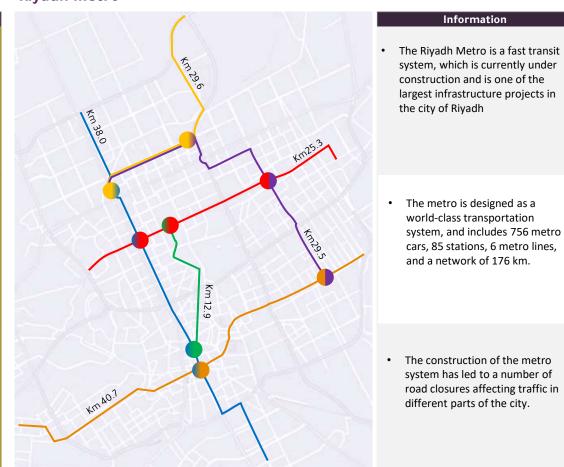
The railway is expected to

carry about 60 million

passengers annually, on

board a fleet of 35 trains, each with 417 seats.

Riyadh Metro

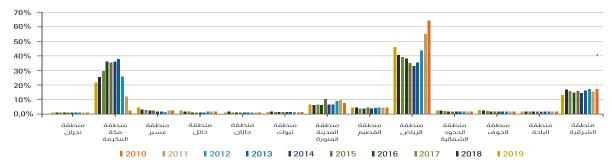




Real estate market

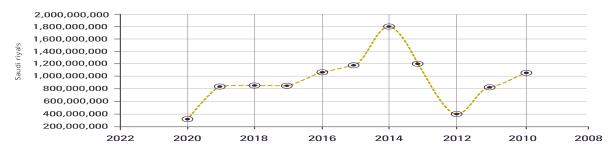
Second: The share of the Kingdom's regions in the total value of the market at the Kingdom's level

By analyzing the data, we find that the total value of deals at the level of regions is that Riyadh and Makkah are the two highest regions contributing to the total value of the market. Hence, the influence of the eastern region comes in the value of the real estate market, then the Medina region, then the Qassim region, and then the rest of the regions.



Third: The total area sold in the real estate market at the level of the Kingdom:

The highest sold area of executed deals in the Kingdom in 2014 amounted to more than 1.8 billion square meters for various types of real estate, and reached its lowest level in 2012 when the total area sold for executed deals reached 400 million square meters. There was an approximate stability in the traded areas during the years 2016 to 2019, with a decrease in the total value of executed deals.



Mortgage loans

The continued implementation of the goals contained in the Vision Realization Program in the field of housing led to a rapid rise in the level of new mortgage loans until 2020. As a result, new residential mortgage loans provided by banks jumped during the four years from 47% to 60% in 2020, exceeding the target. by 8%. Abolishing the concept of waiting for housing support from 15 years to immediate entitlement. Through official platforms and in partnership with banks and financing agencies, it provided financing housing solutions to approximately 840,000 families, including 310 families who inhabited their homes. Activating the partnership with the private sector by developing more than 141,000 housing units and strengthening the partnership with banks and financing agencies by providing 424,000 subsidized real estate loans.

First: The total value of the real estate market in the Kingdom of Saudi Arabia

The highest value of the total deals executed in the Kingdom in 2014 amounted to more than 430 billion riyals for various types of real estate, and it reached its lowest level in 2018, when the total value of deals executed reached 139 billion riyals, and it is clear from the volume of deals executed in 2020 until the date of preparing the report that The market is in a phase of recovery and overtaking the previous year, at least.

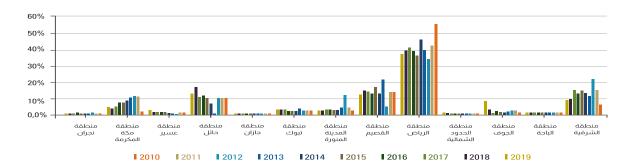




Real estate market

Fourth: The share of the Kingdom's regions of the total area sold in the market at the Kingdom's level:

By analyzing the data, we find that the total area sold for deals at the level of the regions is that the Riyadh region is the highest, followed by the Qassim, Eastern and Hail regions, with varying contributions, and then the Makkah region.



Real estate market



An overview of the retail sector in Riyadh

Project name Gross leasable area (sqm) 10,792 11.000 25,000 21,000 8.000 34.000 11.428 136.000 13.400 36.286 51.557 51,453 133.876 72,000 Ruwaq qurtubah 100,000 14.050 22,929 400.000 300.000

Demand

- It witnessed the opening of the huge (Riyadh Park) Mall on an area of 92,000 square meters during the past year.
- The food and beverage sector acquired the lion's share in most of the new commercial projects, and the development work focused on luxury restaurants, as most of these projects are concentrated in the north of the capital, Riyadh, and it has become a center for luxury and high-end restaurants.
- The Levels and Veranda are some of the notable openings this year, while Chandelier Restaurant Complex, Terrace and Aura are some of the highly anticipated high-end F&B projects on the Northern Ring Road.
- The (The Zone) project on Al-Takhasosi Street and (Sharafat Park) on Abi Bakr Al-Siddiq Road will add an area of 25,000 and 11,000 square meters respectively to the total retail inventory of 3 million square meters.
 The Riyadh Promenade complex near Imam University is likely to add 40,000 square meters to the market with a decent share of retail and entertainment.
- The Granada Center and The Park expansion project, which is being implemented by the Unified Real Estate Development Company, is expected to open in the first quarter of 2019 by adding 34,000 and 10,792 square meters, respectively.

Retail sector:

- The Value Added Tax (VAT), which was implemented at the beginning of last year in the Kingdom of Saudi Arabia and the Cooperation Council for the Arab States of the Gulf, posed some challenges that may affect competitiveness. However, since the establishment of the General Entertainment Authority (GAE), Saudi Arabia aims to increase household spending on entertainment from the current 2.9% to 6% by 2030.
- As the retail market in Riyadh faces a historic announcement initiative and the opening of the cinema's gates in April 2018.
- Moreover, the Qiddiya project in southwest Riyadh, which extends over an area of more than 334 square kilometers, will attract 12 million shopping mall visitors by the completion date of the first phase scheduled for 2022.
- The Dutch Spar hypermarket chain (2,900 square meters) entered the Riyadh Gate project, occupying an area of 16,000 square meters on King Fahd Road. Recently, Raden Center with an area of 15,613 sqm, MEFIC Center (Hospitality) with an area of 20,000 sqm and Turkey Square with an area of 3,000 sqm have been added to the retail inventory.

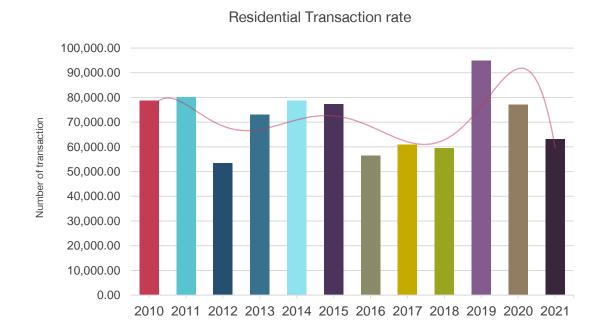
Project name	Gross leasable area (sqm)
Riyadh Park	92.000
Riyadh gate	16,000
Sedrah	18,000
Mefic center	20,000
Takhssusi Plaza	8,500
Turki square	3,000
The levels	5,400
Laban Plaza	7,759
City life plaza	7,761





| Riyadh Province- the residential sector

	The rate of residential transactions over the years					
Years	Residential / number of executed transactions	Rate of change	Residential/price of the executed deals	Rate of change		
2010	78,581.00		50,374,060,211.00			
2011	80,152.00	2%	60,837,111,405.00	21%		
2012	53,502.00	-33%	57,994,836,423.00	-5%		
2013	73,043.00	37%	75,753,532,565.00	31%		
2014	78,594.00	8%	77,693,191,487.00	3%		
2015	77,244.00	-2%	61,905,146,249.00	-20%		
2016	56,505.00	-27%	51,358,258,527.00	-17%		
2017	60,841.00	8%	48,587,611,615.00	-5%		
2018	59,446.00	-2%	34,499,302,906.00	-29%		
2019	95,001.00	60%	55,419,007,001.00	61%		
2020	77,096.00	-19%	45,446,552,858.00	-18%		
2021	63,140.00	-18%	45,307,983,491.00	0%		

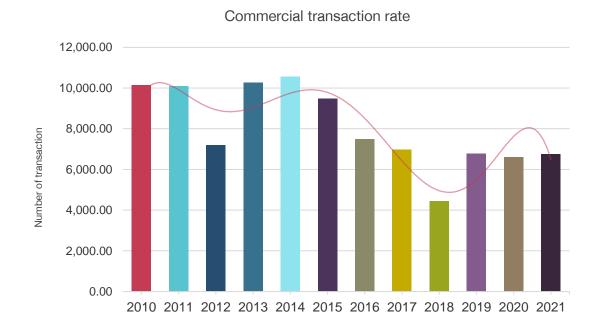


^{*} Source: Ministry of Justice



| Riyadh Province - the Commercial sector

	The rate of Commercial transactions over the years					
Year	Commercial / number of transactions executed	Change of rate	Commercial/price of executed deals	Change of rate		
2010	10,151.00		41,009,094,439.00			
2011	10,079.00	-1%	39,911,754,262.00	-3%		
2012	7,196.00	-29%	40,401,967,575.00	1%		
2013	10,249.00	42%	47,080,141,702.00	17%		
2014	10,548.00	3%	59,005,327,688.00	25%		
2015	9,463.00	-10%	47,112,342,751.00	-20%		
2016	7,475.00	-21%	40,531,348,455.00	-14%		
2017	6,982.00	-7%	30,567,494,114.00	-25%		
2018	4,452.00	-36%	18,103,977,071.00	-41%		
2019	6,783.00	52%	18,490,848,558.00	2%		
2020	6,613.00	-3%	21,298,506,701.00	15%		
2021	6,746.00	2%	24,905,334,951.00	17%		



^{*} Source: Ministry of Justice





Dear Alinma Investment

Topic: Valuation of a commercial center (Al-Makan Mall), Al-Malqa district, in Riyadh

In accordance with your request to **Evaluation of a commercial center (Al-Makan Mall), Al-Malqa district, in Riyadh,** we have examined the property, inspected and studied the necessary documents and maps. After conducting a study with the surrounding area of the property, we attach the following report that provides the necessary data and shows the reasons for reaching the market value of the property.

The purpose of this report is to estimate the market value of the property as it is on 30-11-2022; the purpose of its issuance is to know the market value of the property for (REIT Fund) and the report is for Derayah Financial Company use. The estimated property is a hotel tower - commercial detailed as follows:

Deed Number	Land Area	Building Area	Real Estate Type
410123034700	37,293 m²	43,178 m²	Shopping Mall

Based on the study completed, we estimate the market value of the property's current status at the date of estimation and an amount of only:

295,850,000 SR

(Two hundred ninety-five million, eight hundred fifty thousand Saudi riyals)

Taking into account the location and as documented in this report on 30-11-2022

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Valuation of a commercial center (Al-Makan Mall), Al-Malqa district, in Riyadh			
Client (Applicant)	Alinma Investment		
User Request	Alinma Investment		
Purpose of Valuation	Periodic evaluation of the Alinma (General) Retail Fund (REIT)		
Property Location	Saudi Arabia – Riyadh City		
Property Type	Commercial		
Property Area	37,293 m ²		
Building Area	43,178m ²		
Deed Number	410123034700		
Deed Date	20-09-1439 AH		
Ownership Type	Absolute Ownership – Wabil Fund		
Basis of Value	Market Value		
Valuation Criteria	International Valuation Standards		
Valuation Method	Cost Method (Substitution Method) - Income Method - (Cash Flow Method)		
Inspection Date	25/11/2022		
Valuation Date	30/11/2022		
Issue Date	21/12/2022		

400 standard

an introduction:

The principles contained in General Standards (101-105) apply to valuations of real estate interests. This standard stipulates additional requirements that apply to valuations of real estate interests.

Real estate interest:

It is the right to own, control, exploit, or occupy land and buildings.

Land interest includes informal tenure rights to communal or tribal land, exclusive informal settlements, rural or transitional economies, which can take the form of tenure, occupation, or use rights.

It includes three main types:

The supreme interest in any particular area of land, and the owner of such interest has an absolute right to possess and permanently control the land and any buildings, subject only to any minimum interests and any statutory or other legally applicable restrictions.

The minimum interest usually gives the landlord exclusive ownership and control over a specific area of land or buildings for a specified period, for example: according to the terms of the lease.

The right to use land or buildings, but without enjoying the right of ownership or exclusive control, such as the right to pass ownership of land or exploit it only for a specific activity.

The interest identified in the assessment:

The supreme interest in any particular land area, and the owner of this interest has an absolute right to possess the land and any buildings and control it permanently.



Scope of work - Standard No. 101

	items	clarification
1	Client name	Alinma Investment
2	Report user	Alinma Investment
3	The subject matter of the evaluation	Shopping Mall
4	Valuation currency	The Saudi riyal (SR - SR) is the official currency used in this report.
5	Purpose of Valuation	Periodic evaluation of the (General) Alinma Retail Fund (REIT)
6	value (use) hypothesis	Market Value
7	value basis	Market value: It is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller. And within the framework of a transaction on a neutral basis after appropriate marketing, where each of the parties acts on the basis of knowledge and prudence without coercion or coercion.
8	valuation	Income method - Cash flow
9	Inspection Date	25/11/2022
10	Valuation Date	30/11/2022
11	Issue Date	21/12/2022
12	Evaluation range	It included research and analysis to prepare the report according to the intended purpose and in accordance with international valuation standards, where the property was examined from the inside and outside on the day of the property inspection date. All the necessary data for preparing the report were obtained.
13	Nature and sources of information	In preparing this report, we relied on the information and documents provided by the client (the deed - the building permit - the statement of investment analysis - a statement of the rental spaces). Rental platform (real estate index for leasing operations), real estate exchange traded REITs (Capital Market Authority - Tadawul) Electronic platforms for real estate offers and indicators (Compare platform - Real Estate SAS - Real Estate Authority) Real estate offices in the target area, the database of Value Expert, which is continuously updated.



Standard - No. (101), (102)

	scope of work items	clarification
11	Scope of research and survey	Field survey of the real estate area under evaluation and similar real estate. And we worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the real estate area and its surrounding areas, which are explained in detail in the technical study.
12	Report type	The report (detailed) contains complete explanations of all evaluation works, including steps, data, information, accounts, etc.
15	standards	IVS International Evaluation Standards Version (2022) issued by the Saudi Authority for Accredited Valuers.
14	Legal description of the property owner	The validity of the information and data (customer information) provided to us by the customer has been assumed to be correct. The type of ownership of the property is a property free of obligations according to the hypothesis submitted by the client without verifying its truth.



Standard - No. (101)

scope of work items		clarification		
11	Restrictions on use, distribution or publication	This report is provided for the purpose for which it was prepared only and may not be used, circulated, quoted from or referred to in any way for any other purpose, and accordingly neither the company nor the evaluator bears any responsibility for any loss incurred by any party as a result of using the evaluation report in such a manner Contradicts the provisions of this clause. The evaluator reserves all rights to issue the valuation report. This report may not be reproduced in any manner without the express consent of the Company. This report may not be submitted to any other party other than those referred to in it without the express consent of the company. It is a matter of caution that the Company and the evaluator reserve the right to make any amendments and make any revisions to the valuation or to support the valuation result under specific circumstances. The company reserves the right, without any obligation, to review the evaluation accounts, amend and revise its results in the light of information that existed at the date of the evaluation, but became clear to it later.		
12	Confidentiality and preservation of information	This report has been prepared at the request of the client, and for this reason we realize the utmost importance of the requester in preserving and secrecy the data and outputs of this report, and we are committed to that. Any other party may view it.		
13	Disclaimer	This document prepared by (Value Expert Real Estate Appraisal Company) is owned by it and may not be used for purposes other than what it was prepared for. We have no current or future interests in the target drug. The agreed fees for making this report are not linked to the estimated value of the property. We were not asked for any prior opinions before the evaluation, and we have performed our work in accordance with the international evaluation standards issued by the Saudi Authority for Accredited Valuers. Our results may change if we are provided with any data affecting the value or if we are able to obtain it from reliable sources.		



Standard - No. (101)

scope of work items		clarification		
11	General assumptions	-The documents sent by the client were relied upon, and they were assumed to be correctThe appraisal was carried out on the assumption that the property is free of any modifications or interferenceOur report has been prepared on the assumption that there are no hazardous or polluting materials at the site that affect the value significantlyThe property has been assumed to comply with all regular planning and zoning requirementsThe location of the land and the total area of the land were inferred by the clientNo legal document has been verified for the property under evaluation, which includes planning, ownership, mortgage, and some legal matters on which thisreport or part of it is based. It was assumed that the real estate deed is valid, negotiable, and free from any restrictions, unusual conditions, or other burdens, -and has no pending claimsThe evaluation was based on economic conditions, current data in the real estate market, supply and demand, and therefore the value may change based on -the change of these data		
12	own assumptions	-It was assumed that the drug is free of pollution and other environmental hazardsThe development costs of the project are based on special assumptions for the development according to the project on which it is based and the source of which is the information provided by the clientThe hypothesis of value was based on the hypothesis of the highest and best useThe hypothesis of the value of the property, based on studies of the highest and best use, based on a prior study from the client, and tests were conducted on it in terms of legal clearance, the possibility of physical use, financial feasibility, and achieving the highest amount of profitsThe value of the property was assumed using the income method, the residual value method, instead of the comparisons method, the similar sales method, because there were no comparisons and similar evidence for the property to be evaluated. A better and higher policy was followed for the income method, the residual value method, according to the neighboring plansWe find that the cost of the lands is not available to the customer, because the title deed is also not available or does not exist, or does not explain what the cost is after its transfer from state property to the government agency, and based on the data available to us and consulting experts and specialists in the field of -evaluation and accounting, we conclude that the fair value required for the purposes of The financial reports are the same as the market value in the International Valuation StandardsThe report refers to the term (value or average value), which means the measurement priceDuring our calculation of the development cost, it was assumed that the basic infrastructure on the site is available and the price of the development cost was estimated through the information provided by the client.		



General Criteria: Research and Survey



Asset Inspection

Deed was received from the client, which shows the area of the property. A detailed statement was received showing the location of the property and the area of the land, after which the property was identified and the information received from the client was matched with reality.



Define the Property Assets

Through the preview, it was found that the asset under valuation is hotel building.



Data Analysis

The available data analysis in the property, which have been drawn from informal sources such as real estate offices operating in the subject area.



Application of Valuation Methods

After the experts assessed the current use in terms of the market and the data available about it, it was concluded that the valuation method (future discounted cash flow), taking into account the purpose of the valuation.

Criteria No. 102





Data Collection

Based on the type of property valuated, the scope of data collection was determined; especially in the area surrounding the property.



Estimated Value

After reconciling the results of the valuation methods, a value corresponding to the scope of the work described with the client is weighted.



Value Review

A review of the value by the audit committee, consisting of two experts will review the information and analyzes and assumptions reached by valuator.



8

Report Preparation

Work on report preparation in accordance with the Standard 101 for report description, and criteria 103 for report preparation.

Criteria No. 102



Value Experts has a distinguished team with professional qualification and experience in valuation work and a team of 5 registered with the Saudi Commission for Accredited Valuers, the most prominent of the team:



Alaa Ibrahim Al - Thaqafi
Founder and CEO

14

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000027



Hisham Saleh AI - Aqeel

Partner - V. P. Director Valuation

9

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000185



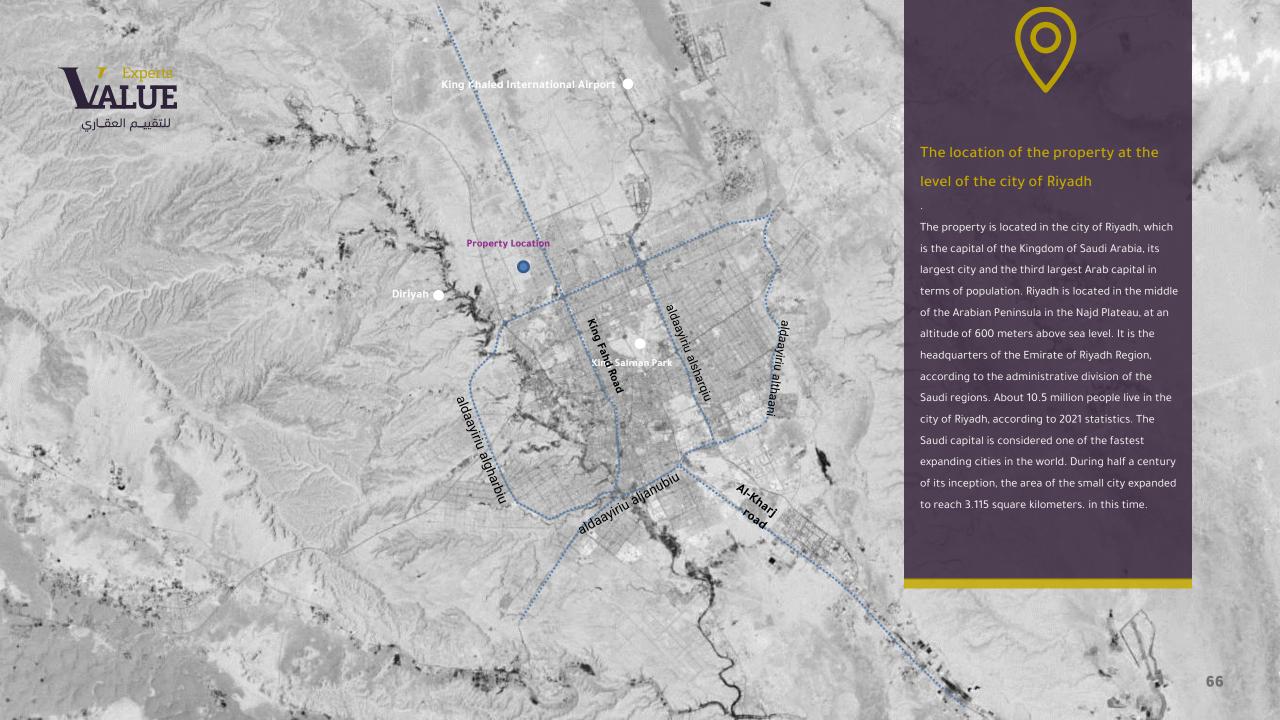
Abdulrahman A. Al Wadi Assistant Director, Valuation Dep. 7

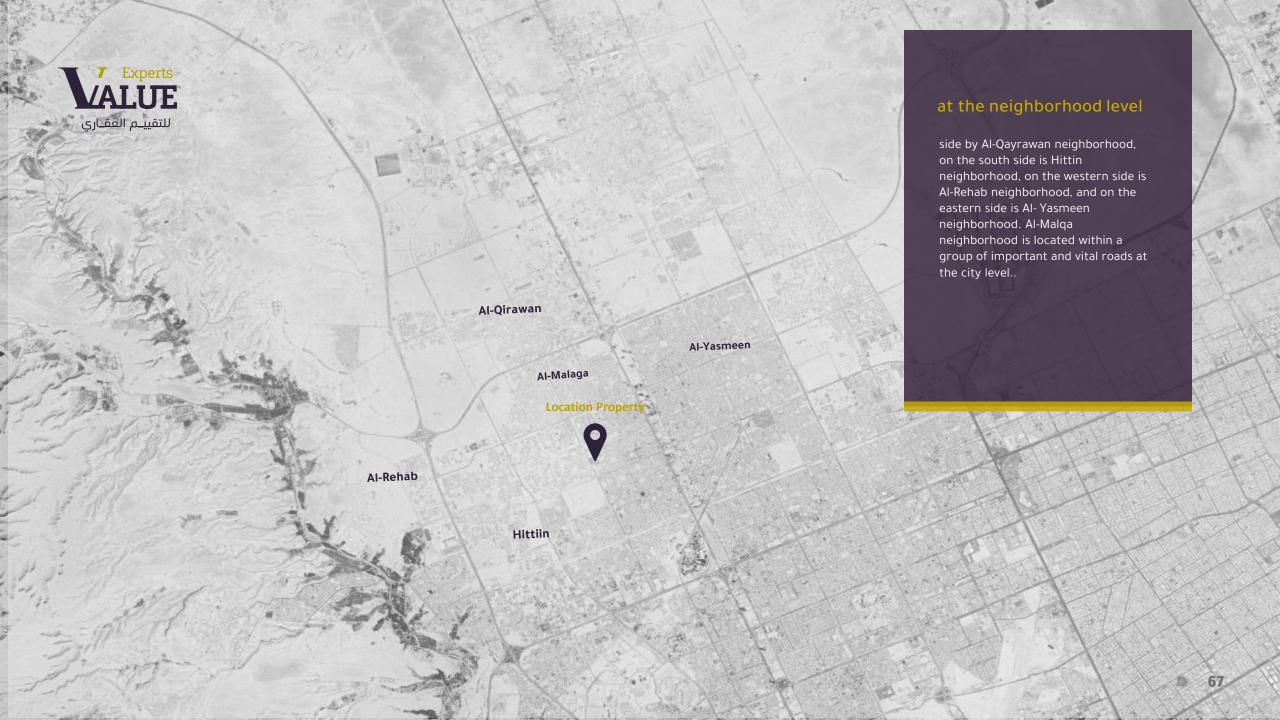
Years experience in valuation work Supervising all valuation projects of company. *Computer Diploma*

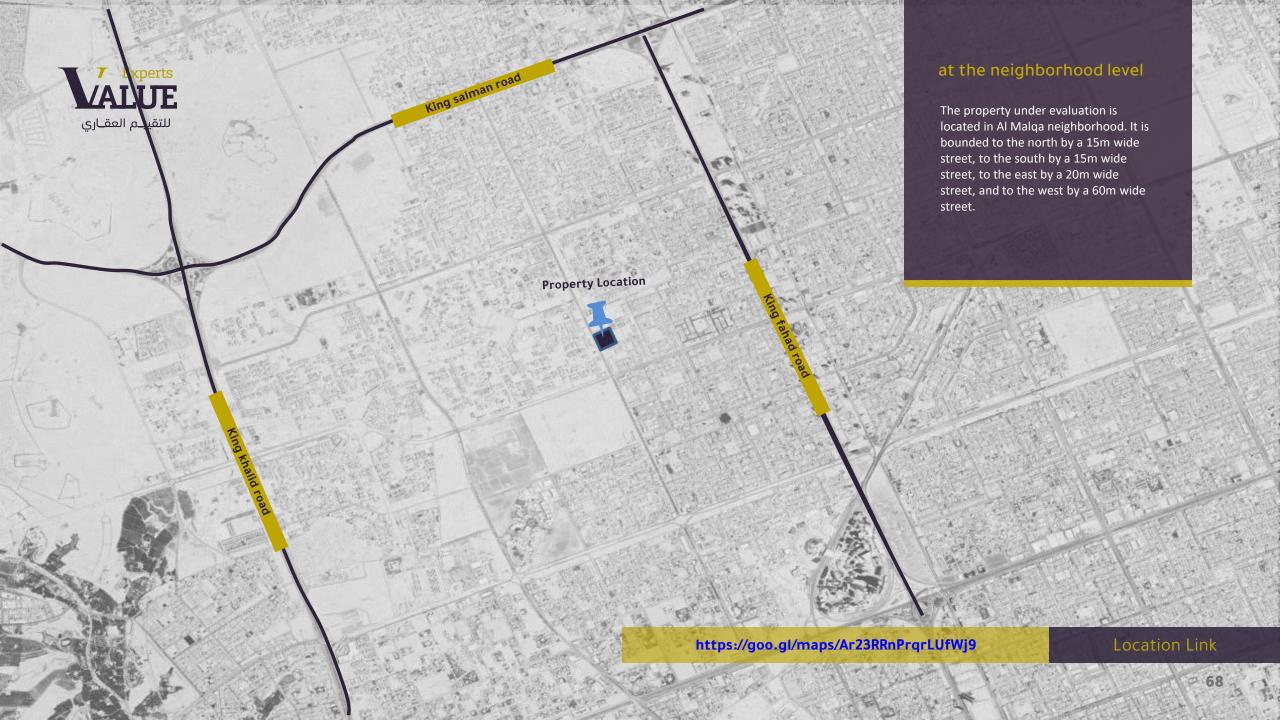
Membership No. 1220000513



	On-site Facilities	Yes	No
	Government Entities	✓	
	Police Station	✓	
Governmental Services	Schools	✓	
	Banks	✓	
	Civil Defense	✓	
	Hospitals	✓	
Medical Services	Clinics	✓	
	Medical Centers	✓	
	Commercial Centers	✓	
	Supermarkets	✓	
	Mall Centers	✓	
Commercial Services	Restaurants	✓	
	Hotels	✓	
	Furnished Apartments	✓	
	Gas Stations	✓	
	ATM Machine	✓	
	Electric Network	✓	
	Water System	✓	
0 15 110	Telephone Network	✓	
General Facilities	Rain Water Drainage Network	✓	
	Mosques	✓	
	Parks	✓	
	Other		











The property is with total land area of 37,293 SQM.

Property features:

Location: it is located in Al-Malqa neighborhood, which is a populated area. The property is also located on Prince Muhammad bin Saad Road, and the property can be accessed through it. The complex area is witnessing growth and demand, and its neighborhoods contain many closed residential complexes and vacant lands..

Services: Availability of main services in the area surrounding the property under evaluation.

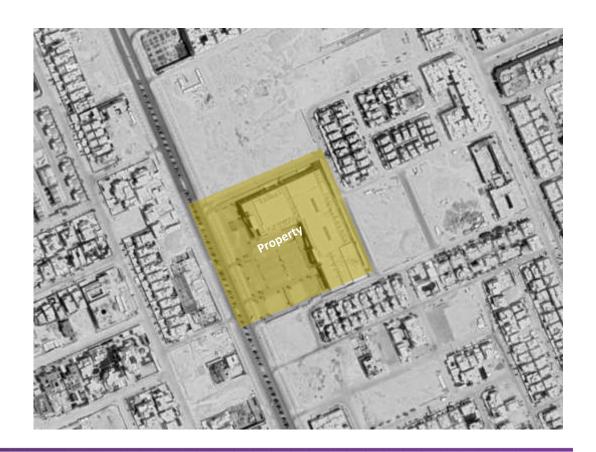
Main attractions: The location is close to the main attractions (King Abdullah Financial Center - markets and commercial centers - main and vital roads).

Land nature: Flat

Demand: Where the property is located in Al-Malqa district, which is considered one of the most prestigious neighborhoods in the north of Riyadh and is also considered one of the most demanded residential neighborhoods.

Borders:

Plot Information					
Side	Borders	Length	Width	St. name	Notes
North	Street	185.07	15	-	-
South	Street	185.07	15	-	-
East	Street	201.5	20	-	-
West	Street	201.5	60	Prince Muhammad bin Saad Road	-
	Total Area		37,293 m ²		





General description of the buildings

The building is a commercial center (Al-Makan Mall) with a total built-up area of 43,178 square meters consisting of a basement, ground floor, and first floor containing shops, exhibitions, offices, entertainment areas, and restaurants.

The property is in north of the city of Riyadh and in a vital area near King Fahd Road, which is the main artery of the city and was officially opened in 2013, brining a wonderful and new destination for shopping and entertainment in the area.

Finishes details

Facades: facades of stone and glass.

Ventilation and air conditioning units: central air conditioning. Facilities: emergency exits - fire extinguishers – mosques

Buildings details

The following table shows the details of the building areas of the property:

m	Unit	Usage	Area (m2)
1	Basement Parking		11,447.9
2	ATM	ATM	8.0
3	Ground floor	Commercial	16,015.9
4	1 st Floor	Commercial	14,913.1
5	Electricity Room	Electricity Room	20.0
6	Fences	services	773.0
Total			37,293





Property Description

Unit	Discretion
Shopping mall type	Local
Center rating	В
Opening date	2017
Building area (sqm)	43,178
Leasable area (sqm)	21,461.7
Number of floors	2
Number of stores	74
Number of barking spot	-
% of parking spaces	-

Commercial spaces and their division

Unit space	Total Sqm	Percentage%
50-0	78	0.37%
200-51	5,330	25.33%
500-201	2,235	10.62%
1500-501	328	1.56%
Food court	404	1.92%
Sub Anchor	2,537	12.06%
Atm	11	0.05%
Anchor	9,941	47.24%
KISOK	180	0.85%

Interior photo of the mall







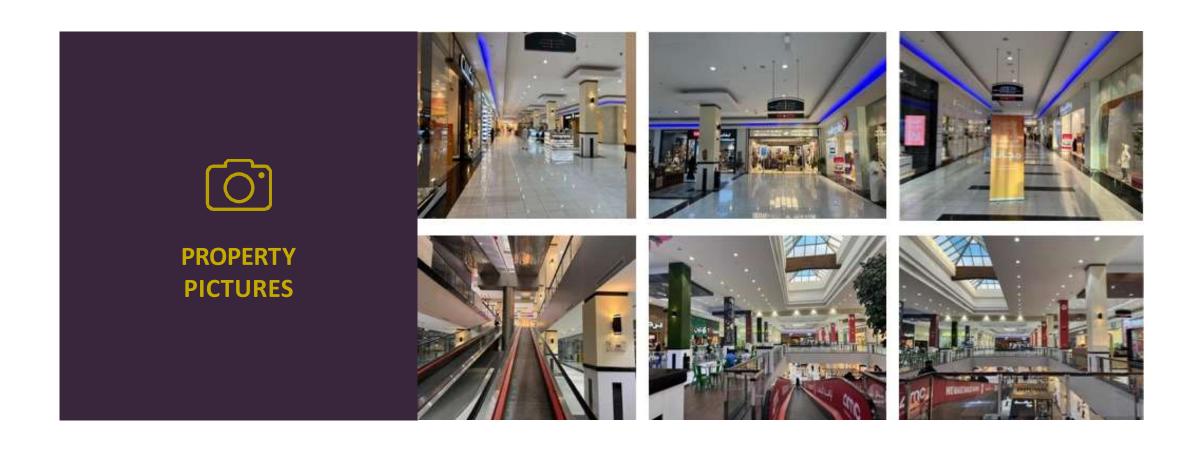
General description of lease contracts

The commercial center (Al-Makan Mall) consists of 74 stores, with multiple tenants. We were not provided with copies of lease contracts, and according to the customer's instructions, we relied on the information contained in the rental schedule that was provided to us for the purpose of this valuation. Based on the information that was provided to us by the client, we understand that on the date of the valuation, the total income of the property is **18,906,920** SAR, including service fees.









Estimate the value

using the cost method - the substitution method

The cost method provides an indication of value using the economic principle that a buyer will not pay more for an asset than it would cost to acquire an asset of similar utility whether by purchase or construction unless time, inconvenience, risk or other factors are involved.



1- Market Method (Similar Sales Method for Land, Exhibitions, and Hotel Rooms)

Standard No. 105

Method	Used for	Method Definition
		This method provides indicators of value by comparing lands and warehouses that are valuated with identical or similar data available for information on their prices.
Market Method	Land, Exhibitions, and Hotel Rooms	 According to this method, the first step is to study the transaction prices of the corresponding or similar assets that have recently occurred in the market, and if the transactions have been few, it is also better to study the corresponding or similar asset prices listed or offered for sale and are objectively analyzed. Information about the prices of such transactions must be adjusted to reflect differences in the terms and conditions of the effective transaction, the basis of the value and assumptions adopted in the valuation process being performed, and differences in the legal, economic and material characteristics of the assets of the other transactions may be found compared to the asset being valued.

Use of Method

Methodology:

- This method is based mainly on the prices currently circulating in the market for selling or offers of another real estate (comparable properties) similar to the property subject of evaluation.
- Since it is impossible to find exactly the same real estate, appropriate adjustments are made to the prices
 of the comparative real estate by deducting the value of the items that represent an advantage of the
 comparative property and adding the items that represent an advantage to the property under
 evaluation.
- By comparing the natural properties and services adjacent to the site (not including the development) with their counterparts at nearby sites, the price of the land is adjusted for the same fundamental differences between the evaluation site and the nearby sites.

Application:

- Determine the geographical scope of similar properties.
- Determine the appropriate time period according to market variables, reflecting the market situation at the time of evaluation.
- Collecting comparison data for similar properties within the specified geographical range and time frame.
- Test the adequacy of comparisons for the evaluation process (if sufficient comparisons are not available, the evaluation method is excluded).
- Applying adjustments to comparative properties to reach at the property value.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



2- Cost Method Standard No. 105

Method	Used for	Definition method
Cost Method	Buildings	 The cost method is sometimes referred to as the contractor method. The cost method determines the value by estimating the cost of acquiring land and building a new property with equivalent benefits or modifying an old property for the same use without any unnecessary expenses resulting from delay. The cost of the land is collected on the total cost of the construction. It is customary for the project incentives or the real estate developer's profits / losses to be added to the construction costs, if appropriate.

Use of Method

Methodology:

- If there is a major market for the land or real estate being valued, it is preferable to use evidence from the market or comparable sales.
- Study the approvals likely to be issued by the regulator in the region and use the evidence and evidence from the market to verify the possibility of using the land according to the regulatory approvals.
- Study a virtual site in the same area with the same characteristics.
- Study the private use of a virtual site in another region.

Application:

- Estimating the value of the land.
- Determine the current cost of erecting the building.
- The depreciation value must be deducted from the cost based on what was specified in Clause (2) for a cost adjustment. New added on the current state.
- Market value = (1) + (2) (3) i.e. the value of the land plus the value of new construction minus depreciation.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



3-Income Method (Discounted Future Cash Flow)

Standard No. 105

Method	Used for	Definition method
Income Method	The Property is a Changeable Income- Generating	• It is a financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future discounted cash flows.

Use of Method

Methodology:

- This method depends on the net income of the property and the (capitalization rate).
- Total maintenance and operation are deducted from the total revenue of the property to be evaluated.
- Research for income-generating properties that are similar to the real estate to be evaluated.
- The (capitalization rate) is determined according to the current market prices and according to the type of property to be evaluated.

Application:

- Estimating future cash flows resulting from the income of the asset subject evaluation.
- Determine the discount rate or required rate of return.
- · Determine the retention period of the asset an the final value.
- Calculating the current value of the expected income of the asset subject to evaluation to reach to the capital value of the property (after considering the time value of money).

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



Th Used Valuation Methods







Valuation Techniques	Market	Income	Cost
Technique Used	ovhibitions and hotal rooms	Based on the income method by using the future discounted cash flow; it is the most appropriate to estimate the investment value of the property.	
Valuation Method Used	Comparisons	Cash Flow	Replacement
Reasons for Use	To get the value of the land, exhibitions, and hotel rooms.	Property is income-generating	To find out the construction costs of the property





First: Estimating the value of the land

In order to estimate the **market value** of the land, the comparison method was applied to determine the market value. The following is a summary of comparable properties in the area surrounding the property under evaluation:

Comparison	space	Meter price (SR/m2)	Value (SR)	comparison type	Date Comparison	Neighborhood	Usage
1	7,400	8,500	62,900,000	Offer	10/20/2022	Almlaqa	Residential commercial
2	37,000	7,500	277,500,000	Offer	10/20/2022	Almlaqa	Residential commercial
3	6,600.0	9,000.0	59,400,000.0	Offer	10/20/2022	Almlaqa	Residential commercial



Calculations and indicators to value market method

Estimating the value of the land

The valuation matrix represents the natural and abnormal factors in determining the value: location, accessibility, land shape, and market situation.

ltem	Comp. 1	Comp. 2	Comp. 3
Price per square meter (SAR/sqm)	8,500	7,500	9,000
Market Status	0.0%	0.0%	0.0%
Price per SQM after Market Status	8,500	7,500	9,000

ltem	Comp. 1 information	Comp. 2 Adjustments	Comp. 2 information	Comp. 2 Adjustments	Comp.3 information	Comp.3 Adjustments
Area m2	7,400.0	-25.0%	37,000.0	0.0%	6,600.0	-25.0%
Number of interfaces	3.0	2.5%	4.0	0.0%	4.0	0.0%
Utilities	Easy	0.0%	Easy	0.0%	Easy	0.0%
Location	Al-malqa	0.0%	Al-malqa	0.0%	Al-malqa	0.0%
Land shape	60.0	0.0%	60.0	0.0%	60.0	0.0%
Usage	Residential commercial	0.0%	Residential commercial	0.0%	Residential commercial	0.0%
Negotiations	Offer	-10.0%	Offer	-10.0%	Offer	-10.0%
Total Adjustments (%)		-32.5%		-10.0%		-35.0%
Value after Adjustments		5,737.5		6,750.0		5,850.0
Weighting		33.3%		33.3%		33.3%

Price per SQM 6,112.5

Summary of the valuation:

Based on the previous information, the following table summarizes the market value of the land using the market method - the method of similar sales:

block number	Area (sqm)	Market value (SAR/sqm)	Market value - rounded (SAR)
5	37,293.0	6,112.5	227,953,000.0



Calculations and indicators to value market method- Replacement method

Building Cost Estimation

Buildings information

М	Floor	Usage	Building area (sqm/floor)	Number of floors	Total building area (sqm)
1	Basement	Parking	11,447.9	1.0	11,447.9
2	ATM	ATM	8.0	1.0	8.0
3	Grand floor	Commercial	16,015.9	1.0	16,015.9
4	1 st Floor	Commercial	14,913.1	1.0	14,913.1
5	Electricity Room	Electricity Room	20.0	1.0	20.0
6	Fences	services	773.0	1.0	773.0

43,178

Construction costs - Direct

Based on the guideline issued by the Saudi Authority for Accredited valuers, which clarifies the indicators of construction costs for buildings according to their uses:

m	Unit	Total area (sqm)	Construction cost (SR/sqm)	Total costs (SR)
1	Basement	11,447.9	2,000.0	22,895,800.0
2	ATM	8.0	1,400.0	11,200.0
3	Grand floor	16,015.9	1,400.0	22,422,260.0
4	1 st Floor	14,913.1	1,400.0	20,878,340.0
5	Electricity Room	20.0	500.0	10,000.0
6	Fences	773.0	350	270,550.0
	Total	43,178	1,539.9	66,488,150.0

Construction costs - Indirect

Through the scanning, and the evidence for similar projects, the following table summarizes the indirect costs, which will be added later to the direct costs that have been reached.

M	Unit	Ratio (%)	Value (SR)
1	Construction costs (SR)		66,488,150.0
2	Professional fees	1.5%	997,322.3
3	Utility grid	1.5%	997,322.3
4	management costs	1.5%	997,322.3
5	Contractor profit	10.0%	6,648,815.0
6	Developer profit	15.0%	9,973,222.5
	Total		86.102.154.3

Market value using cost method - Replacement method

According to the information provided previously, the market value of the property has been deduced using the cost method according to the attached table:

М	Unit	Value (SR)
1	Economic life of the building (years)	40.0
2	Property age (years)	6.0
3	Physical deprecation percentage (%)	15.0%
4	Employment Physical deprecation Rate (%)	25%
5	External (economical) Physical deprecation rate (%)	5%
6	Actual Physical deprecation percentage (%)	45.0%
7	Construction cost before Physical deprecation limitations (SR) (rounded)	86,102,154.3
8	Construction cost after Physical deprecation limitations (SR) (rounded)	47,350,205.5
9	Completion rate (%)	100%
10	Completed construction value (SAR)	47,350,205.5
11	Land value (SAR) (rounded)	227,953,000.0
	Total value by cost method (land + buildings) (SAR)	275,303,205.5

Estimating the value

Income method - Discounted cash flow method

A financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future cash flows.



Valuation

Real estate evaluation risks



Competition risks: The commercial space leasing sector for companies operating in the retail sector in the Kingdom is a highly competitive field, and this competition is expected to increase in the future.

As a result, there may be difficulties in keeping up with competitors, given the policies of significantly reducing rental rates, which may negatively affect competitiveness.

Market risk: Revenues from renting space and amenities for commercial centers may be subject to unexpected fluctuations as a result of seasonal changes in spending patterns or visitor behavior, and as a result of these fluctuations in revenues, this may limit the ability to predict future revenues.

Risks of Physical deprecation and lack of maintenance:

Renovation, expansion, improvement and redevelopment of commercial centers must be carried out on an ongoing basis, in order to maintain their attractiveness and continued demand for them by tenants and visitors. Due to the development of the commercial centers market in the Kingdom, the aspirations, tastes and preferences of tenants and visitors may change. In the absence of renovation and improvement to keep pace with changes in the preferences of tenants and visitors, this will have a negative and significant impact.

Macroeconomic risks: The country's macroeconomic conditions may affect the value of any real estate, such as inflation rates, liquidity, interest rates, financing costs, taxes, and the general movement in the local and global stock markets. Changing these indicators or one of them may negatively affect the value of the real estate.

Risks of lack of long-term contracts: The absence or lack of long-term contracts greatly affects the value of the property, as the presence of such contracts gives a kind of stability to the income of the property and thus to its value, while the absence of their existence can lead to fluctuation in the value of the property.



Similar samples



Unit	Info
Opening year	2014
Building area / square meters	46,292
Leasable area / square meter	22,711
Category	Local
Number of parking	680
occupancy rate %	92
Unit area m2	Market rent (SAR/year)
50-0	2,900
200-51	2,400
500-201	2,000
1500-501	900
More than 1500	800





Unit	Info
Opening year	2017
Building area / square meters	21,909
Leasable area / square meter	11,191
Category	Local
Number of parking	300
occupancy rate %	100
Unit area m2	Market rent (SAR/year)
50-0	2,204
200-51	1,824
500-201	1,520
1500-501	760
More than 1500	608





Valuation - Income Method - Cash Flow Method

Revenue estimate Field research

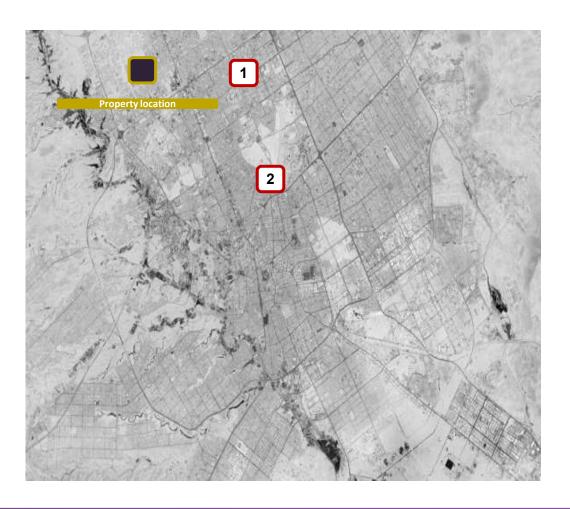
In order to reach the revenues of the Al-Makan Mall, the relative control and the study of the comparative properties were carried out in order to find the relative differences and determine the revenues for each component of the property under evaluation, the table below shows this

Rental rates prevailing in the market - Tala Mall

Unit area m2	Market rent (SAR/year)	Site leveling	Average price per square meter	Weighting ratio (%)	Square meter value after weighting (SAR)
50-0	2,900	-20%	2,320	40%	928
200-51	2,400	-20%	1,920	40%	768
500-201	2,000	-20%	1,600	40%	640
1500-501	900	-20%	720	40%	288
More than 1500	800	-20%	640	40%	256

Rental rates prevailing in the market - The Elite Mall

Unit area m2	Market rent (SAR/year)	Site leveling	Average price per square meter	Weighting ratio (%)	Square meter value after weighting (SAR)
50-0	2,204	-20%	1,763	60%	1058
200-51	1,824	-20%	1,459	60%	876
500-201	1,520	-20%	1,216	60%	730
1500-501	760	-20%	608	60%	365
More than 1500	608	-20%	486	60%	292





Valuation

The main assumptions in the valuation process - the income method - the discounted cash flow method

Rental spaces

According to the information provided by the client, the following table summarizes the leasable areas of the property under appraisal.

Unit area	Total area	Ratio
50-0	76	0.33%
200-51	3,011	13.25%
500-201	4,757	20.94%
1500-501	4,431	19.50%
More than 1500	9,745	42.88%
Atm	4	0.02%
KISOK	324	1.42%
Food court	376	1.65%
	22,724.05	100%

Unit area	Total area	Market rent	Annual rent
50-0	76	2,330	177,069
200-51	3,011	1,928	5,805,979
500-201	4,757	1,607	7,644,190
1500-501	4,431	758	3,360,470
More than 1500	9,745	643	6,263,306
Atm	4	34,275	137,100
KISOK	324	17,370	5,619,195
Food court	376	2,580	969,990
	22,724	1,319	29,977,300

The inputs and assumptions of the income method are the

discounted future cash flow method

1.1 Income Analysis:

By examining the mall from the inside, it became clear to us that the property is leased at a rate of 94.15% of the rental space, according to the attached statement from the client.

1.2 Total Revenues:

The total rents that are collected according to the contract at the date of the evaluation, or the total revenues that are assumed according to the market. We were provided with a list of rents from the client, and we were not provided with any data on the operating and management expenses of the complex. The data on rents and income was collected by market.

1.3 Capital Expenditures:

Information regarding capital costs has not been provided to us by the client. We analyzed the level of provisions for capital expenditures in similar properties that we participated in the evaluation. We have assumed that the prudent owner will bear the capital expenditures to maintain the property well, improve the production capacity and preserve the tenants. Through inspection of the property, we found that it was renovated, and accordingly, no capital expenditures were assumed during the entire period.

1.4 Operational Expenses:

We were provided with operating expenses for the mall, and they were compared to the market, and due to the absence of relative differences compared to the market, they were applied throughout the investment period.



The main assumptions in the valuation process - the income method - the discounted cash flow method

1.7 Fixed Expenses:

No fixed expenses for the property, such as insurance and any other expenses, have been calculated.

1.8 Tenant Incentives:

Due to the difficult market conditions, some tenants resort to requesting subsidies to reduce the burden of rent. No incentives were calculated for the tenants, and it was assumed that the tenant would bear them.

1.9 Doubtful Debts (Credit Losses):

It is that any owner may incur some loss of income due to bad debts. According to the data provided by the client, no losses have been applied.

1.10 Growth rate:

Due to the lack of market data and previous indicators for similar real estate and the growth rate at the level of supply and demand, and since the inflation rate is available as information announced according to the data of the Central Bank, an average has been calculated for each year based on the inflation rate for a previous year to estimate future periods as shown in the table. Adopting the Gordon growth model, meaning that the drug grows steadily forever.

1.11 Rate of return on investment:

Through the market survey of real estate that was evaluated by us in the city of Dammam and viewing the reports of REIT funds and similar real estate in the retail sector, the capitalization rate for similar real estate ranges between 7% and 9%, and accordingly the rate of return was determined at 7.5%.

1.12 Discount rate:

With regard to the discount rate, and according to the methods used to calculate the discount rate stipulated in the international evaluation standards, and as it was studied in the evaluation methodologies of the Saudi Authority for Accredited Valuers, it was reached by the cumulative method as shown in the table below, which depends on (the rate of inflation, regular risks, the rate of returns of government years for the period, and in addition to real estate risks, market risks). - Sources for data (Central Bank - Debt Services - Capital Market Authority data for similar properties that have been acquired).

1.13 Final Value (Recovery Value):

It was reached by calculating the net operating income at the end of the lease period, based on the rate of return on investment - the growth rate, on the assumption that the real estate grows steadily throughout the investment period.

1.14 Explicit Prediction Period (Investment Duration):

The investment period indicator was mainly based on the method used in the evaluation, the discounted future cash flows, according to the equation investment period = actual life - life expectancy - market life.

1.15 Table of assumptions of the inputs of the income method, the cash flow method

Unit	Value	clarification
Land area (sqm)	37,293.0	-
Inflation rate (%) (Rs)	2.01%	regular risk premium
7-year government bond yield ratio (Rf)	4.50%	Risk free rate of return
Real estate risk premium	1.80%	The irregular risk premium represented in the quality of the real estate investment and the costs involved in maintenance and operation
Market risk	2.50%	Based on supply and demand in the area in which the property to be evaluated is located
discount percentage (%)	10.81%	It is the ratio that converts future cash flows into present value
Yield Ratio (%)	7.50%	market survey
Operation and maintenance costs for exhibitions (%)	15.30%	Costs incurred for the maintenance and operation of the property throughout the period
Credit costs for exhibitions (%)	0.00%	The percentage of non-payment tenants facing the establishment throughout the investment period
Vacancies costs for exhibitions (%)	20-36%	The percentage of vacancies for real estate according to the prevailing in the current situation, based on the assumption that the building is at the beginning of the operation period and stabilizes in the recent period as a prevailing average according to the market



Mall revenue schedule

Unit	Rental area (sqm)	rental price	Gross Income	
Unit rental income	27,493	1,057	29,072,570	

Period	1	2	2 3 4 5		5	6
Cash flows - by market						
Gross Expected Income - GPI (SR)	29,977,300	29,977,300	29,977,300	29,977,300	29,977,300	
Credit and vacancy costs (%)	36.0%	20.0%	20.0%	20.0%	20.0%	
Credit and vacancy costs (SAR)	10,791,828	5,995,460	5,995,460	5,995,460	5,995,460	
Expected Gross Income (SR)	19,570,716	24,944,951	25,426,506	25,908,062	26,389,617	
Capital Expenditure -CE (%)	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital Expenditure -CE (SR)	0	0	0	0	0	
Operating expense ratio (%)	15.3%	15.3%	15.3%	15.3%	15.3%	
Operating Expenses - OE (SR)	2,991,499	3,812,982	3,886,591	3,960,200	4,033,808	
Net Operating Income - NOI (SR)	16,579,217	21,131,969	21,539,915	21,947,862	22,355,809	
Final value						407,061,341
Present value coefficient	0.90	0.81	0.73	0.66	0.60	0.54
Present value of net income (SAR)	14,962,112	17,210,668	15,831,813	14,558,203	13,382,425	219,904,016
Real estate value (SAR)	295,849,236					
Real estate value (SAR) (rounded)	295,850,000					
Meter price (SR/m2)	7,933					



Valuation

Market value

Unit	Value (SR)
The value of the property according to the market	279,390,000
The market value of the property	279,390,000

Note: The cost method, the substitution method in the evaluation, is an auxiliary and indicative method only, so it was not included as a weighting opinion for the market value. **Justifications**

- The market value of the real estate was weighted according to the market, since the operating activities available to the mall and renting them according to the market do not constitute significant differences between them and the contract.
- The lack of sufficient data and maintenance and operation contracts for the real estate according to the contract, in order to investigate accuracy and study the operational activity of the real estate and apply it to the cash flow tables.
- The general direction of the state, represented by Vision 2030, is to revive the tourism and entertainment sector.
- Regional orientation and the increase of international companies to make Riyadh a center for them at the regional level, which will be reflected successively on the recovery of the retail sector in the future.
- The property is located in Al-Malqa district, north of Riyadh, which is an attractive point due to its high credit solvency and the concentration of business areas in it.
- · Public awareness and the general orientation of the residents of the area towards malls and similar recreational areas.

Findings and Recommendations:

- Depending on the results of the search in the region, the surrounding area is considered to have a high density, and the presence of housing plans, as well as the high creditworthiness of the individuals in the region.
- The property is located in the Al-Malqa neighborhood in a main and vital artery of Prince Muhammad bin Saad Road, which leads to the Northern Ring Road. It represents an attraction point with the presence of several vital activities that support the Riyadh season (Boulevard World, King Abdullah Financial Center, Winter Land) and mediates two main arteries, King Fahd Road and Turki Al-Awwal Road.
- The state's general direction is to improve the tourism and hotel sector and to develop new entertainment programs that will allow for high occupancy.



Findings and recommendations

Possible threats:

- The imbalance in the level of supply and demand.
- Maintain periodic maintenance and development as possible to make the property more attractive and profitable for the investor.
- Developing and providing services that serve the competitive advantage of the entertainment sector, in line with Vision 2030.
- High future operating costs and the requirements of quality and sustainability standards.
- Availability of retail spaces that achieve efficiency and the highest quality standards in other locations.
- High rental prices compared to the services and activities available at the mall, which constitutes a barrier that prevents investors from taking risks in similar projects.
- Lack of exploited rental spaces and recreational and community activities inside the mall



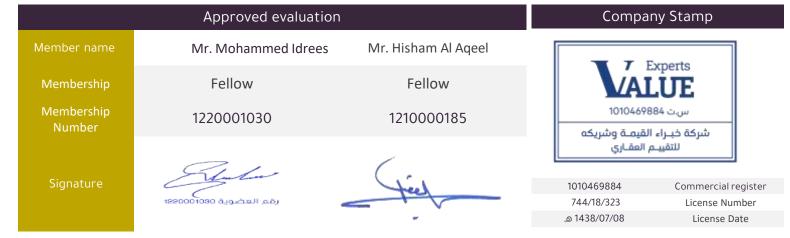
Based on the completed study, we estimate the market value of the property by an amount

295,850,000 sr

(two hundred ninety-five million, eight hundred fifty thousand Saudi riyals)

Considering the site, and as documented in this report on 30-11-2022

Report Participants				
Member Name	Omar Al ShAmmri			
Role	Preparing Report			
Signature	2			







The International Valuation Framework

Valuator and Status:

- This report was prepared by Value Expert & partner for Real Estate Valuation and its highly qualified team of staff, benefiting from the resources available to us, namely the efficiency of our advisory team, which includes qualified consultants with high academic degrees and experience in the field of valuation and consulting, and what is available to our company from the database was built through its valuation expertise and through the collection of data, information and statistics issued by the official and non-official bodies, which gives valuators the capacity to realize their tasks to the fullest. The company is also working to update their information base continuously.
- We have over 15 years of experience in valuation work and have submitted more than 20,000 valuation reports during our real estate appraisal period.
- Value Experts and its representatives of valuators who have conducted the valuation process have been immensely impartial, objectively employed and independent from the client and its subsidiaries or affiliates. Neither the Company nor its representatives have any current or foreseeable interest with the client or any of its subsidiaries or affiliates, nor are such agents among the client or those who have internal relationships or affiliations with the client and its subsidiaries or affiliates. The valuator's fees against the valuation process are unconditional on his findings or any other events. If the Company receives significant assistance from another party in respect of any important aspect of the assessment, the nature of such assistance, the extent of reliance thereon and, if any, documented in the report.





General Terms In The Report

Can

The word (could) describes the procedures that the evaluator has the responsibility to consider. Matters described in this way require the evaluator's attention and understanding. As the applicability of these matters in the evaluation process depends on the evaluator's exercise of his judgment and professional experience in the circumstances that are in line with the objectives of the standards.

Should

The word (must) denotes unconditional liability, the resident must fulfill responsibilities of this kind in all cases and circumstances to which the condition applies

Participant

The word (participant) refers to the relevant participants according to the value basis (or bases) used in the valuation engagement (see Standard 104 Basis of Value). The different bases of value require the evaluator to consider different points of view, such as: the views of market participants such as: market value, fair value of international standards for reporting, or a joint venturer.

The purpose

The word (purpose) refers to the reasons for conducting the assessment, and general purposes include (but are not limited to) the purposes of financial reporting, tax reporting, litigation support, transaction support, and lending support.

Commission

Refers to the Saudi Authority for Accredited Valuers (Taqeem), which is the authority concerned with setting the necessary controls and standards for evaluating real estate, economic establishments, equipment, movable property and the like, under the Accredited Residents System issued by Royal Decree No. (M/43) dated (9/7/1433 AH) It aims to develop the evaluation profession, raise the level of its employees, set general rules for acquiring and maintaining the membership of the Commission at its various levels, and provide the means for continuous development to raise its members to the best levels of practice and international standards for the profession. Under the supervision of the Ministry of Commerce and Investment

Asset or Assets

To facilitate the process of reading the criteria and to avoid repetition, the terms (asset) and (assets) generally refer to the items that are the focus of the evaluation task. Unless otherwise stated in the standard, these terms can be considered to mean and include each of the following words: (an asset, a group of assets, a liability, a group of obligations, or a group of assets and liabilities).

Client

The word (client) refers to the person, persons or entity for whom the evaluation is conducted. This includes external clients (when the evaluator is contracted with a third party), as well as internal clients (the evaluations prepared for the employer).

Jurisdiction

The word (jurisdiction) refers to the legal and regulatory environment in which the evaluation process is carried out. It includes laws and regulations enacted by government agencies such as the province, state, and municipality, as well as laws established by some regulatory agencies for the purpose of evaluation, such as central banks and securities regulators.

An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia



An overview of the Saudi economy

	2013	2014	2015	2016	2017	2018	2019	2020
Nominal gross product								
(Billion Saudi Riyals)	2,800	2,836	2,454	2,419	2,582	2,949	2,974	2,625
(annual percentage change)	1.5	1.3	-13.5	-1.4	6.8	14.2	0.8	-11.7
Inflation (annual percentage change)	3.5	2.2	1.2	2.1	-0.8	2.5	-2.1	3.5
Actual GDP (annual rate of change)								
Oil sector (annual percentage change)	-1.63	2.09	5.27	3.60	-3.09	3.13	-3.65	-6.65
Non-oil private sector (annual percentage change)	7.00	5.38	3.41	0.07	1.50	1.91	3.78	-3.10
Non-oil government sector (annual percentage change)	5.09	3.67	2.72	0.58	0.71	2.86	2.20	-0.49
Real GDP (annual percentage change)	2.70	3.65	4.11	1.67	-0.74	2.43	0.33	-4.11
Oil Indicators (average)								
Brent crude (dollars / barrel)	108.56	98.97	52.32	43.64	54.13	71.34	64.30	41.96
Production (million barrels/day)	9.63	9.71	10.19	10.46	9.96	10.32	9.81	9.22
Indicators of the general budget (billion Saudi riyals)								
Country revenue	1152.61	1040.14	612.69	519.46	691.51	905.61	926.85	781.83
Country expenses	994.73	1140.60	1001.29	830.51	930.00	1079.47	1059.45	1075.73
surplus/financial deficit	157.88	-100.46	-388.60	-311.06	-238.49	-173.86	-132.60	-293.90
(as a percentage of nominal GDP)	5.64	-3.54	-15.84	-12.86	-9.24	-5.89	-4.46	-11.19
Total public debt	60.12	44.26	142.26	316.58	443.25	559.98	677.93	853.52
(as a percentage of nominal GDP)	2.15	1.56	5.80	13.09	17.17	18.99	22.80	32.51
Total state deposits with SAMA (state current account + general reserve)	1484.43	1378.95	1023.30	730.58	641.38	562.37	529.25	436.57
(as a percentage of nominal GDP)	53.02	48.62	41.71	30.21	24.84	19.07	17.80	16.63

	2013	2014	2015	2016	2017	2018	2019	2020
Monetary Indicators (average)								
Consumer price index	3.9	2.9	2.3	2.1	-0.8	2.5	-1.2	3.4
The basic lending rate to the Monetary Agency	0.3%	0.5%	0.8%	1.5%	2.5%	1.8%	1.8%	0.5%
Annual percentage	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	2.0%	2.0%
Foreign trade indicators (billion riyals)								
oil exports	1207.08	1067.09	573.41	510.73	638.40	868.44	751.83	456.04
Total exports of goods	1409.63	1284.21	763.26	688.53	831.98	1103.95	981.06	657.60
Goods imports	575.04	594.23	597.27	479.41	462.75	471.14	526.05	449.56
Goods trade balance	834.59	689.98	166.00	209.12	369.23	632.81	455.01	208.04
current account balance	507.91	276.59	-212.71	-89.41	39.24	269.89	143.36	-42.71
(as a percentage of nominal GDP)	18.14	9.75	-8.67	-3.70	1.52	9.15	4.82	-1.63
Net international investment position	2861.88	2968.41	2586.77	2239.77	2338.58	2466.10	2516.34	2335.15
(as a percentage of nominal GDP)	102.21	104.66	105.43	92.61	90.57	83.61	84.62	88.94
Social and demographic indicators								
Population (million people)	29.38	30.00	30.89	31.79	32.61	33.41	34.22	35.11
Saudi unemployment rate (Unemployment rate among Saudis 15 years and over, percentage)	11.70	11.70	11.50	11.60	12.80	12.70	12.00	12.63
Average per capita income (SAR)	95300.01	94552.92	79425.50	76083.44	79177.33	88270.99	86901.95	74768.90

- Source:
- Jadwa forecasts for the years 2019-2020-2021, the General Authority for Statistics, for GDP figures and population indicators.
- The Saudi Arabian Monetary Agency for monetary and foreign trade indicators.
- Ministry of Finance for budget indicators.



Kingdom Vision 2030

With the support and patronage of the Custodian of the Two Holy Mosques, may God preserve him, the Kingdom's Vision 2030 was launched, which is the vision of His Highness the Crown Prince for the future of this great country, which seeks to invest in our strengths that God has endowed us with, from a distinguished strategic location, a pioneering investment force, and an Arab and Islamic depth, as he assumed the leadership for that All attention, and harness all potential to achieve ambitions.

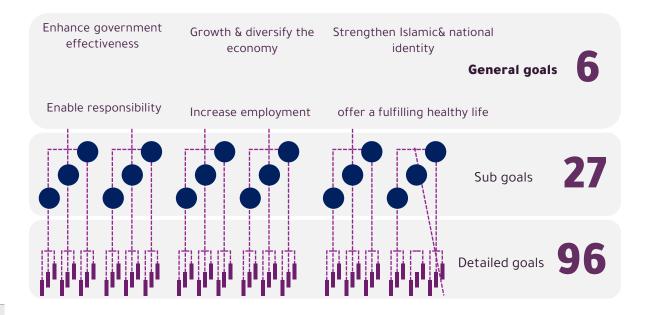
During the past five years, many achievements have been made, and a number of transformational enablers have crystallized, which contributed to achieving tangible results at the level of the government work system, the economy and society, and laid the foundations for success for the future. We have faced many challenges and gained many experiences, which have strengthened our confidence in achieving our goals. We worked to increase the government's effectiveness and responsiveness, by investing in government digital transformation, creating opportunities for growth and investment, creating a number of new economic sectors, opening our doors to the world, and raising the quality of life for citizens. All of these achievements were accomplished by the sons and daughters of this great nation.

Saudi Vision 2030 relies on pivotal strengths

The Kingdom of Saudi Arabia is the land of the Two Holy Mosques, the purest place on earth and the destination of more than a billion Muslims, making it the heart of the Arab and Islamic worlds.

The Kingdom is harnessing its investment power to create a more diversified and sustainable economy.

The Kingdom harnesses its strategic location to strengthen its position as a major engine of international trade and to connect the three continents: Africa, Asia and Europe.























Programs

Drangformation

Princial Symbiometrical



Entrepreneurial projects

NEOM project





Entrepreneurial projects

Amala Project

Unit	Information
Project classification	Tourism
Usage	Multi use
Developer	Amala company
Owner	Public Investment Fund
Total land area (sq km)	5.6
Budget	7 billion riyals

Red Sea Project

Unit	Information
Project classification	Entertainment tourism
Usage	Multi use
Developer	The Red Sea Development Company
Owner	Public Investment Fund
Total land area (sq km)	28,000
Budget	14 billion riyals







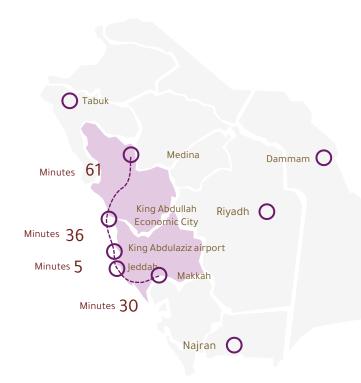








Haramain train track



Entrepreneurial projects Public transport



Information

• The Riyadh Metro is a fast transit system, which is currently under construction and is one of the largest infrastructure projects in the city of Riyadh

• The metro is designed as a world-class transportation system, and includes 756 metro cars, 85 stations, 6 metro lines, and a network of 176 km.

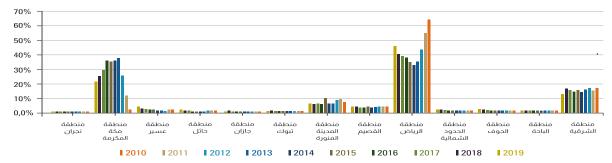
 The construction of the metro system has led to a number of road closures affecting traffic in different parts of the city.



Real estate market

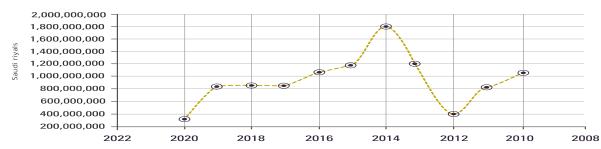
Second: The share of the Kingdom's regions in the total value of the market at the Kingdom's level

By analyzing the data, we find that the total value of deals at the level of regions is that Riyadh and Makkah are the two highest regions contributing to the total value of the market. Hence, the influence of the eastern region comes in the value of the real estate market, then the Medina region, then the Qassim region, and then the rest of the regions.



Third: The total area sold in the real estate market at the level of the Kingdom:

The highest sold area of executed deals in the Kingdom in 2014 amounted to more than 1.8 billion square meters for various types of real estate, and reached its lowest level in 2012 when the total area sold for executed deals reached 400 million square meters. There was an approximate stability in the traded areas during the years 2016 to 2019, with a decrease in the total value of executed deals.

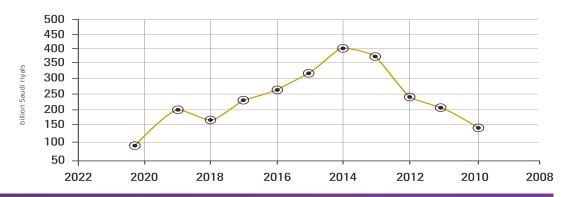


Mortgage loans

The continued implementation of the goals contained in the Vision Realization Program in the field of housing led to a rapid rise in the level of new mortgage loans until 2020. As a result, new residential mortgage loans provided by banks jumped during the four years from 47% to 60% in 2020, exceeding the target. by 8%. Abolishing the concept of waiting for housing support from 15 years to immediate entitlement. Through official platforms and in partnership with banks and financing agencies, it provided financing housing solutions to approximately 840,000 families, including 310 families who inhabited their homes. Activating the partnership with the private sector by developing more than 141,000 housing units and strengthening the partnership with banks and financing agencies by providing 424,000 subsidized real estate loans.

First: The total value of the real estate market in the Kingdom of Saudi Arabia

The highest value of the total deals executed in the Kingdom in 2014 amounted to more than 430 billion riyals for various types of real estate, and it reached its lowest level in 2018, when the total value of deals executed reached 139 billion riyals, and it is clear from the volume of deals executed in 2020 until the date of preparing the report that The market is in a phase of recovery and overtaking the previous year, at least.

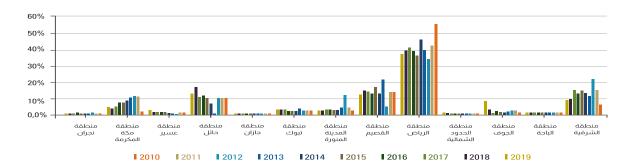




Real estate market

Fourth: The share of the Kingdom's regions of the total area sold in the market at the Kingdom's level:

By analyzing the data, we find that the total area sold for deals at the level of the regions is that the Riyadh region is the highest, followed by the Qassim, Eastern and Hail regions, with varying contributions, and then the Makkah region.



Real estate market



An overview of the retail sector in Riyadh

Project name Gross leasable area (sqm) 10,792 11.000 25,000 21.000 8.000 34.000 11.428 136.000 13.400 36.286 51.557 51,453 133.876 Ruwaq qurtubah 72,000 100,000 14.050 22,929 400.000 300.000

Demand

- It witnessed the opening of the huge (Riyadh Park) Mall on an area of 92,000 square meters during the past year.
- The food and beverage sector acquired the lion's share in most of the new commercial projects, and the development work focused on luxury restaurants, as most of these projects are concentrated in the north of the capital, Riyadh, and it has become a center for luxury and high-end restaurants.
- The Levels and Veranda are some of the notable openings this year, while Chandelier Restaurant Complex, Terrace and Aura are some of the highly anticipated high-end F&B projects on the Northern Ring Road.
- The (The Zone) project on Al-Takhasosi Street and (Sharafat Park) on Abi Bakr Al-Siddiq Road will add an area of 25,000 and 11,000 square meters respectively to the total retail inventory of 3 million square meters.
 The Riyadh Promenade complex near Imam University is likely to add 40,000 square meters to the market with a decent share of retail and entertainment.
- The Granada Center and The Park expansion project, which is being implemented by the Unified Real Estate Development Company, is expected to open in the first quarter of 2019 by adding 34,000 and 10,792 square meters, respectively.

Retail sector:

- The Value Added Tax (VAT), which was implemented at the beginning of last year in the Kingdom of Saudi Arabia and the Cooperation Council for the Arab States of the Gulf, posed some challenges that may affect competitiveness. However, since the establishment of the General Entertainment Authority (GAE), Saudi Arabia aims to increase household spending on entertainment from the current 2.9% to 6% by 2030.
- As the retail market in Riyadh faces a historic announcement initiative and the opening of the cinema's gates in April 2018.
- Moreover, the Qiddiya project in southwest Riyadh, which extends over an area of more than 334 square kilometers, will attract 12 million shopping mall visitors by the completion date of the first phase scheduled for 2022.
- The Dutch Spar hypermarket chain (2,900 square meters) entered the Riyadh Gate project, occupying an area of 16,000 square meters on King Fahd Road. Recently, Raden Center with an area of 15,613 sqm, MEFIC Center (Hospitality) with an area of 20,000 sqm and Turkey Square with an area of 3,000 sqm have been added to the retail inventory.

Project name	Gross leasable area (sqm)
Riyadh Park	92.000
Riyadh gate	16,000
Sedrah	18,000
Mefic center	20,000
Takhssusi Plaza	8,500
Turki square	3,000
The levels	5,400
Laban Plaza	7,759
City life plaza	7,761





| Riyadh Province- the residential sector

The rate of residential transactions over the years					
Years	Residential / number of executed transactions	Rate of change	Residential/price of the executed deals	Rate of change	
2010	78,581.00		50,374,060,211.00		
2011	80,152.00	2%	60,837,111,405.00	21%	
2012	53,502.00	-33%	57,994,836,423.00	-5%	
2013	73,043.00	37%	75,753,532,565.00	31%	
2014	78,594.00	8%	77,693,191,487.00	3%	
2015	77,244.00	-2%	61,905,146,249.00	-20%	
2016	56,505.00	-27%	51,358,258,527.00	-17%	
2017	60,841.00	8%	48,587,611,615.00	-5%	
2018	59,446.00	-2%	34,499,302,906.00	-29%	
2019	95,001.00	60%	55,419,007,001.00	61%	
2020	77,096.00	-19%	45,446,552,858.00	-18%	
2021	63,140.00	-18%	45,307,983,491.00	0%	

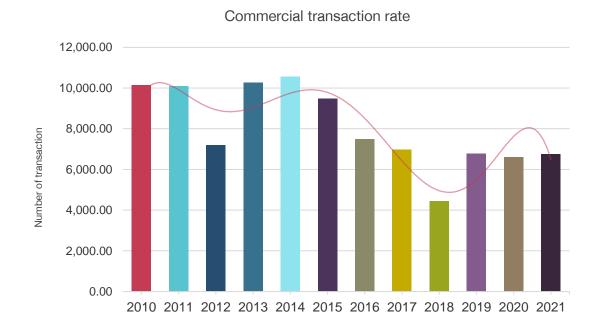


^{*} Source: Ministry of Justice



| Riyadh Province - the Commercial sector

The rate of Commercial transactions over the years					
Year	Commercial / number of transactions executed	Change of rate	Commercial/price of executed deals	Change of rate	
2010	10,151.00		41,009,094,439.00		
2011	10,079.00	-1%	39,911,754,262.00	-3%	
2012	7,196.00	-29%	40,401,967,575.00	1%	
2013	10,249.00	42%	47,080,141,702.00	17%	
2014	10,548.00	3%	59,005,327,688.00	25%	
2015	9,463.00	-10%	47,112,342,751.00	-20%	
2016	7,475.00	-21%	40,531,348,455.00	-14%	
2017	6,982.00	-7%	30,567,494,114.00	-25%	
2018	4,452.00	-36%	18,103,977,071.00	-41%	
2019	6,783.00	52%	18,490,848,558.00	2%	
2020	6,613.00	-3%	21,298,506,701.00	15%	
2021	6,746.00	2%	24,905,334,951.00	17%	



^{*} Source: Ministry of Justice





Dear Alinma Investment

Topic: Evaluation of a shopping center (Al-Makan Mall), Al-Rajhi neighborhood, Tabuk city

In accordance with your request to **Evaluation of a shopping center (Al-Makan Mall)**, **Al-Rajhi neighborhood**, **Tabuk city**, we have examined the property, inspected and studied the necessary documents and maps. After conducting a study with the surrounding area of the property, we attach the following report that provides the necessary data and shows the reasons for reaching the market value of the property.

The purpose of this report is to estimate the market value of the property as it is on 30-11-2022; the purpose of its issuance is to know the market value of the property for (REIT Fund) and the report is for Derayah Financial Company use. The estimated property is a hotel tower - commercial detailed as follows:

Deed Number	Land Area	Building Area	Real Estate Type
250109008541	21,428.13 m²	25,571 m²	Shopping Mall

Based on the study completed, we estimate the market value of the property's current status at the date of estimation and an amount of only:

128,370,000 SR

(one hundred twenty-eight million, three hundred seventy thousand Saudi riyals)

Taking into account the location and as documented in this report on 30-11-2022

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Evaluation of a shopping center (Al-Makan Mall), Al-Rajhi neighborhood, Tabuk city		
Client (Applicant)	Alinma Investment	
User Request	Alinma Investment	
Purpose of Valuation	Periodic evaluation of the Alinma (General) Retail Fund (REIT)	
Property Location	Kingdom of Saudi Arabia –Tabuk city	
Property Type	Commercial	
Property Area	21,428.13 m ²	
Building Area	25,571 m ²	
Deed number	250109008541	
Deed Date	30/04/1432 AH	
Ownership Type	Absolute Ownership –Wabil Fund	
Basis of Value	Market Value	
Valuation Criteria	International Valuation Standards	
Valuation Method	Income Method - (Cash Flow Method)	
Inspection Date	25/11/2022	
Valuation Date	30/11/2022	
Issue Date	21/12/2022	

400 standard

an introduction:

The principles contained in General Standards (101-105) apply to valuations of real estate interests. This standard stipulates additional requirements that apply to valuations of real estate interests.

Real estate interest:

It is the right to own, control, exploit, or occupy land and buildings.

Land interest includes informal tenure rights to communal or tribal land, exclusive informal settlements, rural or transitional economies, which can take the form of tenure, occupation, or use rights.

It includes three main types:

The supreme interest in any particular area of land, and the owner of such interest has an absolute right to possess and permanently control the land and any buildings, subject only to any minimum interests and any statutory or other legally applicable restrictions.

The minimum interest usually gives the landlord exclusive ownership and control over a specific area of land or buildings for a specified period, for example: according to the terms of the lease.

The right to use land or buildings, but without enjoying the right of ownership or exclusive control, such as the right to pass ownership of land or exploit it only for a specific activity.

The interest identified in the assessment:

The supreme interest in any particular land area, and the owner of this interest has an absolute right to possess the land and any buildings and control it permanently.



Scope of work - Standard No. 101

	items	clarification
1	Client name	Alinma Investment
2	Report user	Alinma Investment
3	The subject matter of the evaluation	Shopping Mall
4	Valuation currency	The Saudi riyal (SR - SR) is the official currency used in this report.
5	Purpose of Valuation	Periodic evaluation of the (General) Alinma Retail Fund (REIT)
6	value (use) hypothesis	Market Value
7	value basis	Market value: It is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller. And within the framework of a transaction on a neutral basis after appropriate marketing, where each of the parties acts on the basis of knowledge and prudence without coercion or coercion.
8	valuation	Income Method - Cash flow
9	Inspection Date	25/11/2022
10	Valuation Date	30/11/2022
11	Issue Date	21/12/2022
12	Evaluation range	It included research and analysis to prepare the report according to the intended purpose and in accordance with international valuation standards, where the property was examined from the inside and outside on the day of the property inspection date. All the necessary data for preparing the report were obtained.
13	Nature and sources of information	In preparing this report, we relied on the information and documents provided by the client (the deed - the building permit - the statement of investment analysis - a statement of the rental spaces). Rental platform (real estate index for leasing operations), real estate exchange traded REITs (Capital Market Authority - Tadawul) Electronic platforms for real estate offers and indicators (Compare platform - Real Estate SAS - Real Estate Authority) Real estate offices in the target area, the database of Value Expert, which is continuously updated.



Standard - No. (101), (102)

	scope of work items	clarification
1	Scope of research and survey	Field survey of the real estate area under evaluation and similar real estate. And we worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the real estate area and its surrounding areas, which are explained in detail in the technical study.
1	Report type	The report (detailed) contains complete explanations of all evaluation works, including steps, data, information, accounts, etc.
1	standards	IVS International Evaluation Standards Version (2022) issued by the Saudi Authority for Accredited Valuers.
1.		The validity of the information and data (customer information) provided to us by the customer has been assumed to be correct. The type of ownership of the property is a property free of obligations according to the hypothesis submitted by the client without verifying its truth.



Standard - No. (101)

	scope of work items	clarification
11	Restrictions on use, distribution or publication	This report is provided for the purpose for which it was prepared only and may not be used, circulated, quoted from or referred to in any way for any other purpose, and accordingly neither the company nor the evaluator bears any responsibility for any loss incurred by any party as a result of using the evaluation report in such a manner Contradicts the provisions of this clause. The evaluator reserves all rights to issue the valuation report. This report may not be reproduced in any manner without the express consent of the Company. This report may not be submitted to any other party other than those referred to in it without the express consent of the company. It is a matter of caution that the Company and the evaluator reserve the right to make any amendments and make any revisions to the valuation or to support the valuation result under specific circumstances. The company reserves the right, without any obligation, to review the evaluation accounts, amend and revise its results in the light of information that existed at the date of the evaluation, but became clear to it later.
12	Confidentiality and preservation of information	This report has been prepared at the request of the client, and for this reason we realize the utmost importance of the requester in preserving and secrecy the data and outputs of this report, and we are committed to that. Any other party may view it.
13	Disclaimer	This document prepared by (Value Expert Real Estate Appraisal Company) is owned by it and may not be used for purposes other than what it was prepared for. We have no current or future interests in the target drug. The agreed fees for making this report are not linked to the estimated value of the property. We were not asked for any prior opinions before the evaluation, and we have performed our work in accordance with the international evaluation standards issued by the Saudi Authority for Accredited Valuers. Our results may change if we are provided with any data affecting the value or if we are able to obtain it from reliable sources.



Standard - No. (101)

	scope of work items	clarification
11	General assumptions	-The documents sent by the client were relied upon, and they were assumed to be correctThe appraisal was carried out on the assumption that the property is free of any modifications or interferenceOur report has been prepared on the assumption that there are no hazardous or polluting materials at the site that affect the value significantlyThe property has been assumed to comply with all regular planning and zoning requirementsThe location of the land and the total area of the land were inferred by the clientNo legal document has been verified for the property under evaluation, which includes planning, ownership, mortgage, and some legal matters on which thisreport or part of it is based. It was assumed that the real estate deed is valid, negotiable, and free from any restrictions, unusual conditions, or other burdens, -and has no pending claimsThe evaluation was based on economic conditions, current data in the real estate market, supply and demand, and therefore the value may change based on -the change of these data
12	own assumptions	-It was assumed that the drug is free of pollution and other environmental hazardsThe development costs of the project are based on special assumptions for the development according to the project on which it is based and the source of which is the information provided by the clientThe hypothesis of value was based on the hypothesis of the highest and best useThe hypothesis of the value of the property, based on studies of the highest and best use, based on a prior study from the client, and tests were conducted on it in terms of legal clearance, the possibility of physical use, financial feasibility, and achieving the highest amount of profitsThe value of the property was assumed using the income method, the residual value method, instead of the comparisons method, the similar sales method, because there were no comparisons and similar evidence for the property to be evaluated. A better and higher policy was followed for the income method, the residual value method, according to the neighboring plansWe find that the cost of the lands is not available to the customer, because the title deed is also not available or does not exist, or does not explain what the cost is after its transfer from state property to the government agency, and based on the data available to us and consulting experts and specialists in the field of -evaluation and accounting, we conclude that the fair value required for the purposes of The financial reports are the same as the market value in the International Valuation StandardsThe report refers to the term (value or average value), which means the measurement priceDuring our calculation of the development cost, it was assumed that the basic infrastructure on the site is available and the price of the development cost was estimated through the information provided by the client.



General Criteria: Research and Survey



Asset Inspection

Deed was received from the client, which shows the area of the property. A detailed statement was received showing the location of the property and the area of the land, after which the property was identified and the information received from the client was matched with reality.



Define the Property Assets

Through the preview, it was found that the asset under valuation is hotel building.



Data Analysis

The available data analysis in the property, which have been drawn from informal sources such as real estate offices operating in the subject area.



Application of Valuation Methods

After the experts assessed the current use in terms of the market and the data available about it, it was concluded that the valuation method (future discounted cash flow), taking into account the purpose of the valuation.

Criteria No. 102





Data Collection

Based on the type of property valuated, the scope of data collection was determined; especially in the area surrounding the property.



Estimated Value

After reconciling the results of the valuation methods, a value corresponding to the scope of the work described with the client is weighted.



Value Review

A review of the value by the audit committee, consisting of two experts will review the information and analyzes and assumptions reached by valuator.



8

Report Preparation

Work on report preparation in accordance with the Standard 101 for report description, and criteria 103 for report preparation.

Criteria No. 102



Value Experts has a distinguished team with professional qualification and experience in valuation work and a team of 5 registered with the Saudi Commission for Accredited Valuers, the most prominent of the team:



Alaa Ibrahim Al - Thaqafi
Founder and CEO

14

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000027



Hisham Saleh AI - Aqeel

Partner - V. P. Director Valuation

9

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000185



Abdulrahman A. Al Wadi Assistant Director, Valuation Dep. 7

Years experience in valuation work Supervising all valuation projects of company. *Computer Diploma*

Membership No. 1220000513



	On-site Facilities	Yes	ı
	Government Entities	√	
	Police Station		
Governmental Services	Schools	√	
	Banks	✓	
	Civil Defense	✓	
	Hospitals	✓	
Medical Services	Clinics	✓	
	Medical Centers	✓	
	Commercial Centers	✓	
	Supermarkets	✓	
	Mall Centers	✓	
Commercial Services	Restaurants	✓	
	Hotels	✓	
	Furnished Apartments	✓	
	Gas Stations	✓	
	ATM Machine	✓	
	Electric Network	✓	
	Water System	✓	
General Facilities	Telephone Network	✓	
	Rain Water Drainage Network	✓	
	Mosques	✓	
	Parks	√	





The location of the property at the level of the city of Tabuk

The property is located in the city of Tabuk, the seat of the emirate of Tabuk region and the largest city in northern Saudi Arabia, and around it are some of the most important monuments in the Arabian gateway to the Arabian Peninsula, and a vital route for trade, pilgrims and Umrah performers from outside the Arabian Peninsula. It is one of the important agricultural areas in the Kingdom. The city of Tabuk is located seven hundred kilometers north of Medina, and five hundred kilometers from the Khyber Governorate.

The commercial sector in the city of Tabuk has grown tremendously in less than ten years, keeping pace with the development renaissance achieved by the region

Peninsula. The Tabuk region is the northern







Property Description

The property is with total land area of 21,428.13 SQM.

Property features:

Location: It is located in Al-Rajhi neighborhood, which is an area with a medium population density. The property is also located on King Khalid Road, and the property can be accessed through it.

Services: Availability of main services in the area surrounding the property under evaluation.

Main attractions: The proximity of the site to the main attractions (markets and commercial centers – main and vital roads).

Land nature: Flat

Demand: Where the property is located in Al-Rajhi neighborhood in the city of Tabuk, which is considered one of the cities that attract tourists due to its moderate atmosphere, the beauty of its nature, and the presence of many tourist and historical areas, which increases the demand for retail in it.

The announcement of the NEOM project, with financial support of about 500 billion dollars, will revitalize the region and increase the population density, and thus will increase the demand for the retail sector..

Borders:

Plot Information					
Side	Borders	Length	Width	St. name	Notes
North	Street	96.5	20	-	-
South	Street	107	20	-	-
East	Street	250	100	King Khalid road	-
West	Street	197.58	25	-	-
	Total Area		21,428.13 m ²		





General description of the buildings

The building is a commercial center (Al-Makan Mall) with a total built-up area of 25,571 square meters consisting of a basement, ground floor, and first floor containing shops, exhibitions, offices, entertainment areas, and restaurants

Finishes details

Facades: Facades covered with cladding and glass.

Ventilation and air conditioning units: central air conditioning.

Facilities: emergency exits - fire extinguishers - mosques

Buildings details

The following table shows the details of the building areas of the property:

m	Unit	Usage	Area (m2)
1	basement	Parking	1,980.9
2	Ground floor	Commercial	11,508.0
3	Floors	Commercial	12,082.3
	Total		25,571





Property Description

Unit	Discretion
Shopping mall type	Local
Center rating	В
Opening date	2016
Building area (sqm)	25,571
Leasable area (sqm)	18,157
Number of floors	2
Number of stores	120
Number of barking spot	
% of parking spaces	

Commercial spaces and their division

Unit space	Total Sqm	Percentage%
50-0	78	0.37%
200-51	5,330	25.33%
500-201	2,235	10.62%
1500-501	328	1.56%
Food court	404	1.92%
Sub Anchor	2,537	12.06%
Atm	11	0.05%
Anchor	9,941	47.24%
KISOK	180	0.85%

Interior photo of the mall



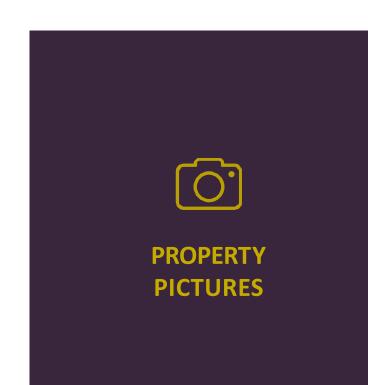


General description of lease contracts

The commercial center (Al-Makan Mall) consists of 74 stores, with multiple tenants. We were not provided with copies or copies of lease contracts, and according to the customer's instructions, we relied on the information contained in the rental schedule that was provided to us for the purpose of this evaluation.

Based on the information that was provided to us by the client, we understand that on the date of the evaluation, the total income of the property is 18,906,920 riyals, including service fees.









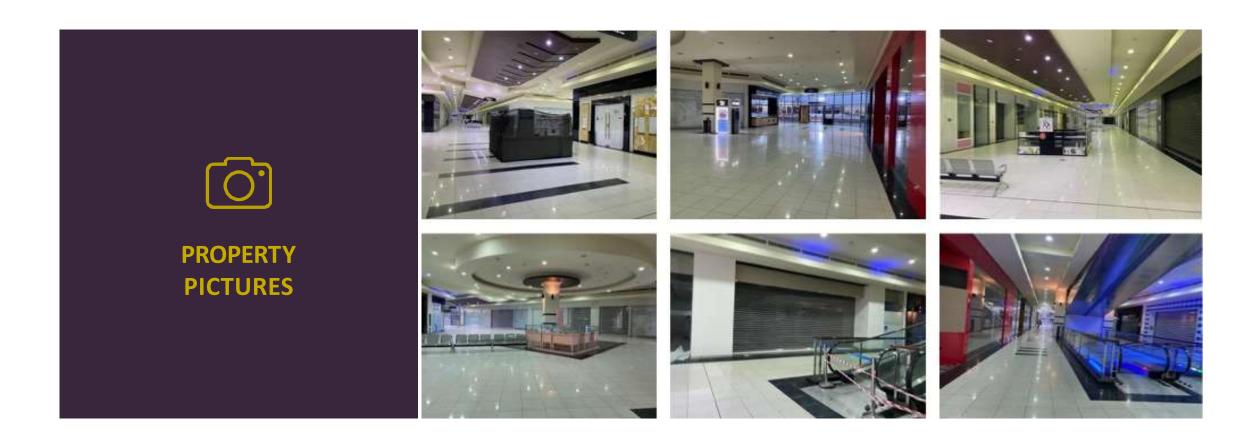














1- Market Method (Similar Sales Method for Land, Exhibitions, and Hotel Rooms)

Standard No. 105

Method	Used for	Method Definition
		This method provides indicators of value by comparing lands and warehouses that are valuated with identical or similar data available for information on their prices.
Market Method	Land, Exhibitions, and Hotel Rooms	 According to this method, the first step is to study the transaction prices of the corresponding or similar assets that have recently occurred in the market, and if the transactions have been few, it is also better to study the corresponding or similar asset prices listed or offered for sale and are objectively analyzed. Information about the prices of such transactions must be adjusted to reflect differences in the terms and conditions of the effective transaction, the basis of the value and assumptions adopted in the valuation process being performed, and differences in the legal, economic and material characteristics of the assets of the other transactions may be found compared to the asset being valued.

Use of Method

Methodology:

- This method is based mainly on the prices currently circulating in the market for selling or offers of another real estate (comparable properties) similar to the property subject of evaluation.
- Since it is impossible to find exactly the same real estate, appropriate adjustments are made to the prices
 of the comparative real estate by deducting the value of the items that represent an advantage of the
 comparative property and adding the items that represent an advantage to the property under
 evaluation.
- By comparing the natural properties and services adjacent to the site (not including the development) with their counterparts at nearby sites, the price of the land is adjusted for the same fundamental differences between the evaluation site and the nearby sites.

Application:

- Determine the geographical scope of similar properties.
- Determine the appropriate time period according to market variables, reflecting the market situation at the time of evaluation.
- Collecting comparison data for similar properties within the specified geographical range and time frame.
- Test the adequacy of comparisons for the evaluation process (if sufficient comparisons are not available, the evaluation method is excluded).
- Applying adjustments to comparative properties to reach at the property value.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



2- Cost Method Standard No. 105

Method	Used for	Definition method	
Cost Method	Buildings	 The cost method is sometimes referred to as the contractor method. The cost method determines the value by estimating the cost of acquiring land and building a new property with equivalent benefits or modifying an old property for the same use without any unnecessary expenses resulting from delay. The cost of the land is collected on the total cost of the construction. It is customary for the project incentives or the real estate developer's profits / losses to be added to the construction costs, if appropriate. 	

Use of Method

Methodology:

- If there is a major market for the land or real estate being valued, it is preferable to use evidence from the market or comparable sales.
- Study the approvals likely to be issued by the regulator in the region and use the evidence and evidence from the market to verify the possibility of using the land according to the regulatory approvals.
- Study a virtual site in the same area with the same characteristics.
- Study the private use of a virtual site in another region.

Application:

- Estimating the value of the land.
- Determine the current cost of erecting the building.
- The depreciation value must be deducted from the cost based on what was specified in Clause (2) for a cost adjustment. New added on the current state.
- Market value = (1) + (2) (3) i.e. the value of the land plus the value of new construction minus depreciation.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



3-Income Method (Discounted Future Cash Flow)

Standard No. 105

Method	Used for	Definition method
Income Method	The Property is a Changeable Income- Generating	 It is a financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future discounted cash flows.

Use of Method

Methodology:

- This method depends on the net income of the property and the (capitalization rate).
- Total maintenance and operation are deducted from the total revenue of the property to be evaluated.
- Research for income-generating properties that are similar to the real estate to be evaluated.
- The (capitalization rate) is determined according to the current market prices and according to the type of property to be evaluated.

Application:

- Estimating future cash flows resulting from the income of the asset subject evaluation.
- Determine the discount rate or required rate of return.
- Determine the retention period of the asset an the final value.
- Calculating the current value of the expected income of the asset subject to evaluation to reach to the capital value of the property (after considering the time value of money).

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



Th Used Valuation Methods







Valuation Techniques	Valuation Techniques Market		Cost
Technique Used It was mainly used to value the land, exhibitions, and hotel rooms		Based on the income method by using the future discounted cash flow; it is the most appropriate to estimate the investment value of the property.	
Valuation Method Used Comparisons		Cash Flow	Replacement
Reasons for Use To get the value of the land, exhibitions, and hotel rooms.		Property is income-generating	To find out the construction costs of the property

Estimate the value

using the cost method - the substitution method

The cost method provides an indication of value using the economic principle that a buyer will not pay more for an asset than it would cost to acquire an asset of similar utility whether by purchase or construction unless time, inconvenience, risk or other factors are involved.





First: Estimating the value of the land

In order to estimate the **market value** of the land, the comparison method was applied to determine the market value. The following is a summary of comparable properties in the area surrounding the property under evaluation:

Compari	son	space	Meter price (SR/m2)	Value (SR)	comparison type	Date Comparison	Neighborhood	Usage
1		1,200	4,000	4,800,000	Offer	10/20/2022	Qadisiya	
2		2,478	3,000	7,434,000	Offer	10/20/2022	government departments	



Calculations and indicators to value market method

Estimate the value of the land

The evaluation matrix represents the natural and abnormal factors to determine the value, which are the elements of location, accessibility, land shape, and market situation.

ltem	Comparison 1	Comparison 2
Price per square meter (SAR/sqm)	4,000	3,000
Market Status	0.0%	0.0%
Price per SQM after Market Status	4,000	3,000

ltem	Comparative 1 information	Comparison 2 adjustments	Comparative 2 information	Comparison 2 adjustments
Area m2	1,200.0	-35.0%	2,478.0	-40.0%
Number of interfaces	2.0	5.0%	2.0	5.0%
Utilities	Easy	0.0%	Easy	0.0%
Location	King khalid road	0.0%	King khalid	0.0%
Land shape	100.0	0.0%	100.0	0.0%
Usage	commercial	0.0%	commercial	0.0%
Negotiations	Offer	-5.0%	Offer	-5.0%
Total Adjustments (%)		-35.0%		-40.0%
Value after Adjustments		2,600.0		1,800.0
Weighting		50.0%		50.0%

Price per SQM 2,200.0

Summary of the valuation

Based on the previous information, the following table summarizes the market value of the land using the market method - the method of similar sales:

block number	Area (sqm)	Market value (SAR/sqm)	Market value - rounded (SAR)
1	21,428.1	2,200.0	47,142,000.0



Calculations and indicators to value market method- Replacement method

Building cost estimation

Buildings information

М	Floor	Usage	Building area (sqm/floor)	Number of floors	Total building area (sqm)
1	Basement	Parking	1,980.9	1.0	1,980.9
2	Grand floor	Commercial	11,508.0	1.0	11,508.0
3	1 st Floor	Commercial	12,082.0	1.0	12,082.0
	-	Total			25,571

Construction costs - direct

Based on the guide issued by the Saudi Authority for Accredited Residents, which clarifies the indicators of construction costs for buildings according to their uses:

m	Unit	Total area (sqm)	Construction cost (SR/sqm)	Total costs (SR)
1	Basement	1,980.9	2,000.0	3,961,740.0
2	Grand floor	11,508.0	1,400.0	16,111,200.0
3	1 st Floor	12,082.0	1,400.0	16,914,800.0
	Total	25,571	1,446.5	36,987,740.0

Indirect construction costs

Through the scanning, and the evidence for similar projects, the following table summarizes the indirect costs, which will be added later to the direct costs that have been reached.

M	Unit	Ratio (%)	Value (SR)
1	Construction costs (SR)		36,987,740.0
2	Professional fees	1.5%	554,816.1
3	Utility grid	1.5%	554,816.1
4	management costs	1.5%	554,816.1
5	Contractor profit	10.0%	3,698,774.0
6	Developer profit	15.0%	5,548,161.0
	Total	1	47.899.123.3

Market value by cost method - Replacement method

According to the information provided previously, the market value of the property has been deduced using the cost method according to the attached table:

M	Unit	Value (SR)
1	Economic life of the building (years)	40.0
2	Property age (years)	6.8
3	Physical deprecation percentage (%)	16.9%
4	Employment Physical deprecation Rate (%)	0%
5	External (economical) Physical deprecation rate (%)	0%
6	Actual Physical deprecation percentage (%)	16.9%
	Construction cost before Physical deprecation limitations (SR) (rounded)	47,899,123.3
8	Construction cost after Physical deprecation limitations (SR) (rounded)	39,796,188.3
9	Completion rate (%)	100%
10	Completed construction value (SAR)	39,796,188.3
11	Land value (SAR) (rounded)	47,142,000.0
	Total value by cost method (land + buildings) (SAR)	86,938,188.3

Estimate the value

Income method - discounted cash flow method

A financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future cash flows.



Similar samples

Park Mall

Galary Mall

Unit	Info
Opening year	2005
Building area / square meters	
Leasable area / square meter	
Category	regional
Number of parking	
occupancy rate	
Unit area m2	Market rent (SAR/year)
Ordinary stores	1,150.00
Fast food stores	1,100.00
entertainment	375.00
Sub anchor	500.00
Atm	35,000.00
Anchor	432.00
Poth's	3,428.00
Stores (basement)	1,150.00
Stores	1,150.00
KISOK	9 000 00



Unit	Info
Opening year	2008
Building area / square meters	
Leasable area / square meter	
Category	regional
Number of parking	
occupancy rate	
Unit area m2	Market rent (SAR/year)
Ordinary stores	1,760
Fast food stores	2,750
entertainment	0
Sub anchor	0
Atm	0
Anchor	0
Poth's	0
Stores (basement)	0
Stores	0
KICUK	9 000





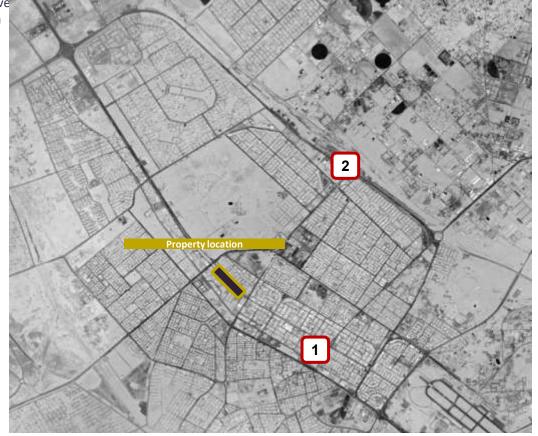
Valuation - Income Method - Cash Flow Method Revenue estimate

Field research

In order to reach the revenues of the Al-Makan Mall, the relative control and the study of the comparative properties were carried out in order to find the relative differences and determine the revenues for each component of the property under evaluation, the table below shows this

Rental rates prevailing in the market - Gallery Mall		
Unit area m2	Market rent (SAR/year)	
Ordinary stores	1,150.00	
Fast food stores	1,100.00	
entertainment	375.00	
Sub anchor	500.00	
Atm	35,000.00	
Anchor	432.00	
Poth's	3,428.00	
Stores (basement)	1,150.00	
Stores	1,150.00	
KISOK	9 000 00	

Rental rates prevailing in the market - Tabuk Park		
Unit area m2	Market rent (SAR/year)	
Ordinary stores	1,760	
Fast food stores	2,750	
KISOK	9,000	





The main assumptions in the valuation process - the income method - the discounted cash flow method

Rental spaces

According to the information provided by the client, the following table summarizes the leasable areas of the property under appraisal.

Unit area	Total area	Ratio
50-0	78	0.37%
200-51	5,330	25.33%
500-201	2,235	10.62%
1500-501	328	1.56%
Food court	404	1.92%
Sub Anchor	2,537	12.06%
Atm	11	0.05%
Anchor	9,941	47.24%
KISOK	180	0.85%
· ·	21,043.5	100.00%

Unit area	Total area	Market rent	Annual rent
50-0	78	1,640	127,951.2
200-51	5,330	1,367	7,286,110.0
500-201	2,235	1,094	2,444,196.0
1500-501	328	875	286,960.6
Food court	404	2,200	888,800.0
Sub Anchor	2,537	500	1,268,500.0
Atm	11	35,000	385,000.0
Anchor	9,941	432	4,294,512.0
KISOK	180	9,000	1,615,500.0
	21,043.5	883.8	18,597,529.8

The inputs and assumptions of the income method are the

discounted future cash flow method

1.1 Income Analysis:

By examining the mall from the inside, it became clear to us that the property is leased at a rate of 94.15% of the rental space, according to the attached statement from the client.

1.2 Total Revenues:

The total rents that are collected according to the contract at the date of the evaluation, or the total revenues that are assumed according to the market. We were provided with a list of rents from the client, and we were not provided with any data on the operating and management expenses of the complex. The data on rents and income was collected by market.

1.3 Capital Expenditures:

Information regarding capital costs has not been provided to us by the client. We analyzed the level of provisions for capital expenditures in similar properties that we participated in the evaluation. We have assumed that the prudent owner will bear the capital expenditures to maintain the property well, improve the production capacity and preserve the tenants. Through inspection of the property, we found that it was renovated, and accordingly, no capital expenditures were assumed during the entire period.

1.4 Operational Expenses:

We were provided with operating expenses for the mall, and they were compared to the market, and due to the absence of relative differences compared to the market, they were applied throughout the investment period.



The main assumptions in the valuation process - the income method - the discounted cash flow method

1.7 Fixed Expenses:

No fixed expenses for the property, such as insurance and any other expenses, have been calculated.

1.8 Tenant Incentives:

Due to the difficult market conditions, some tenants resort to requesting subsidies to reduce the burden of rent. No incentives were calculated for the tenants, and it was assumed that the tenant would bear them.

1.9 Doubtful Debts (Credit Losses):

It is that any owner may incur some loss of income due to bad debts. According to the data provided by the client, no losses have been applied.

1.10 Growth rate:

Due to the lack of market data and previous indicators for similar real estate and the growth rate at the level of supply and demand, and since the inflation rate is available as information announced according to the data of the Central Bank, an average has been calculated for each year based on the inflation rate for a previous year to estimate future periods as shown in the table. Adopting the Gordon growth model, meaning that the drug grows steadily forever.

1.11 Rate of return on investment:

Through the market survey of real estate that was evaluated by us in the city of Dammam and viewing the reports of REIT funds and similar real estate in the retail sector, the capitalization rate for similar real estate ranges between 7% and 9%, and accordingly the rate of return was determined at 7.5%.

1.12 Discount rate:

With regard to the discount rate, and according to the methods used to calculate the discount rate stipulated in the international evaluation standards, and as it was studied in the evaluation methodologies of the Saudi Authority for Accredited Valuers, it was reached by the cumulative method as shown in the table below, which depends on (the rate of inflation, regular risks, the rate of returns of government years for the period, and in addition to real estate risks, market risks). - Sources for data (Central Bank - Debt Services - Capital Market Authority data for similar properties that have been acquired).

1.14 Explicit Prediction Period (Investment Duration):

The investment period indicator was mainly based on the method used in the evaluation, the discounted future cash flows, according to the equation investment period = actual life - life expectancy - market life.

1.15 Table of assumptions of the inputs of the income method, the cash flow method

Unit	Value	clarification
Land area (sqm)	21,428	_
Inflation rate (%) (Rs)	2.01%	regular risk premium
7-year government bond yield ratio (Rf)	4.50%	Risk free rate of return
Real estate risk premium	2.00%	The irregular risk premium represented in the quality of the real estate investment and the costs involved in maintenance and operation
Market risk	3.00%	Based on supply and demand in the area in which the property to be evaluated is located
discount percentage (%)	11.51%	It is the ratio that converts future cash flows into present value
Yield Ratio (%)	9.00%	market survey
Operation and maintenance costs for exhibitions (%)	%17.7 -%156.7	Costs incurred for the maintenance and operation of the property throughout the period
Credit costs for exhibitions (%)	0.00%	The percentage of non-payment tenants facing the establishment throughout the investment period
Vacancies costs for exhibitions (%)	20%-95.4%	The percentage of vacancies for real estate according to the prevailing in the current situation, based on the assumption that the building is at the beginning of the operation period and stabilizes in the recent period as a prevailing average according to the market



Mall revenue schedule

Unit	Rental area (sqm)	rental price	Gross Income
Unit rental income	21,043.5	883.8	18,597,529.8

Income method - market discounted cash flow method (absorption period)

Period	1	2	3	4	5	6
Cash flows - by market						
Gross Expected Income - GPI (SR)	18,597,530	18,597,530	18,597,530	18,597,530	18,597,530	
Credit and vacancy costs (%)	95.4%	60.0%	40.0%	20.0%	20.0%	
Credit and vacancy costs (SAR)	17,742,043	11,158,518	7,439,012	3,719,506	3,719,506	
Expected Gross Income (SR)	872,665	7,737,763	11,830,707	16,073,027	16,371,777	
Capital Expenditure -CE (%)	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital Expenditure -CE (SR)	0	0	0	0	0	
Operating expense ratio (%)	156.7%	17.7%	17.7%	17.7%	17.7%	
Operating Expenses - OE (SR)	1,367,083	1,367,083	2,090,211	2,839,730	2,892,512	
Net Operating Income - NOI (SR)	-494,418	6,370,680	9,740,496	13,233,297	13,479,265	
Final value						192,781,250
Present value coefficient	0.90	0.80	0.72	0.65	0.58	0.52
Present value of net income (SAR)	-443,393	5,123,582	7,025,270	8,559,412	7,818,728	100,283,304
Real estate value (SAR)	128,366,903					
Real estate value (SAR) (rounded)	128,370,000					
Meter price (SR/m2)	5,991					



Market value

Unit	Value (SR)
The value of the property according to the market	100,950,000
The market value of the property	100,950,000

Note: The cost method, the substitution method in the evaluation, is an auxiliary and indicative method only, so it was not included as a weighting opinion for the market value. **Justifications**

- The market value of the property was weighted according to the market, since the vacancy of the property according to the reality and the rental statement is high compared to the market.
- The general direction of the state, represented by Vision 2030, is to revive the tourism and entertainment sector.
- Regional orientation and the increase of international companies to make the Kingdom of Saudi Arabia a center for it at the regional level, which will be reflected successively on the recovery of the retail sector in the future.
- The property is located in Al-Rajhi neighborhood in Tabuk, on King Khalid Road in the center of Tabuk city geographically.
- Public awareness and the general orientation of the residents of the area towards malls and similar recreational areas.

Findings and Recommendations:

- Depending on the results of the search in the region, the surrounding area is considered to have a high density, and the presence of housing plans, as well as the high creditworthiness of the individuals in the region.
- The property is located in Al-Rajhi neighborhood in Tabuk, in a main and vital artery from north to south, King Khalid Road, which leads to King Fahd Road from the north, and represents a point of attraction with the presence of vital sites (The General Presidency for Scholarly Research and Ifta, General Administration of Education in Tabuk, Real Estate Development Fund, Tabuk Central Market).
- The state's general direction is to improve the tourism and hotel sector and to develop new entertainment programs that will allow for high occupancy



Findings and recommendations

Possible threats:

- The imbalance in the level of supply and demand.
- Maintain periodic maintenance and development as possible to make the property more attractive and profitable for the investor.
- Developing and providing services that serve the competitive advantage of the entertainment sector, in line with Vision 2030.
- High future operating costs and the requirements of quality and sustainability standards.
- Availability of retail spaces that achieve efficiency and the highest quality standards in other locations.
- High rental prices compared to the services and activities available at the mall, which constitutes a barrier that prevents investors from taking risks in similar projects.



Based on the completed study, we estimate the market value of the property by an amount

128,370,000 SR

(one hundred twenty-eight million, three hundred seventy thousand Saudi riyals)

Considering the site, and as documented in this report on 30-11-2022

Report Participants		
Member Name	Omar Al Shammri	
Role	Preparing Report	
Signature	<u></u>	

Approved evaluation				
Member name	Mr. Mohammed Idrees	Mr. Hisham Al Aqeel		
Membership Class	Fellow	Fellow		
Membership Number	1220001030	1210000185		
Signature	رقم العضوية 1220001030	Feel		







The International Valuation Framework

Valuator and Status:

- This report was prepared by Value Expert & partner for Real Estate Valuation and its highly qualified team of staff, benefiting from the resources available to us, namely the efficiency of our advisory team, which includes qualified consultants with high academic degrees and experience in the field of valuation and consulting, and what is available to our company from the database was built through its valuation expertise and through the collection of data, information and statistics issued by the official and non-official bodies, which gives valuators the capacity to realize their tasks to the fullest. The company is also working to update their information base continuously.
- We have over 15 years of experience in valuation work and have submitted more than 20,000 valuation reports during our real estate appraisal period.
- Value Experts and its representatives of valuators who have conducted the valuation process have been immensely impartial, objectively employed and independent from the client and its subsidiaries or affiliates. Neither the Company nor its representatives have any current or foreseeable interest with the client or any of its subsidiaries or affiliates, nor are such agents among the client or those who have internal relationships or affiliations with the client and its subsidiaries or affiliates. The valuator's fees against the valuation process are unconditional on his findings or any other events. If the Company receives significant assistance from another party in respect of any important aspect of the assessment, the nature of such assistance, the extent of reliance thereon and, if any, documented in the report.





General Terms In The Report

Can

The word (could) describes the procedures that the evaluator has the responsibility to consider. Matters described in this way require the evaluator's attention and understanding. As the applicability of these matters in the evaluation process depends on the evaluator's exercise of his judgment and professional experience in the circumstances that are in line with the objectives of the standards.

Should

The word (must) denotes unconditional liability, the resident must fulfill responsibilities of this kind in all cases and circumstances to which the condition applies

Participant

The word (participant) refers to the relevant participants according to the value basis (or bases) used in the valuation engagement (see Standard 104 Basis of Value). The different bases of value require the evaluator to consider different points of view, such as: the views of market participants such as: market value, fair value of international standards for reporting, or a joint venturer.

The purpose

The word (purpose) refers to the reasons for conducting the assessment, and general purposes include (but are not limited to) the purposes of financial reporting, tax reporting, litigation support, transaction support, and lending support.

Commission

Refers to the Saudi Authority for Accredited Valuers (Taqeem), which is the authority concerned with setting the necessary controls and standards for evaluating real estate, economic establishments, equipment, movable property and the like, under the Accredited Residents System issued by Royal Decree No. (M/43) dated (9/7/1433 AH) It aims to develop the evaluation profession, raise the level of its employees, set general rules for acquiring and maintaining the membership of the Commission at its various levels, and provide the means for continuous development to raise its members to the best levels of practice and international standards for the profession. Under the supervision of the Ministry of Commerce and Investment

Asset or Assets

To facilitate the process of reading the criteria and to avoid repetition, the terms (asset) and (assets) generally refer to the items that are the focus of the evaluation task. Unless otherwise stated in the standard, these terms can be considered to mean and include each of the following words: (an asset, a group of assets, a liability, a group of obligations, or a group of assets and liabilities).

Client

The word (client) refers to the person, persons or entity for whom the evaluation is conducted. This includes external clients (when the evaluator is contracted with a third party), as well as internal clients (the evaluations prepared for the employer).

Jurisdiction

The word (jurisdiction) refers to the legal and regulatory environment in which the evaluation process is carried out. It includes laws and regulations enacted by government agencies such as the province, state, and municipality, as well as laws established by some regulatory agencies for the purpose of evaluation, such as central banks and securities regulators.

An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia



An overview of the Saudi economy

	2013	2014	2015	2016	2017	2018	2019	2020
Nominal gross product								
(Billion Saudi Riyals)	2,800	2,836	2,454	2,419	2,582	2,949	2,974	2,625
(annual percentage change)	1.5	1.3	-13.5	-1.4	6.8	14.2	0.8	-11.7
Inflation (annual percentage change)	3.5	2.2	1.2	2.1	-0.8	2.5	-2.1	3.5
Actual GDP (annual rate of change)								
Oil sector (annual percentage change)	-1.63	2.09	5.27	3.60	-3.09	3.13	-3.65	-6.65
Non-oil private sector (annual percentage change)	7.00	5.38	3.41	0.07	1.50	1.91	3.78	-3.10
Non-oil government sector (annual percentage change)	5.09	3.67	2.72	0.58	0.71	2.86	2.20	-0.49
Real GDP (annual percentage change)	2.70	3.65	4.11	1.67	-0.74	2.43	0.33	-4.11
Oil Indicators (average)								
Brent crude (dollars / barrel)	108.56	98.97	52.32	43.64	54.13	71.34	64.30	41.96
Production (million barrels/day)	9.63	9.71	10.19	10.46	9.96	10.32	9.81	9.22
Indicators of the general budget (billion Saudi riyals)								
Country revenue	1152.61	1040.14	612.69	519.46	691.51	905.61	926.85	781.83
Country expenses	994.73	1140.60	1001.29	830.51	930.00	1079.47	1059.45	1075.73
surplus/financial deficit	157.88	-100.46	-388.60	-311.06	-238.49	-173.86	-132.60	-293.90
(as a percentage of nominal GDP)	5.64	-3.54	-15.84	-12.86	-9.24	-5.89	-4.46	-11.19
Total public debt	60.12	44.26	142.26	316.58	443.25	559.98	677.93	853.52
(as a percentage of nominal GDP)	2.15	1.56	5.80	13.09	17.17	18.99	22.80	32.51
Total state deposits with SAMA (state current account + general reserve)	1484.43	1378.95	1023.30	730.58	641.38	562.37	529.25	436.57
(as a percentage of nominal GDP)	53.02	48.62	41.71	30.21	24.84	19.07	17.80	16.63

	2013	2014	2015	2016	2017	2018	2019	2020
Monetary Indicators (average)								
Consumer price index	3.9	2.9	2.3	2.1	-0.8	2.5	-1.2	3.4
The basic lending rate to the Monetary Agency	0.3%	0.5%	0.8%	1.5%	2.5%	1.8%	1.8%	0.5%
Annual percentage	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	2.0%	2.0%
Foreign trade indicators (billion riyals)								
oil exports	1207.08	1067.09	573.41	510.73	638.40	868.44	751.83	456.04
Total exports of goods	1409.63	1284.21	763.26	688.53	831.98	1103.95	981.06	657.60
Goods imports	575.04	594.23	597.27	479.41	462.75	471.14	526.05	449.56
Goods trade balance	834.59	689.98	166.00	209.12	369.23	632.81	455.01	208.04
current account balance	507.91	276.59	-212.71	-89.41	39.24	269.89	143.36	-42.71
(as a percentage of nominal GDP)	18.14	9.75	-8.67	-3.70	1.52	9.15	4.82	-1.63
Net international investment position	2861.88	2968.41	2586.77	2239.77	2338.58	2466.10	2516.34	2335.15
(as a percentage of nominal GDP)	102.21	104.66	105.43	92.61	90.57	83.61	84.62	88.94
Social and demographic indicators								
Population (million people)	29.38	30.00	30.89	31.79	32.61	33.41	34.22	35.11
Saudi unemployment rate (Unemployment rate among Saudis 15 years and over, percentage)	11.70	11.70	11.50	11.60	12.80	12.70	12.00	12.63
Average per capita income (SAR)	95300.01	94552.92	79425.50	76083.44	79177.33	88270.99	86901.95	74768.90

- Source:
- Jadwa forecasts for the years 2019-2020-2021, the General Authority for Statistics, for GDP figures and population indicators.
- The Saudi Arabian Monetary Agency for monetary and foreign trade indicators.
- Ministry of Finance for budget indicators.



Kingdom Vision 2030

With the support and patronage of the Custodian of the Two Holy Mosques, may God preserve him, the Kingdom's Vision 2030 was launched, which is the vision of His Highness the Crown Prince for the future of this great country, which seeks to invest in our strengths that God has endowed us with, from a distinguished strategic location, a pioneering investment force, and an Arab and Islamic depth, as he assumed the leadership for that All attention, and harness all potential to achieve ambitions.

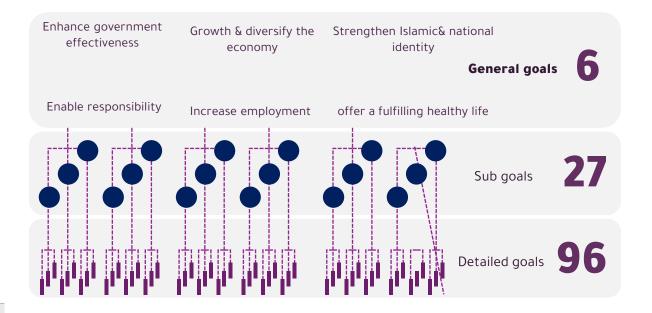
During the past five years, many achievements have been made, and a number of transformational enablers have crystallized, which contributed to achieving tangible results at the level of the government work system, the economy and society, and laid the foundations for success for the future. We have faced many challenges and gained many experiences, which have strengthened our confidence in achieving our goals. We worked to increase the government's effectiveness and responsiveness, by investing in government digital transformation, creating opportunities for growth and investment, creating a number of new economic sectors, opening our doors to the world, and raising the quality of life for citizens. All of these achievements were accomplished by the sons and daughters of this great nation.

Saudi Vision 2030 relies on pivotal strengths

The Kingdom of Saudi Arabia is the land of the Two Holy Mosques, the purest place on earth and the destination of more than a billion Muslims, making it the heart of the Arab and Islamic worlds.

The Kingdom is harnessing its investment power to create a more diversified and sustainable economy.

The Kingdom harnesses its strategic location to strengthen its position as a major engine of international trade and to connect the three continents: Africa, Asia and Europe.











Entrepreneurial projects

NEOM project



Item	Information
Project classification	Private area
Usage	Multi use
Developer	NEOM Company
Owner	Public investment fund
Total land area (sq km)	26.5 thousand
Budget	1,700 billion riyals
Location	Northwestern Saudi Arabia
Development	Build from scratch Modern solutions a future vision
Regulations and laws	Easy to start business
Economy	diverse



Entrepreneurial projects

Amala Project

Unit	Information
Project classification	Tourism
Usage	Multi use
Developer	Amala company
Owner	Public Investment Fund
Total land area (sq km)	5.6
Budget	7 billion riyals

Red Sea Project

Unit	Information
Project classification	Entertainment tourism
Usage	Multi use
Developer	The Red Sea Development Company
Owner	Public Investment Fund
Total land area (sq km)	28,000
Budget	14 billion riyals















Haramain train track



Entrepreneurial projects

Public transport

Information

Al-Haramain Express train extends

for a distance of 450 km. Linking

the religious path between the

city of Makkah Al-Mukarramah

and Al-Madinah Al-Munawwarah, passing through the city of Jeddah.

The train has five stations:

Jeddah station (Sulaymaniyah).

King Abdulaziz Airport station.

King Abdullah City Station.

Makkah station.

Medina station

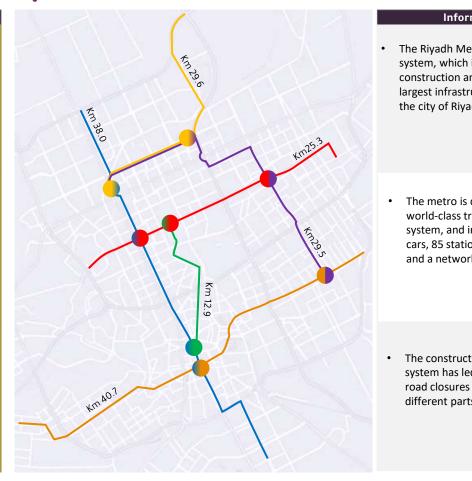
The railway is expected to

carry about 60 million

passengers annually, on

board a fleet of 35 trains, each with 417 seats.

Riyadh Metro



Information

• The Riyadh Metro is a fast transit system, which is currently under construction and is one of the largest infrastructure projects in the city of Riyadh

• The metro is designed as a world-class transportation system, and includes 756 metro cars, 85 stations, 6 metro lines, and a network of 176 km.

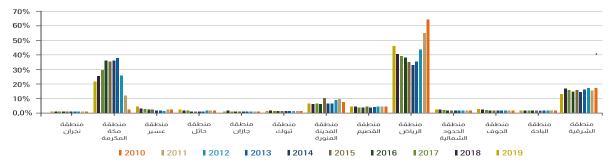
 The construction of the metro system has led to a number of road closures affecting traffic in different parts of the city.



Real estate market

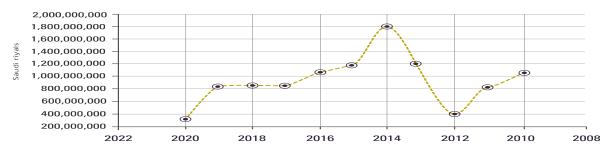
Second: The share of the Kingdom's regions in the total value of the market at the Kingdom's level

By analyzing the data, we find that the total value of deals at the level of regions is that Riyadh and Makkah are the two highest regions contributing to the total value of the market. Hence, the influence of the eastern region comes in the value of the real estate market, then the Medina region, then the Qassim region, and then the rest of the regions.



Third: The total area sold in the real estate market at the level of the Kingdom:

The highest sold area of executed deals in the Kingdom in 2014 amounted to more than 1.8 billion square meters for various types of real estate, and reached its lowest level in 2012 when the total area sold for executed deals reached 400 million square meters. There was an approximate stability in the traded areas during the years 2016 to 2019, with a decrease in the total value of executed deals.

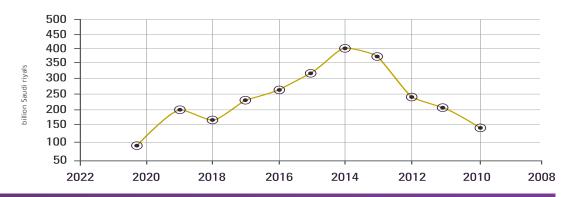


Mortgage loans

The continued implementation of the goals contained in the Vision Realization Program in the field of housing led to a rapid rise in the level of new mortgage loans until 2020. As a result, new residential mortgage loans provided by banks jumped during the four years from 47% to 60% in 2020, exceeding the target. by 8%. Abolishing the concept of waiting for housing support from 15 years to immediate entitlement. Through official platforms and in partnership with banks and financing agencies, it provided financing housing solutions to approximately 840,000 families, including 310 families who inhabited their homes. Activating the partnership with the private sector by developing more than 141,000 housing units and strengthening the partnership with banks and financing agencies by providing 424,000 subsidized real estate loans.

First: The total value of the real estate market in the Kingdom of Saudi Arabia

The highest value of the total deals executed in the Kingdom in 2014 amounted to more than 430 billion riyals for various types of real estate, and it reached its lowest level in 2018, when the total value of deals executed reached 139 billion riyals, and it is clear from the volume of deals executed in 2020 until the date of preparing the report that The market is in a phase of recovery and overtaking the previous year, at least.

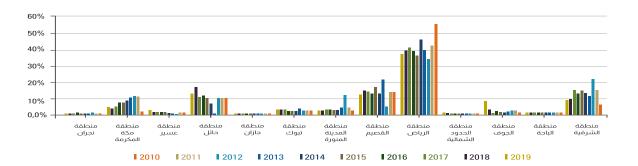




Real estate market

Fourth: The share of the Kingdom's regions of the total area sold in the market at the Kingdom's level:

By analyzing the data, we find that the total area sold for deals at the level of the regions is that the Riyadh region is the highest, followed by the Qassim, Eastern and Hail regions, with varying contributions, and then the Makkah region.



Real estate market



An overview of the retail sector in Riyadh

Project name Gross leasable area (sqm) 10,792 11.000 25,000 21.000 8.000 34.000 11.428 136.000 13.400 36.286 51.557 51,453 133.876 Ruwaq qurtubah 72,000 100,000 14.050 22,929 400.000 300.000

Demand

- It witnessed the opening of the huge (Riyadh Park) Mall on an area of 92,000 square meters during the past year.
- The food and beverage sector acquired the lion's share in most of the new commercial projects, and the development work focused on luxury restaurants, as most of these projects are concentrated in the north of the capital, Riyadh, and it has become a center for luxury and high-end restaurants.
- The Levels and Veranda are some of the notable openings this year, while Chandelier Restaurant Complex, Terrace and Aura are some of the highly anticipated high-end F&B projects on the Northern Ring Road.
- The (The Zone) project on Al-Takhasosi Street and (Sharafat Park) on Abi Bakr Al-Siddiq Road will add an area of 25,000 and 11,000 square meters respectively to the total retail inventory of 3 million square meters.
 The Riyadh Promenade complex near Imam University is likely to add 40,000 square meters to the market with a decent share of retail and entertainment.
- The Granada Center and The Park expansion project, which is being implemented by the Unified Real Estate Development Company, is expected to open in the first quarter of 2019 by adding 34,000 and 10,792 square meters, respectively.

Retail sector:

- The Value Added Tax (VAT), which was implemented at the beginning of last year in the Kingdom of Saudi Arabia and the Cooperation Council for the Arab States of the Gulf, posed some challenges that may affect competitiveness. However, since the establishment of the General Entertainment Authority (GAE), Saudi Arabia aims to increase household spending on entertainment from the current 2.9% to 6% by 2030.
- As the retail market in Riyadh faces a historic announcement initiative and the opening of the cinemas gates in April 2018.
- Moreover, the Qiddiya project in southwest Riyadh, which extends over an area of more than 334 square kilometers, will attract 12 million shopping mall visitors by the completion date of the first phase scheduled for 2022.
- The Dutch Spar hypermarket chain (2,900 square meters) entered the Riyadh Gate project, occupying an area of 16,000 square meters on King Fahd Road. Recently, Raden Center with an area of 15,613 sqm, MEFIC Center (Hospitality) with an area of 20,000 sqm and Turkey Square with an area of 3,000 sqm have been added to the retail inventory.

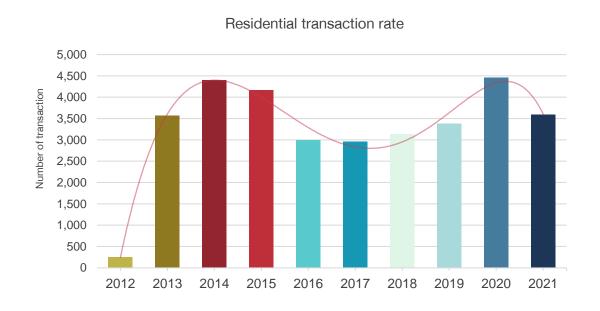
Project name	Gross leasable area (sqm)
Riyadh Park	92.000
Riyadh gate	16,000
Sedrah	18,000
Mefic center	20,000
Takhssusi Plaza	8,500
Turki square	3,000
The levels	5,400
Laban Plaza	7,759
City life plaza	7,761





Tabuk Province - the residential sector

	The rate of residential transactions over the years					
Years	Residential / number of executed transactions	Rate of change	Residential/price of the executed deals	Rate of change		
2010						
2011						
2012	255		92,807,371.00			
2013	3574	1302%	1,467,226,092.00	1481%		
2014	4402	23%	1,632,944,670.00	11%		
2015	4171	-5%	1,383,532,055.00	-15%		
2016	2988	-28%	965,400,172.00	-30%		
2017	2957	-1%	1,115,377,235.00	16%		
2018	3135	6%	883,250,737.00	-21%		
2019	3380	8%	973,156,305.00	10%		
2020	4459	32%	1,237,558,279.00	27%		
2021	3588	-20%	894,314,836.00	-28%		



^{*} Source: Ministry of Justice



Tabuk Province - the Commercial sector

The rate of Commercial transactions over the years					
Year	Commercial / number of transactions executed	Change of rate	Commercial/price of executed deals	Change of rate	
2010					
2011					
2012	243		103,386,167.00		
2013	2330	859%	1,208,128,619.00	1069%	
2014	2986	28%	1,407,639,860.00	17%	
2015	1854	-38%	884,182,836.00	-37%	
2016	1839	-1%	921,740,010.00	4%	
2017	1877	2%	796,355,360.00	-14%	
2018	1913	2%	893,018,706.00	12%	
2019	1970	3%	874,934,306.00	-2%	
2020	1900	-4%	1,032,930,391.00	18%	
2021	1311	-31%	513,797,139.00	-50%	



^{*} Source: Ministry of Justice





Dear Alinma Investment

Topic: Evaluation of a commercial center, Al-Rayyan neighborhood, Hafar Al-Batin city

In accordance with your request to **Evaluation of a commercial center, Al-Rayyan neighborhood, Hafar Al-Batin city,** we have examined the property, inspected and studied the necessary documents and maps. After conducting a study with the surrounding area of the property, we attach the following report that provides the necessary data and shows the reasons for reaching the market value of the property.

The purpose of this report is to estimate the market value of the property as it is on 30-11-2022; the purpose of its issuance is to know the market value of the property for (REIT Fund) and the report is for Derayah Financial Company use. The estimated property is a hotel tower - commercial detailed as follows:

Plot number	Deed Number	Land Area	Building Area	Real Estate Type
1	532502002325	63,500	102.057	Shopping Mall
2	332509008666	63,500	103,967	

Based on the study completed, we estimate the market value of the property's current status at the date of estimation and an amount of only: **340,980,000 SR**

(three hundred forty million, nine hundred eighty thousand Saudi riyals)

Taking into account the location and as documented in this report on 30-11-2022

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Evaluation of a commercial center, Al-Rayyan neighborhood, Hafar Al-Batin city					
Client (Applicant)	Alinma Investment				
User Request	Alinma Investment				
Purpose of Valuation	Periodic evaluation of the Alinma (General) Retail Fund (REIT)				
Property Location	Kingdom of Saudi Arabia – Hafar Al-Batin				
Property Type	Commercial				
Property Area	63,500 m ² / 63,500 m ²				
Building Area	103,967 m ²				
Deed number	532502002325 / 332509008666				
Deed Date	22/09/1439 AH1 0/11/1439 AH				
Ownership Type	Absolute Ownership – Wabil Fund				
Basis of Value	Market Value				
Valuation Criteria	International Valuation Standards				
Valuation Method	Income Method - (Cash Flow Method)				
Inspection Date	25/11/2022				
Valuation Date	30/11/2022				
Issue Date	21/12/2022				

400 standard

an introduction:

The principles contained in General Standards (101-105) apply to valuations of real estate interests. This standard stipulates additional requirements that apply to valuations of real estate interests.

Real estate interest:

It is the right to own, control, exploit, or occupy land and buildings.

Land interest includes informal tenure rights to communal or tribal land, exclusive informal settlements, rural or transitional economies, which can take the form of tenure, occupation, or use rights.

It includes three main types:

The supreme interest in any particular area of land, and the owner of such interest has an absolute right to possess and permanently control the land any buildings, subject only to any minimum interests and any statutory or other legally applicable restrictions.

The minimum interest usually gives the landlord exclusive ownership and control over a specific area of land or buildings for a specified period, for example: according to the terms of the lease.

The right to use land or buildings, but without enjoying the right of ownership or exclusive control, such as the right to pass ownership of land or exploit it only for a specific activity.

The interest identified in the assessment:

The supreme interest in any particular land area, and the owner of this interest has an absolute right to possess the land and any buildings and control it permanently.



Scope of work - Standard No. 101

	items	clarification
1	Client name	Alinma Investment
2	Report user	Alinma Investment
3	The subject matter of the evaluation	Shopping Mall
4	Valuation currency	The Saudi riyal (SR - SR) is the official currency used in this report.
5	Purpose of Valuation	Periodic evaluation of the (General) Alinma Retail Fund (REIT)
6	value (use) hypothesis	Market Value
7	value basis	Market value: It is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller. And within the framework of a transaction on a neutral basis after appropriate marketing, where each of the parties acts on the basis of knowledge and prudence without coercion or coercion.
8	valuation	Income Method - Cash flow
9	Inspection Date	25/11/2022
10	Valuation Date	30/11/2022
11	Issue Date	21/12/2022
12	Evaluation range	It included research and analysis to prepare the report according to the intended purpose and in accordance with international valuation standards, where the property was examined from the inside and outside on the day of the property inspection date. All the necessary data for preparing the report were obtained.
13	Nature and sources of information	In preparing this report, we relied on the information and documents provided by the client (the deed - the building permit - the statement of investment analysis - a statement of the rental spaces). Rental platform (real estate index for leasing operations), real estate exchange traded REITs (Capital Market Authority - Tadawul) Electronic platforms for real estate offers and indicators (Compare platform - Real Estate SAS - Real Estate Authority) Real estate offices in the target area, the database of Value Expert, which is continuously updated.



Standard - No. (101), (102)

	scope of work items	clarification		
11	Scope of research and survey	Field survey of the real estate area under evaluation and similar real estate. And we worked on collecting and analyzing data to come up with results that serve this report and the purpose required for it, in addition to a field study of the geographical nature and services available in the real estate area and its surrounding areas, which are explained in detail in the technical study.		
12	Report type	The report (detailed) contains complete explanations of all evaluation works, including steps, data, information, accounts, etc.		
13	standards	IVS International Evaluation Standards Version (2022) issued by the Saudi Authority for Accredited Valuers.		
14		The validity of the information and data (customer information) provided to us by the customer has been assumed to be correct. The type of ownership of the property is a property free of obligations according to the hypothesis submitted by the client without verifying its truth.		



Standard - No. (101)

scope of work items		clarification		
11	Restrictions on use, distribution or publication	This report is provided for the purpose for which it was prepared only and may not be used, circulated, quoted from or referred to in any way for any other purpose, and accordingly neither the company nor the evaluator bears any responsibility for any loss incurred by any party as a result of using the evaluation report in such a manner Contradicts the provisions of this clause. The evaluator reserves all rights to issue the valuation report. This report may not be reproduced in any manner without the express consent of the Company. This report may not be submitted to any other party other than those referred to in it without the express consent of the company. It is a matter of caution that the Company and the evaluator reserve the right to make any amendments and make any revisions to the valuation or to support the valuation result under specific circumstances. The company reserves the right, without any obligation, to review the evaluation accounts, amend and revise its results in the light of information that existed at the date of the evaluation, but became clear to it later.		
12	Confidentiality and preservation of information	This report has been prepared at the request of the client, and for this reason we realize the utmost importance of the requester in preserving and secrecy the data and outputs of this report, and we are committed to that. Any other party may view it.		
13	Disclaimer	This document prepared by (Value Expert Real Estate Appraisal Company) is owned by it and may not be used for purposes other than what it was prepared for. We have no current or future interests in the target drug. The agreed fees for making this report are not linked to the estimated value of the property. We were not asked for any prior opinions before the evaluation, and we have performed our work in accordance with the international evaluation standards issued by the Saudi Authority for Accredited Valuers. Our results may change if we are provided with any data affecting the value or if we are able to obtain it from reliable sources.		



Standard - No. (101)

	scope of work items	clarification
11	General assumptions	-The documents sent by the client were relied upon, and they were assumed to be correct. -The appraisal was carried out on the assumption that the property is free of any modifications or interference. -Our report has been prepared on the assumption that there are no hazardous or polluting materials at the site that affect the value significantly. -The property has been assumed to comply with all regular planning and zoning requirements. -The location of the land and the total area of the land were inferred by the client. -No legal document has been verified for the property under evaluation, which includes planning, ownership, mortgage, and some legal matters on which this —report or part of it is based. It was assumed that the real estate deed is valid, negotiable, and free from any restrictions, unusual conditions, or other burdens, -and has no pending claims. -The evaluation was based on economic conditions, current data in the real estate market, supply and demand, and therefore the value may change based on -the change of these data
12	own assumptions	-It was assumed that the drug is free of pollution and other environmental hazards. -The development costs of the project are based on special assumptions for the development according to the project on which it is based and the source of which is the information provided by the client. -The hypothesis of value was based on the hypothesis of the highest and best use. -The hypothesis of the value of the property, based on studies of the highest and best use, based on a prior study from the client, and tests were conducted on it in terms of legal clearance, the possibility of physical use, financial feasibility, and achieving the highest amount of profits. -The value of the property was assumed using the income method, the residual value method, instead of the comparisons method, the similar sales method, because there were no comparisons and similar evidence for the property to be evaluated. A better and higher policy was followed for the income method, the residual value method, according to the neighboring plans. -We find that the cost of the lands is not available to the customer, because the title deed is also not available or does not exist, or does not explain what the cost is after its transfer from state property to the government agency, and based on the data available to us and consulting experts and specialists in the field of -evaluation and accounting, we conclude that the fair value required for the purposes of The financial reports are the same as the market value in the International Valuation Standards. -The report refers to the term (value or average value), which means the measurement price. -During our calculation of the development cost, it was assumed that the basic infrastructure on the site is available and the price of the development cost was estimated through the information provided by the client.



General Criteria: Research and Survey



Asset Inspection

Deed was received from the client, which shows the area of the property. A detailed statement was received showing the location of the property and the area of the land, after which the property was identified and the information received from the client was matched with reality.



Define the Property Assets

Through the preview, it was found that the asset under valuation is hotel building.



Data Analysis

The available data analysis in the property, which have been drawn from informal sources such as real estate offices operating in the subject area.



Application of Valuation Methods

After the experts assessed the current use in terms of the market and the data available about it, it was concluded that the valuation method (future discounted cash flow), taking into account the purpose of the valuation.

Criteria No. 102





Data Collection

Based on the type of property valuated, the scope of data collection was determined; especially in the area surrounding the property.



Estimated Value

After reconciling the results of the valuation methods, a value corresponding to the scope of the work described with the client is weighted.



Value Review

A review of the value by the audit committee, consisting of two experts will review the information and analyzes and assumptions reached by valuator.



8

Report Preparation

Work on report preparation in accordance with the Standard 101 for report description, and criteria 103 for report preparation.

Criteria No. 102



Value Experts has a distinguished team with professional qualification and experience in valuation work and a team of 5 registered with the Saudi Commission for Accredited Valuers, the most prominent of the team:



Alaa Ibrahim Al - Thaqafi
Founder and CEO

14

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000027



Hisham Saleh Al - Aqeel

Partner - V. P. Director Valuation

9

Years experience in valuation work Supervising all valuation projects of company. Bachelor of Urban Planning Engineering

Membership No. 1210000185



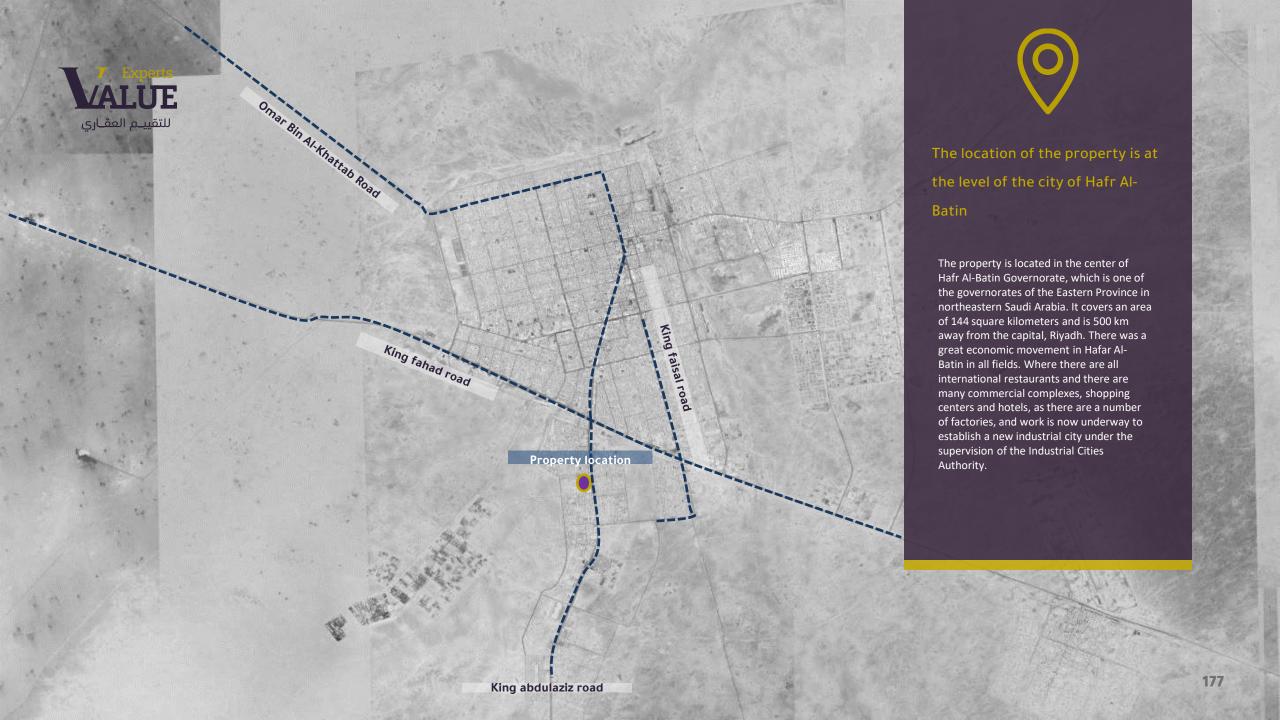
Abdulrahman A. Al Wadi Assistant Director, Valuation Dep. 7

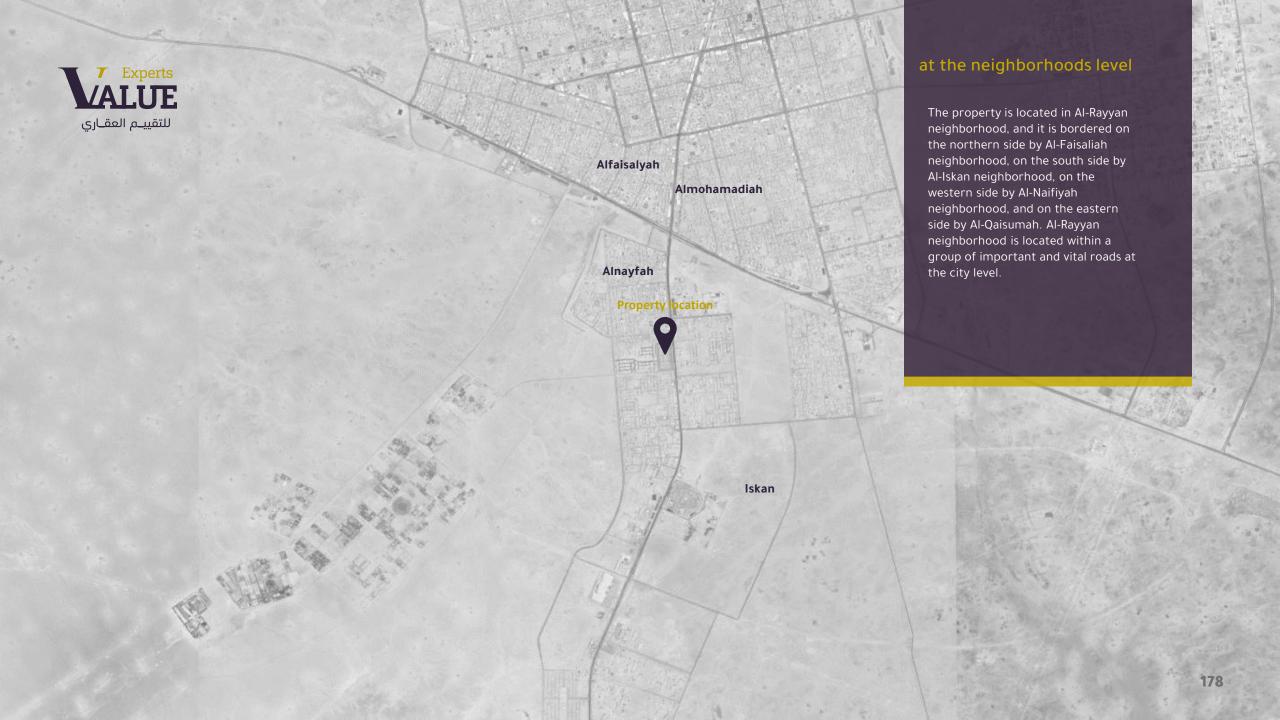
Years experience in valuation work Supervising all valuation projects of company. *Computer Diploma*

Membership No. 1220000513



	On-site Facilities	Yes	
	Government Entities	\checkmark	
	Police Station		
Governmental Services	Schools	√	
	Banks	✓	
	Civil Defense	√	
	Hospitals	√	
Medical Services	Clinics	√	
	Medical Centers	√	
	Commercial Centers	✓	
	Supermarkets	✓	
	Mall Centers	✓	
Commercial Services	Restaurants	✓	
	Hotels	✓	
	Furnished Apartments	✓	
	Gas Stations	✓	
	ATM Machine	✓	
	Electric Network	✓	
	Water System	✓	
	Telephone Network	✓	
General Facilities	Rain Water Drainage Network	✓	
	Mosques	✓	
	Parks	√	











The property is with total land area of 127,000 SQM.

Property features:

Location: It is located in Al-Rayyan neighborhood, which is an area with a medium population density. The property is also located on King Abdulaziz Road, and the property can be accessed through

Services: Availability of main services in the area surrounding the property under evaluation.

Main attractions: The proximity of the site to the main attractions (markets and commercial centers – main and vital roads).

Land nature: Flat

Demand: Where the property is located in Al-Rayyan neighborhood, which is considered one of the most prestigious neighborhoods in northern Hafar Al-Batin and the most sought-after neighborhoods - government investment in Hafar Al-Batin Industrial City, which will contribute to job creation and an increase in demand for the retail sector.

Borders:

Side	Borders	Length	Width	St. name	Note
North	Street	254	30		
South	Neighbor	254	-		
East	Street	250	60	King Abdulaziz road	
West	Parking+ street	250	25	_	
	Total Area			63,500 m ²	

Side	Borders	Length	Width	St. name	Note
North	Street	254	-		
South	Neighbor	254	30		
East	Street	250	60	King Abdulaziz road	
West	Parking+ street	250	25		
	Total Area			63,500 m ²	





General description of the buildings

The building is a commercial center (Al-Makan Mall) with a total built-up area of 137,594 square meters consisting of a basement, ground floor, and first floor containing shops, exhibitions, offices, entertainment areas, and restaurants

Finishes details

Facades: Facades covered with cladding and glass.

Ventilation and air conditioning units: central air conditioning.

Facilities: emergency exits - fire extinguishers – mosques

Buildings details

The following table shows the details of the building areas of the property:

m	Unit	Usage	Area (m2)
1	First floor	Commercial	86,000.0
2	Ground specs	services	1,593.0
3	Fences	services	1,540.0
	Total	89,133	





Property Description

Unit	Discretion
Shopping mall type	Local
Center rating	В
Opening date	2016
Building area (sqm)	137,594
Leasable area (sqm)	35,669
Number of floors	2
Number of stores	228
Number of barking spot	-
% of parking spaces	

Commercial spaces and their division

Unit space	Total Sqm	Percentage%
50-0	12,722	20%
200-51	4,217	7%
500-201	630	1%
1500-501	1,931	3%
Food court	669	1%
Sub Anchor	5,702	9%
Atm	35,561	57%
Anchor	718	1%
KISOK	62,150.3	100%

Interior photo of the mall



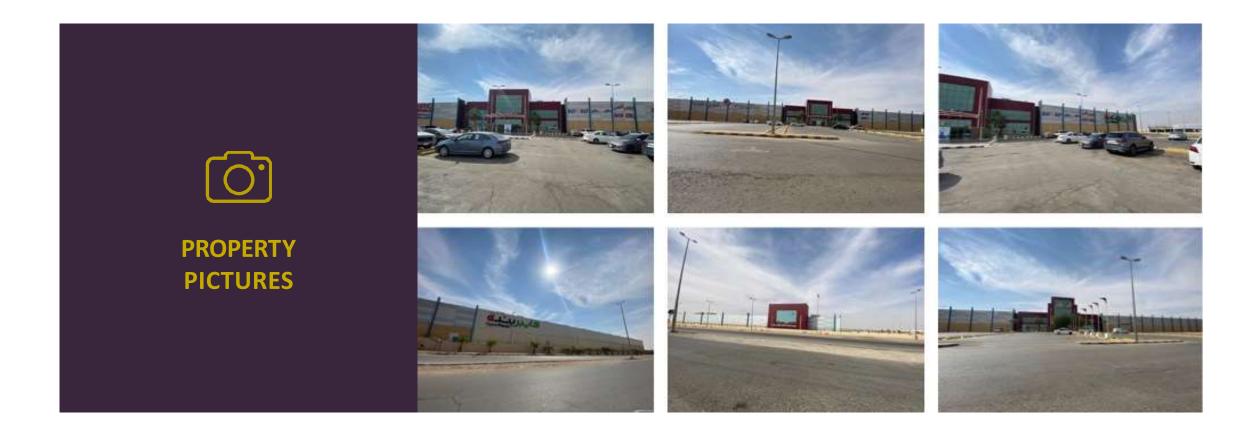


General description of lease contracts

The commercial center (Al-Makan Mall) consists of 74 stores, with multiple tenants. We were not provided with copies or copies of lease contracts, and according to the customer's instructions, we relied on the information contained in the rental schedule that was provided to us for the purpose of this evaluation.

Based on the information that was provided to us by the client, we understand that on the date of the evaluation, the total income of the property is 18,906,920 riyals, including service fees.























1- Market Method (Similar Sales Method for Land, Exhibitions, and Hotel Rooms)

Standard No. 105

Method	Used for	Method Definition	
		This method provides indicators of value by comparing lands and warehouses that are valuated with identical or similar data available for information on their prices.	
Market Method	Land, Exhibitions, and Hotel Rooms	 According to this method, the first step is to study the transaction prices of the corresponding or similar assets that have recently occurred in the market, and if the transactions have been few, it is also better to study the corresponding or similar asset prices listed or offered for sale and are objectively analyzed. Information about the prices of such transactions must be adjusted to reflect differences in the terms and conditions of the effective transaction, the basis of the value and assumptions adopted in the valuation process being performed, and differences in the legal, economic and material characteristics of the assets of the other transactions may be found compared to the asset being valued. 	

Use of Method

Methodology:

- This method is based mainly on the prices currently circulating in the market for selling or offers of another real estate (comparable properties) similar to the property subject of evaluation.
- Since it is impossible to find exactly the same real estate, appropriate adjustments are made to the prices
 of the comparative real estate by deducting the value of the items that represent an advantage of the
 comparative property and adding the items that represent an advantage to the property under
 evaluation.
- By comparing the natural properties and services adjacent to the site (not including the development) with their counterparts at nearby sites, the price of the land is adjusted for the same fundamental differences between the evaluation site and the nearby sites.

Application:

- Determine the geographical scope of similar properties.
- Determine the appropriate time period according to market variables, reflecting the market situation at the time of evaluation.
- Collecting comparison data for similar properties within the specified geographical range and time frame.
- Test the adequacy of comparisons for the evaluation process (if sufficient comparisons are not available, the evaluation method is excluded).
- Applying adjustments to comparative properties to reach at the property value.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



2- Cost Method Standard No. 105

Method	Used for	Definition method
Cost Method	Buildings	 The cost method is sometimes referred to as the contractor method. The cost method determines the value by estimating the cost of acquiring land and building a new property with equivalent benefits or modifying an old property for the same use without any unnecessary expenses resulting from delay. The cost of the land is collected on the total cost of the construction. It is customary for the project incentives or the real estate developer's profits / losses to be added to the construction costs, if appropriate.

Use of Method

Methodology:

- If there is a major market for the land or real estate being valued, it is preferable to use evidence from the market or comparable sales.
- Study the approvals likely to be issued by the regulator in the region and use the evidence and evidence from the market to verify the possibility of using the land according to the regulatory approvals.
- Study a virtual site in the same area with the same characteristics.
- Study the private use of a virtual site in another region.

Application:

- Estimating the value of the land.
- Determine the current cost of erecting the building.
- The depreciation value must be deducted from the cost based on what was specified in Clause (2) for a cost adjustment. New added on the current state.
- Market value = (1) + (2) (3) i.e. the value of the land plus the value of new construction minus depreciation.

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



3-Income Method (Discounted Future Cash Flow)

Standard No. 105

Method	Used for	Definition method
Income Method	The Property is a Changeable Income- Generating	It is a financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future discounted cash flows.

Use of Method

Methodology:

- This method depends on the net income of the property and the (capitalization rate).
- Total maintenance and operation are deducted from the total revenue of the property to be evaluated.
- Research for income-generating properties that are similar to the real estate to be evaluated.
- The (capitalization rate) is determined according to the current market prices and according to the type of property to be evaluated.

Application:

- Estimating future cash flows resulting from the income of the asset subject evaluation.
- Determine the discount rate or required rate of return.
- Determine the retention period of the asset an the final value.
- Calculating the current value of the expected income of the asset subject to evaluation to reach to the capital value of the property (after considering the time value of money).

Source: International Evaluation Standards 2022 - Third Edition (certified copy)



Th Used Valuation Methods







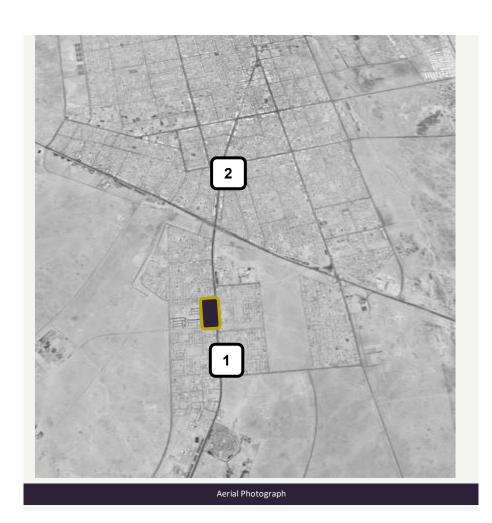
Valuation Techniques Market		Income	Cost
Technique Used It was mainly used to value the land, exhibitions, and hotel rooms		Based on the income method by using the future discounted cash flow; it is the most appropriate to estimate the investment value of the property.	
Valuation Method Used Comparisons		Cash Flow	Replacement
Reasons for Use To get the value of the land, exhibitions, and hotel rooms.		Property is income-generating	To find out the construction costs of the property

Estimate the value

using the cost method - the substitution method

The cost method provides an indication of value using the economic principle that a buyer will not pay more for an asset than it would cost to acquire an asset of similar utility whether by purchase or construction unless time, inconvenience, risk or other factors are involved.





First: Estimating the value of the land

In order to estimate the **market value** of the land, the comparison method was applied to determine the market value. The following is a summary of comparable properties in the area surrounding the property under evaluation:

Comparison	space	Meter price (SR/m2)	Value (SR)	comparison type	Date Comparison	Neighborhood	Usage
1	4,700	800	3,760,000	Offer	10/15/2022	AL wadi	Commercial - residential
2	2,500	1,100	2,750,000	Offer	10/15/2022	Muhammadiya h	commercial



Calculations and indicators to value market method

Estimate the value of the land

The evaluation matrix represents the natural and abnormal factors to determine the value, which are the elements of location, accessibility, land shape, and market situation.

ltem	Comparison 1	Comparison 2
Price per square meter (SAR/sqm)	800	1,100
Market Status	0.0%	0.0%
Price per SQM after Market Status	800	1,100

ltem	Comparative 1 information	Comparison 2 adjustments	Comparative 2 information	Comparison 2 adjustments
Area m2	4,700.0	-30.0%	2,500.0	-40.0%
Number of interfaces	4.0	0.0%	2.0	5.0%
Utilities	Easy	0.0%	Easy	0.0%
Location	Alwadi	0.0%	Muhammadiyah	-10.0%
Land shape	60.0	0.0%	60.0	0.0%
Usage	commercial	0.0%	commercial	0.0%
Negotiations	offer	-5.0%	offer	-5.0%
Total Adjustments (%)		-35.0%		-50.0%
Value after Adjustments		520.0		550.0
Weighting		50.0%		50.0%

Price per SQM 535.0

Summary of the valuation

Based on the previous information , the following table summarizes the market value of the land using the market method - the method of similar sales:

block number	Area (sqm)	Market value (SAR/sqm)	Market value - rounded (SAR)
1	63,500.0	535.0	33,973,000.0
2	63,500.0	535.0	33,973,000.0

67,946,000.0



Calculations and indicators to value market method- Replacement method

Building cost estimation

Buildings information

М	Floor	Usage	Building area (sqm/floor)	Number of floors	Total building area (sqm)
1	Ground floor	Commercial	1,980.9	1.0	1,980.9
2	Ground space	Commercial	11,508.0	1.0	11,508.0
3	Upper space	Commercial	12,082.0	1.0	12,082.0
4	Fences	Service	Total		25,571

Construction costs - direct

Based on the guide issued by the Saudi Authority for Accredited Residents, which clarifies the indicators of construction costs for buildings according to their uses:

m	Unit	Total area (sqm)	Construction cost (SR/sqm)	Total costs (SR)
1	Ground floor	38,129.0	1,400	53,380,600.0
2	Ground space	62,720.0	1,400	87,808,000.0
3	Upper space	1,578.0	1,400	2,209,200.0
4	Fences	1,540.0	215.0	331,100.0
	Total	103,967	1,382.4	143,728,900.0

Indirect construction costs

Through the scanning, and the evidence for similar projects, the following table summarizes the indirect costs, which will be added later to the direct costs that have been reached.

M	Unit	Ratio (%)	Value (SR)
1	Construction costs (SR)		143,728,900.0
2	Professional fees	1.5%	2,155,933.5
3	Utility grid	1.5%	2,155,933.5
4	management costs	1.5%	2,155,933.5
5	Contractor profit	10.0%	14,372,890.0
6	Developer profit	15.0%	21,559,335.0
	Total		186.128.925.5

Market value by cost method - Replacement method

According to the information provided previously, the market value of the property has been deduced using the cost method according to the attached table:

M	Unit	Value (SR)
1	Economic life of the building (years)	40.0
2	Property age (years)	7.1
3	Physical deprecation percentage (%)	17.6%
4	Employment Physical deprecation Rate (%)	0%
5	External (economical) Physical deprecation rate (%)	0%
6	Actual Physical deprecation percentage (%)	17.6%
7	Construction cost before Physical deprecation limitations (SR) (rounded)	186,697,301.0
8	Construction cost after Physical deprecation limitations (SR) (rounded)	153,778,936.6
9	Completion rate (%)	100%
10	Completed construction value (SAR)	153,778,936.6
11	Land value (SAR) (rounded)	67,946,000.0
	Total value by cost method (land + buildings) (SAR)	221,724,936.6

Estimate the value

Income method - discounted cash flow method

A financial method for estimating the value of a financial or real asset. The value indicator is derived by calculating the present value of future cash flows.



Similar samples



AL-jubail Mall

Unit	Info
Opening year	2010
Building area / square meters	65,800
Leasable area / square meter	51,979
Category	regional
Number of parking	%88
occupancy rate	2010
Unit area m2	Market rent (SAR/year)
Ordinary stores	3,000
Fast food stores	2,000
entertainment	1,300
Sub anchor	750
Atm	450
Anchor	2,200
Poth's	600
Stores (basement)	400
Stores	350

Unit	Info
Opening year	2015
Building area / square meters	37,366
Leasable area / square meter	20,908
Category	Local
Number of parking	%90
occupancy rate	2015
Unit area m2	Market rent (SAR/year)
Ordinary stores	3,300
Fast food stores	2,400
entertainment	2,100
Sub anchor	800
Atm	500
Anchor	2,500
Poth's	750
Stores (basement)	500
Stores	450
KISOK	14,000







Valuation - Income Method - Cash Flow Method

Revenue estimate

Field research

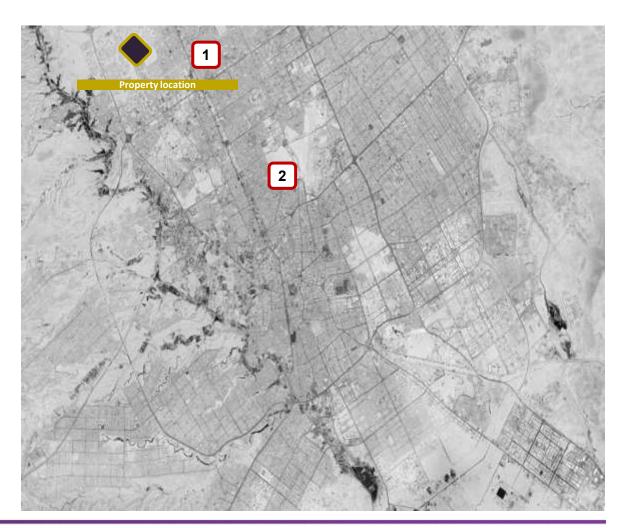
In order to reach the revenues of the Al-Makan Mall, the relative control and the study of the comparative properties were carried out in order to find the relative differences and determine the revenues for each component of the property under evaluation, the table below shows this

1- Prevailing rental rates in the market - Al-Ahsa Mal	'1- Prev	ailing renta	l rates in	the market	: - Al-Ahsa Mal
--	----------	--------------	------------	------------	-----------------

Unit area m2	Market rent (SAR/year)	Site adjustments and other factors (%)	Square meter value after settlements (SAR)	Weighting ratio (%)	Square meter value after weighting (SAR)
50-0	3,000	-27%	2190	100%	2190
200-51	2,000	-27%	1460	100%	1460
500-201	1,300	-27%	949	100%	949
1500-501	750	-27%	547.5	100%	547.5
أكثر من 1500	450	-27%	328.5	100%	328.5
Food court	2,200	-27%	1606	100%	1606
store	600	-27%	438	100%	438
Sub Anchor	400	-27%	292	100%	292
Anchor	350	-27%	255.5	100%	255.5
KISOK	13,000	-27%	9490	100%	9490

1- Prevailing rental rates in the market - Al-Jubail Mall

Unit area m2	Market rent (SAR/year)	Site adjustments and other factors (%)	Square meter value after settlements (SAR)	Weighting ratio (%)	Square meter value after weighting (SAR)
50-0	3,300	-30%	2310	0%	0
200-51	2,400	-30%	1680	0%	0
500-201	2,100	-30%	1470	0%	0
1500-501	800	-30%	560	0%	0
أكثر من 1500	500	-30%	350	0%	0
Food court	2,500	-30%	1750	0%	0
store	750	-30%	525	0%	0
Sub Anchor	500	-30%	350	0%	0
Anchor	450	-30%	315	0%	0
KISOK	14,000	-30%	9800	0%	0





The main assumptions in the valuation process - the income method - the discounted cash flow method

Rental spaces

According to the information provided by the client, the following table summarizes the leasable areas of the property under appraisal.

Unit area	Total area	Ratio
50-0	12,722	20%
200-51	4,217	7%
500-201	630	1%
1500-501	1,931	3%
Food court	669	1%
Sub Anchor	5,702	9%
Atm	1	0.0016%
Anchor	35,561	57%
KISOK	718	1%
·	62,151.3	100%

	- ,		
Unit area	Total area	Market rent	Annual rent
50-0	12,722	1,460	18,574,339.0
200-51	4,217	949	4,001,534.4
500-201	630	548	344,925.0
1500-501	1,931	1,606	3,101,828.4
Food court	669	438	292,881.8
Sub Anchor	5,702	292	1,664,925.6
Atm	35,561	256	9,085,942.8
Anchor	718	9,490	6,816,667.0
KISOK	62,150.3	706.1	43,883,044.1
	12,722	1,460	18,574,339.0

The inputs and assumptions of the income method are the

discounted future cash flow method

1.1 Income Analysis:

By examining the mall from the inside, it became clear to us that the property is leased at a rate of 94.15% of the rental space, according to the attached statement from the client.

1.2 Total Revenues:

The total rents that are collected according to the contract at the date of the evaluation, or the total revenues that are assumed according to the market. We were provided with a list of rents from the client, and we were not provided with any data on the operating and management expenses of the complex. The data on rents and income was collected by market.

1.3 Capital Expenditures:

Information regarding capital costs has not been provided to us by the client. We analyzed the level of provisions for capital expenditures in similar properties that we participated in the evaluation. We have assumed that the prudent owner will bear the capital expenditures to maintain the property well, improve the production capacity and preserve the tenants. Through inspection of the property, we found that it was renovated, and accordingly, no capital expenditures were assumed during the entire period.

1.4 Operational Expenses:

We were provided with operating expenses for the mall, and they were compared to the market, and due to the absence of relative differences compared to the market, they were applied throughout the investment period.



The main assumptions in the valuation process - the income method - the discounted cash flow method

1.7 Fixed Expenses:

No fixed expenses for the property, such as insurance and any other expenses, have been calculated.

1.8 Tenant Incentives:

Due to the difficult market conditions, some tenants resort to requesting subsidies to reduce the burden of rent. No incentives were calculated for the tenants, and it was assumed that the tenant would bear them.

1.9 Doubtful Debts (Credit Losses):

It is that any owner may incur some loss of income due to bad debts. According to the data provided by the client, no losses have been applied.

1.10 Growth rate:

Due to the lack of market data and previous indicators for similar real estate and the growth rate at the level of supply and demand, and since the inflation rate is available as information announced according to the data of the Central Bank, an average has been calculated for each year based on the inflation rate for a previous year to estimate future periods as shown in the table. Adopting the Gordon growth model, meaning that the drug grows steadily forever.

1.11 Rate of return on investment:

Through the market survey of real estate that was evaluated by us in the city of Dammam and viewing the reports of REIT funds and similar real estate in the retail sector, the capitalization rate for similar real estate ranges between 7% and 9%, and accordingly the rate of return was determined at 7.5%.

1.12 Discount rate:

With regard to the discount rate, and according to the methods used to calculate the discount rate stipulated in the international evaluation standards, and as it was studied in the evaluation methodologies of the Saudi Authority for Accredited Valuers, it was reached by the cumulative method as shown in the table below, which depends on (the rate of inflation, regular risks, the rate of returns of government years for the period, and in addition to real estate risks, market risks). - Sources for data (Central Bank - Debt Services - Capital Market Authority data for similar properties that have been acquired).

1.14 Explicit Prediction Period (Investment Duration):

The investment period indicator was mainly based on the method used in the evaluation, the discounted future cash flows, according to the equation investment period = actual life - life expectancy - market life.

1.15 Table of assumptions of the inputs of the income method, the cash flow method

Unit	Value	clarification
Land area (sqm)	127,000.0	_
Inflation rate (%) (Rs)	2.01%	regular risk premium
7-year government bond yield ratio (Rf)	4.50%	Risk free rate of return
Real estate risk premium	1.80%	The irregular risk premium represented in the quality of the real estate investment and the costs involved in maintenance and operation
Market risk	2.50%	Based on supply and demand in the area in which the property to be evaluated is located
discount percentage (%)	10.81%	It is the ratio that converts future cash flows into present value
Yield Ratio (%)	9.00%	market survey
Operation and maintenance costs for exhibitions (%)	25.00%	Costs incurred for the maintenance and operation of the property throughout the period
Credit costs for exhibitions (%)	0.00%	The percentage of non-payment tenants facing the establishment throughout the investment period
Vacancies costs for exhibitions (%)	20-57%	The percentage of vacancies for real estate according to the prevailing in the current situation, based on the assumption that the building is at the beginning of the operation period and stabilizes in the recent period as a prevailing average according to the market



Mall revenue schedule

Unit	Rental area (sqm)	rental price	Gross Income
Unit rental income	62,151.3	706.6	43,918,044

Period	1	2	3	4	5	6
Cash flows - by market						
Gross Expected Income - GPI (SR)	43,918,044	43,918,044	43,918,044	43,918,044	43,918,044	
Credit and vacancy costs (%)	57.0%	50.0%	40.0%	30.0%	20.0%	
Credit and vacancy costs (SAR)	25,033,285	21,959,022	17,567,218	13,175,413	8,783,609	
Expected Gross Income (SR)	19,263,965	22,840,896	27,938,200	33,211,879	38,661,933	
Capital Expenditure -CE (%)	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital Expenditure -CE (SR)	0	0	0	0	0	
Operating expense ratio (%)	14.8%	14.8%	14.8%	14.8%	14.8%	
Operating Expenses - OE (SR)	2,859,092	3,389,968	4,146,493	4,929,194	5,738,072	
Net Operating Income - NOI (SR)	16,404,873	19,450,928	23,791,708	28,282,685	32,923,860	
Final value						470,879,008
Present value coefficient	0.90	0.81	0.73	0.66	0.60	0.54
Present value of net income (SAR)	14,804,773	15,841,566	17,486,877	18,760,144	19,708,572	254,379,806
Real estate value (SAR)	340,981,739					
Real estate value (SAR) (rounded)	340,980,000					
Meter price (SR/m2)	2,685					



Market value

Unit	Value (SR)
The value of the property according to the market	293,980,000
The market value of the property	293,980,000

Note: The cost method, the substitution method in the evaluation, is an auxiliary and indicative method only, so it was not included as a weighting opinion for the market value. **Justifications**

- The market value of the property was weighted according to the market, since the vacancy of the property according to the reality and the rental statement is high compared to the market.
- The general direction of the state, represented by Vision 2030, is to revive the tourism and entertainment sector.
- Regional orientation and the increase of international companies to make the Kingdom of Saudi Arabia a center for it at the regional level, which will be reflected successively on the recovery of the retail sector in the future.
- The property is located in Al-Rajhi neighborhood in Tabuk, on King Khalid Road in the center of Tabuk city geographically.
- Public awareness and the general orientation of the residents of the area towards malls and similar recreational areas.

• Findings and Recommendations:

- Depending on the results of the search in the region, the surrounding area is considered to have a high density, and the presence of housing plans, as well as the high creditworthiness of the individuals in the region.
- The property is located south of Hafar Al-Batin, in a main and vital artery of King Abdulaziz Road, which leads to the Northern Ring Road, and represents a point of attraction for several nearby activities (Technical College, Security Forces Housing, Hafar Al-Batin Central Hospital, Hafar Al-Batin University, King Fahd Road, King Abdullah Park, Al-Mallam Khalid City Military) and mediates two main arteries, King Fahd Road and Turki Al Awwal Road.
- The state's general direction is to improve the tourism and hotel sector and to develop new entertainment programs that will allow for high occupancy



Findings and recommendations

Possible threats:

- The imbalance in the level of supply and demand.
- Maintain periodic maintenance and development as possible to make the property more attractive and profitable for the investor.
- Developing and providing services that serve the competitive advantage of the entertainment sector, in line with Vision 2030.
- High future operating costs and the requirements of quality and sustainability standards.
- Availability of retail spaces that achieve efficiency and the highest quality standards in other locations.
- High rental prices compared to the services and activities available at the mall, which constitutes a barrier that prevents investors from taking risks in similar projects.
- Lack of exploited rental spaces and recreational and community activities inside the mall.



Based on the completed study, we estimate the market value of the property by an amount

340,980,000 SR

(three hundred forty million, nine hundred eighty thousand Saudi Saudi riyals)

Considering the site, and as documented in this report on 30-11-2022



	Approved evaluation	1	Compa	ny Stamp
Member name	Mr. Mohammed Idrees	Mr. Hisham Al Aqeel		
Membership Class	Fellow	Fellow	VAI	LUE
Membership Number	1220001030	1210000185	10104698 القيمــة وشريكه	شرکة خبـراء
Signature	Shalow	Ties	<u>م العقاري</u> 1010469884	Commercial register
Signature	رقم العضوية 1820001030		744/18/323	License Number
		-	ച 1438/07/08	License Date





The International Valuation Framework

Valuator and Status:

- This report was prepared by Value Expert & partner for Real Estate Valuation and its highly qualified team of staff, benefiting from the resources available to us, namely the efficiency of our advisory team, which includes qualified consultants with high academic degrees and experience in the field of valuation and consulting, and what is available to our company from the database was built through its valuation expertise and through the collection of data, information and statistics issued by the official and non-official bodies, which gives valuators the capacity to realize their tasks to the fullest. The company is also working to update their information base continuously.
- We have over 15 years of experience in valuation work and have submitted more than 20,000 valuation reports during our real estate appraisal period.
- Value Experts and its representatives of valuators who have conducted the valuation process have been immensely impartial, objectively employed and independent from the client and its subsidiaries or affiliates. Neither the Company nor its representatives have any current or foreseeable interest with the client or any of its subsidiaries or affiliates, nor are such agents among the client or those who have internal relationships or affiliations with the client and its subsidiaries or affiliates. The valuator's fees against the valuation process are unconditional on his findings or any other events. If the Company receives significant assistance from another party in respect of any important aspect of the assessment, the nature of such assistance, the extent of reliance thereon and, if any, documented in the report.

An overview of the economy and the real estate sector in the Kingdom of Saudi Arabia



Kingdom Vision 2030

With the support and patronage of the Custodian of the Two Holy Mosques, may God preserve him, the Kingdom's Vision 2030 was launched, which is the vision of His Highness the Crown Prince for the future of this great country, which seeks to invest in our strengths that God has endowed us with, from a distinguished strategic location, a pioneering investment force, and an Arab and Islamic depth, as he assumed the leadership for that All attention, and harness all potential to achieve ambitions.

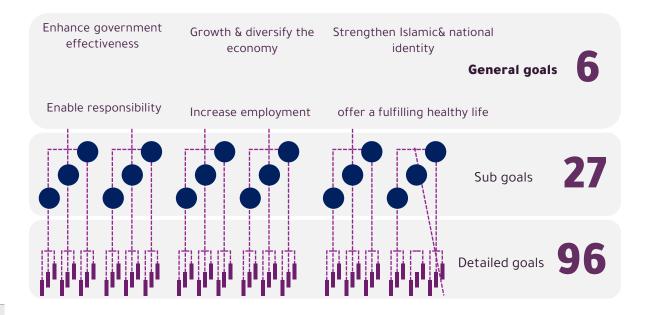
During the past five years, many achievements have been made, and a number of transformational enablers have crystallized, which contributed to achieving tangible results at the level of the government work system, the economy and society, and laid the foundations for success for the future. We have faced many challenges and gained many experiences, which have strengthened our confidence in achieving our goals. We worked to increase the government's effectiveness and responsiveness, by investing in government digital transformation, creating opportunities for growth and investment, creating a number of new economic sectors, opening our doors to the world, and raising the quality of life for citizens. All of these achievements were accomplished by the sons and daughters of this great nation.

Saudi Vision 2030 relies on pivotal strengths

The Kingdom of Saudi Arabia is the land of the Two Holy Mosques, the purest place on earth and the destination of more than a billion Muslims, making it the heart of the Arab and Islamic worlds.

The Kingdom is harnessing its investment power to create a more diversified and sustainable economy.

The Kingdom harnesses its strategic location to strengthen its position as a major engine of international trade and to connect the three continents: Africa, Asia and Europe.























Princial Symbiometrical

Drangformation Programs



Entrepreneurial projects

NEOM project





Entrepreneurial projects

Amala Project

Unit	Information
Project classification	Tourism
Usage	Multi use
Developer	Amala company
Owner	Public Investment Fund
Total land area (sq km)	5.6
Budget	7 billion riyals

Red Sea Project

Unit	Information		
Project classification	Entertainment tourism		
Usage	Multi use		
Developer	The Red Sea Development Company		
Owner	Public Investment Fund		
Total land area (sq km)	28,000		
Budget	14 billion riyals		







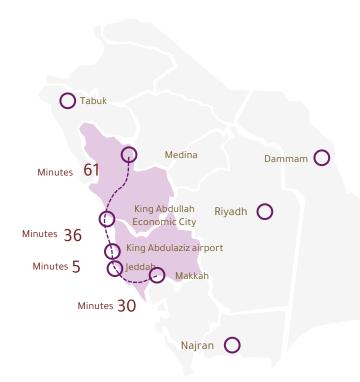








Haramain train track



Entrepreneurial projects Public transport

Information

Al-Haramain Express train extends

for a distance of 450 km. Linking

the religious path between the

city of Makkah Al-Mukarramah

and Al-Madinah Al-Munawwarah, passing through the city of Jeddah.

The train has five stations:

Jeddah station (Sulaymaniyah).

King Abdulaziz Airport station.

King Abdullah City Station.

Makkah station.

Medina station

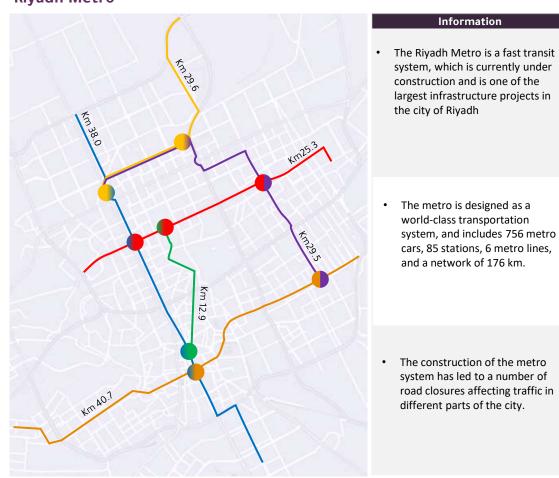
The railway is expected to

carry about 60 million

passengers annually, on

board a fleet of 35 trains, each with 417 seats.

Riyadh Metro

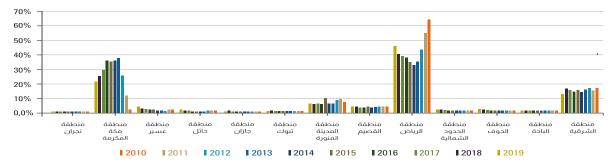


Real estate market



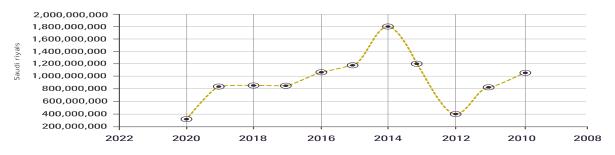
Second: The share of the Kingdom's regions in the total value of the market at the Kingdom's level

By analyzing the data, we find that the total value of deals at the level of regions is that Riyadh and Makkah are the two highest regions contributing to the total value of the market. Hence, the influence of the eastern region comes in the value of the real estate market, then the Medina region, then the Qassim region, and then the rest of the regions.



Third: The total area sold in the real estate market at the level of the Kingdom:

The highest sold area of executed deals in the Kingdom in 2014 amounted to more than 1.8 billion square meters for various types of real estate, and reached its lowest level in 2012 when the total area sold for executed deals reached 400 million square meters. There was an approximate stability in the traded areas during the years 2016 to 2019, with a decrease in the total value of executed deals.



Mortgage loans

The continued implementation of the goals contained in the Vision Realization Program in the field of housing led to a rapid rise in the level of new mortgage loans until 2020. As a result, new residential mortgage loans provided by banks jumped during the four years from 47% to 60% in 2020, exceeding the target. by 8%. Abolishing the concept of waiting for housing support from 15 years to immediate entitlement. Through official platforms and in partnership with banks and financing agencies, it provided financing housing solutions to approximately 840,000 families, including 310 families who inhabited their homes. Activating the partnership with the private sector by developing more than 141,000 housing units and strengthening the partnership with banks and financing agencies by providing 424,000 subsidized real estate loans.

First: The total value of the real estate market in the Kingdom of Saudi Arabia

The highest value of the total deals executed in the Kingdom in 2014 amounted to more than 430 billion riyals for various types of real estate, and it reached its lowest level in 2018, when the total value of deals executed reached 139 billion riyals, and it is clear from the volume of deals executed in 2020 until the date of preparing the report that The market is in a phase of recovery and overtaking the previous year, at least.

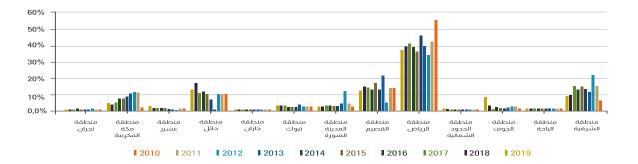




Real estate market

Fourth: The share of the Kingdom's regions of the total area sold in the market at the Kingdom's level:

By analyzing the data, we find that the total area sold for deals at the level of the regions is that the Riyadh region is the highest, followed by the Qassim, Eastern and Hail regions, with varying contributions, and then the Makkah region.



Real estate market



An overview of the retail sector in Riyadh

Project name Gross leasable area (sqm) 10,792 11.000 25,000 21.000 8.000 34.000 11.428 136.000 13.400 36.286 51.557 51,453 133.876 72,000 Ruwaq qurtubah 100,000 14.050 22,929 400.000 300.000

Demand

- It witnessed the opening of the huge (Riyadh Park) Mall on an area of 92,000 square meters during the past year.
- The food and beverage sector acquired the lion's share in most of the new commercial projects, and the development work focused on luxury restaurants, as most of these projects are concentrated in the north of the capital, Riyadh, and it has become a center for luxury and high-end restaurants.
- The Levels and Veranda are some of the notable openings this year, while Chandelier Restaurant Complex, Terrace and Aura are some of the highly anticipated high-end F&B projects on the Northern Ring Road.
- The (The Zone) project on Al-Takhasosi Street and (Sharafat Park) on Abi Bakr Al-Siddiq Road will add an area of 25,000 and 11,000 square meters respectively to the total retail inventory of 3 million square meters.
 The Riyadh Promenade complex near Imam University is likely to add 40,000 square meters to the market with a decent share of retail and entertainment.
- The Granada Center and The Park expansion project, which is being implemented by the Unified Real Estate Development Company, is expected to open in the first quarter of 2019 by adding 34,000 and 10,792 square meters, respectively.

Retail sector:

- The Value Added Tax (VAT), which was implemented at the beginning of last year in the Kingdom of Saudi Arabia and the Cooperation Council for the Arab States of the Gulf, posed some challenges that may affect competitiveness. However, since the establishment of the General Entertainment Authority (GAE), Saudi Arabia aims to increase household spending on entertainment from the current 2.9% to 6% by 2030.
- As the retail market in Riyadh faces a historic announcement initiative and the opening of the cinemas gates in April 2018.
- Moreover, the Qiddiya project in southwest Riyadh, which extends over an area of more than 334 square kilometers, will attract 12 million shopping mall visitors by the completion date of the first phase scheduled for 2022.
- The Dutch Spar hypermarket chain (2,900 square meters) entered the Riyadh Gate project, occupying an area of 16,000 square meters on King Fahd Road. Recently, Raden Center with an area of 15,613 sqm, MEFIC Center (Hospitality) with an area of 20,000 sqm and Turkey Square with an area of 3,000 sqm have been added to the retail inventory.

Project name	Gross leasable area (sqm)
Riyadh Park	92.000
Riyadh gate	16,000
Sedrah	18,000
Mefic center	20,000
Takhssusi Plaza	8,500
Turki square	3,000
The levels	5,400
Laban Plaza	7,759
City life plaza	7,761





Eastern Province - the residential sector

The rate of residential transactions over the years							
Years	Residential / number of executed transactions	Rate of change	Residential/price of the executed deals	Rate of change			
2010	12,970		11,598,452,308.00				
2011	15,877	22%	15,344,453,118.00	32%			
2012	30,431	92%	23,707,196,229.00	55%			
2013	52,559	73%	44,128,460,522.00	86%			
2014	45,904	-13%	40,855,512,486.00	-7%			
2015	41,868	-9%	33,634,527,114.00	-18%			
2016	30,580	-27%	25,989,047,663.00	-23%			
2017	29,586	-3%	22,755,743,791.00	-12%			
2018	28,827	-3%	16,759,040,017.00	-26%			
2019	39,804	38%	17,297,139,921.00	3%			
2020	33,509	-16%	17,525,367,056.00	1%			
2021	23,147	-31%	13,241,781,307.00	-24%			

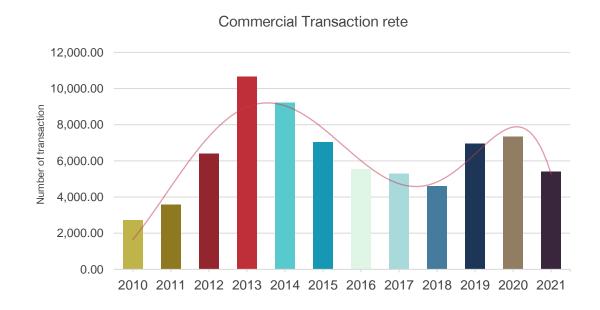


^{*} Source: Ministry of Justice



Eastern Province - - the Commercial sector

The rate of Commercial transactions over the years							
Year	Commercial / number of transactions executed	Change of rate	Commercial/price of executed deals	Change of rate			
2010	2,715		12,592,866,641.00				
2011	3,597	32%	14,783,236,206.00	17%			
2012	6,396	78%	17,787,282,326.00	20%			
2013	10,662	67%	23,373,013,654.00	31%			
2014	9،227	-13%	21,773,939,385.00	-7%			
2015	7,031	-24%	19,472,278,960.00	-11%			
2016	5,557	-21%	12,606,611,033.00	-35%			
2017	5,302	-5%	12,927,038,673.00	3%			
2018	4,602	-13%	7,335,123,247.00	-43%			
2019	6,949	51%	7,385,082,369.00	1%			
2020	7,334	6%	7,654,633,368.00	4%			
2021	5,421	-26%	6,052,009,352.00	-21%			



^{*} Source: Ministry of Justice

Value Experts & Partner Company for Real Estate Valuation

Main management

Riyadh city.

Anas Bin Malik Road,

Al Malga District Telal Al Malga Center, 2nd Floor, Office 8

Kingdom Saudi Arabia

Jeddah branch.

Madinah Al Munawwarah Road, Al Basateen District

Khobar City Branch.

Prince Muqrin Road, Workers City District Kingdom Saudi

Arabia

Medina branch.

Prince Abdul Mohsen Road, Al-Muhann District

Kingdom Saudi Arabia

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شركة خبراء القيمة وشريكه للتقييم العقاري

رقم الترخيص: 323 / 18 / 744 - تاريخ الترخيص: 08 / 07 / 1438هـ



