Valuation Report.

Al Rajhi REIT

Prepared for Al Rajhi Capital
Valuation date: 31 December 2024

Ref: KFV279-2023

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

Locally expert, globally connected.

Al Rajhi Capital
8467 King Fahd Road, Al Muruj District
Riyadh
Saudi Arabia

For the attention of Mr Abdullah Alsalloom
Email: abdullah.alsalloum@alrajhi-capital.sa

Our reference: KFV279-2023

Date of issue: 22 January 2025

Dear Sirs,

Valuation Report - Al Rajhi REIT

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above properties. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank Spain Saudi Arabia Real Estate Valuations Company



Talal Raqaban, MRICS, FR Taqeem
RICS Registered Valuer – Taqeem No. 1210001810
Partner, Valuation & Advisory, KSA
For and on behalf of Knight Frank Spain Saudi Arabia
Real Estate Valuations Company

This report has been reviewed, but not undertaken, by:





Stephen Flanagan, MRICS, FR Taqeem
RICS Registered Valuer – Taqeem No. 1220001936
Partner, Head of Valuation & Advisory, MENA
For and on behalf of Knight Frank Spain Saudi Arabia
Real Estate Valuations Company

Knight Frank Spain Saudi Arabia Real Estate Valuations Company is a company registered in KSA with commercial registration number 1010564516

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Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.

Al Rajhi REIT

Valuation Date: 31 December 2024

Property	City	Land Area (sq m)	Fair Value (SAR)
1. Baraem Rowad Al Khaleej Kindergarten	Riyadh	1,830	19,000,000
2. Rowad Al Khaleej International Schools	Riyadh	15,960	198,700,000
3. Rowad Al Khaleej International Schools	Dammam	20,213	230,700,000
4. Al Salam Specialty Hospital	Riyadh	3,604	142,600,000
5. Lulu Hypermarket	Riyadh	19,500	210,175,000
6. Rama Plaza	Riyadh	15,600	55,765,000
7. Narjis Plaza	Riyadh	9,000	57,355,000
8. Jarir Bookstores	Riyadh	4,953	56,925,000
9. Al Faris International Schools	Riyadh	16,500	132,900,000
10. Panda, Khamis Mushait	Khamis Mushait	19,000	49,870,000
11. Hyper Panda, Marwah	Jeddah	38,641	155,195,000
12. Panda, Rawdah	Jeddah	9,930	53,120,000
13. Panda, Madain Al Fahd	Jeddah	11,874	38,380,000

Property	City	Land Area (sq m)	Fair Value (SAR)
14. Al Andalus Center	Jeddah	9,566	143,815,000
15. Blue Tower	Al Khober	5,464	143,610,000
16. Al Louloua Warehouses	Riyadh	94,909	159,505,000
17. Lulu Central Warehouse	Riyadh	23,716	61,070,000
18. Oasis Mall	Al Kharj	16,719	102,675,000
19. Al Hanaki Business Centre	Jeddah	19,411	452,140,000
12. Riyadh Avenue	Riyadh	27,842	478,670,000
Aggregate		**384,232**	**2,942,170,000**

The Properties

1.1 The Properties we have valued are as follows and all in the Kingdom of Saudi Arabia:

#	Al Rajhi REIT
1	Baraem Rowad Al Khaleej Kindergarten
2	Rowad Al Khaleej International Schools
3	Rowad Al Khaleej International Schools
4	Al Salam Specialty Hospital
5	Lulu Hypermarket
6	Rama Plaza
7	Narjis Plaza
8	Jarir Bookstores
9	Al Faris International Schools
10	Panda, Khamis Mushait
11	Hyper Panda, Marwah
12	Panda, Rawdah
13	Panda, Madain Al Fahd
14	Al Andalus Center
15	Blue Tower
16	Al Louloua Warehouses
17	Lulu Central Warehouse
18	Oasis Mall
19	Al Hanaki Business Centre
20	Riyadh Avenue

1.2 We were instructed to inspect the Properties internally, as well as externally.

1.3 Details of our inspections, including any limitation or restrictions, are set out in the individual property reports at Appendix 2.

1.4 In accordance with your instructions, we have relied upon areas provided by the Client. No further verification has been undertaken.

Engagement of Knight Frank Spain Saudi Arabia Real Estate Valuations Company

1.5 In accordance with your instructions, we have relied upon areas provided by the Client. No further verification has been undertaken.

1.6 This valuation report (the "Valuation") has been prepared in accordance with our Terms of Engagement letter dated **5th of July 2023** and our General Terms of Business for Valuation Services (together the "Agreement"). A copy of this document is attached at Appendix 1 (along with your original instruction for reference purposes).

1.7 This Valuation is subject to the scope of works as set out in the Valuations Assumptions, Definitions and General Comments section of this report.

Client

1.8 We have been instructed to prepare the Valuation by Al Rajhi Capital (the "Client").

Valuation standards

This valuation has been undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards (the "Red Book") and Taqeem Standards**.** As required by the Red Book / IVS, some key matters relating to this instruction are set out below.

Independence and expertise

Disclosure of any conflicts of interest

1.9 We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are in a position to provide an objective and unbiased valuation.

Valuer and expertise

1.10 The valuer, on behalf of Knight Frank Spain Saudi Arabia Real Estate Valuation Company with the responsibility for this report is Talal Raqaban, MRICS, RICS Registered Valuer and Fellow member of Taqeem. Parts of this valuation have been undertaken by additional valuers as listed on our file.

1.11 We confirm that the valuer and additional valuers meet the requirements of the Red Book / IVS and Taqeem Regulations, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.12 We are appointed as your valuation advisors; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.

1.13 For the purposes of the Red Book, we are acting as External Valuer.

1.14 This report has been vetted as part of Knight Frank Spain Saudi Arabia Real Estate Valuation Company quality assurance procedures.

Use of this Valuation

Purpose of valuation

1.15 This Valuation is provided for the purpose of Financial Reporting under IFRS (the "Purpose") only and may not be used for any other purpose without our express written consent.

Reliance

1.16 This Valuation has been prepared for the Client only. No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

2. Market Analysis

Saudi Arabia Macroeconomic Overview

Key Findings

GDP Growth



After experiencing a contraction due to the pandemic, Saudi Arabia's economy returned to growth in 2021, with the real GDP increasing by 4.3%, a rebound from the 4.3% decline seen in 2020. This growth continued into 2022, with both the oil and non-oil sectors contributing to a significant surge in the kingdom's economy by 8.7%, according to data from the General Authority for Statistics (GASTAT). However, according to the estimates by the General Authority for Statistics (GASTAT), the GDP growth in 2023 has been adjusted, with Saudi Arabia's GDP contracting by 0.8%, reflecting the impact of prolonged oil production cuts. This represents a reduction from previous projections of 3.1% for 2023. For the year 2024, Oxford Economics estimates that growth will pick up to 2.6% and 6.0% in 2025.

Saudi Arabia PMI



Growth in non-oil business activity in Saudi Arabia eased in May as new orders rose at the slowest pace in 25 months. Saudi Arabia’s Purchasing Manager Index (PMI), which tracks the country’s private non-oil economy, decreased at 55 points in June 2024 from 59.6 same month last year.

Saudi Arabia CPI



In May 2024, the annual inflation rate in Saudi Arabia remained stable at 1.6%, unchanged from April. This marked the lowest inflation rate since January 2022, largely due to a milder rise in the costs of housing & utilities. Housing related spending is the largest segment of consumer spending. The contribution to total spending rose from 20.5% in 2010 to 24% in 2023 and is expected to reach 25% by 2030.

Employment



Saudi Arabia’s total workforce was estimated at 11 million employees in 2023, down from 11.3 million employees in 2017. Looking ahead, given the positive momentum created by the government's exceptional handling of the COVID-19 crisis and a series of economic reforms bolstering job creation across diverse sectors, the Saudi labour force is projected to reach 11.4 million by 2024, exceeding the peak employment figures recorded in 2017.

Population



According to the statistics, the population of Saudi Arabia is estimated to have reached 32.8 million in 2023. The Saudi/Non-Saudi breakdown of the population for 2022 stands at 18.8 million 13.4 million. Based on the Oxford Economics forecasts, the population of Saudi Arabia is expected to grow at a constant 2% annual growth rate from 2022 onwards, reaching 34.8 million in 2026. A large and growing population, albeit at a slower pace than previous years, will continue to drive demand for goods and services in the short to medium term.

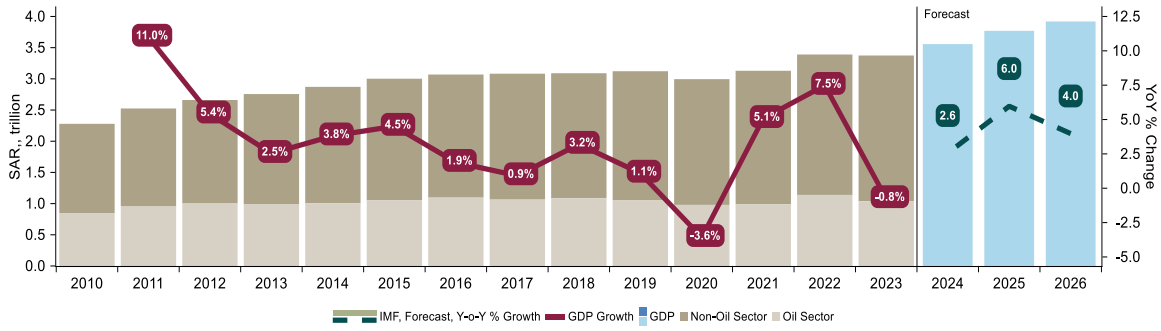
Saudi Arabia GDP Growth, 2011 - 2025

After experiencing a contraction due to the pandemic, Saudi Arabia's economy returned to growth in 2021, with the real GDP increasing by 4.3%, a rebound from the 4.3% decline seen in 2020.

This growth continued into 2022, with both the oil and non-oil sectors contributing to a significant surge in the kingdom's economy by 8.7%, according to data from the General Authority for Statistics (GASTAT).

However, according to the estimates by the General Authority for Statistics (GASTAT), the GDP growth in 2023 has been adjusted, with Saudi Arabia's GDP contracting by 0.8%, reflecting the impact of prolonged oil production cuts. This represents a reduction from previous projections of 3.1% for 2023. For the year 2024, Oxford Economics estimates that growth will pick up to 2.6% and 6.0% in 2025.

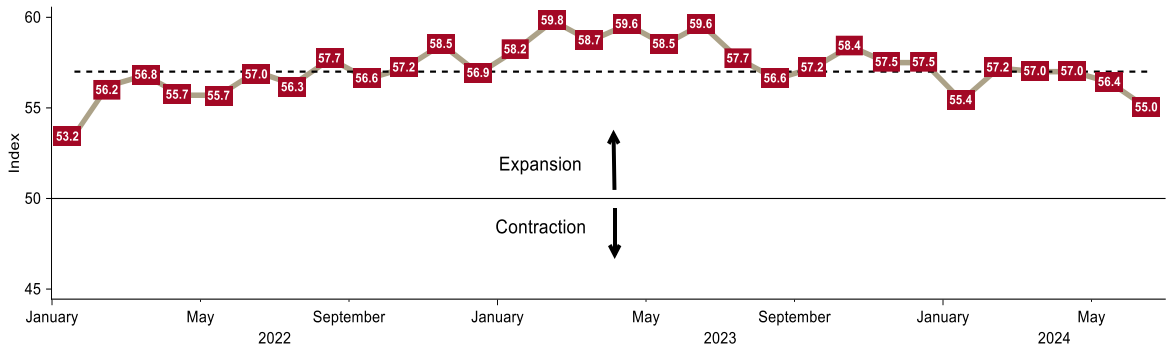
GDP Growth, 2010 - 2025



Saudi Arabia, Purchasing Manager Index (PMI)

Growth in non-oil business activity in Saudi Arabia eased in May as new orders rose at the slowest pace in 25 months. Saudi Arabia's Purchasing Manager Index (PMI), which tracks the country's private non-oil economy, decreased at 55 points in June 2024 from 59.6 same month last year.

Purchasing Manager Index (PMI)

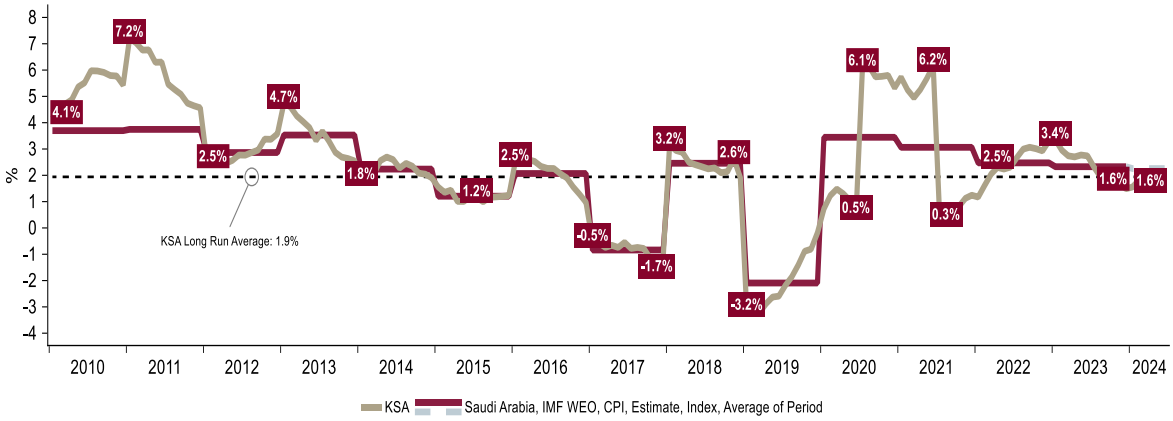


Saudi Arabia Consumer Price Index, YoY Change %

In May 2024, the annual inflation rate in Saudi Arabia remained stable at 1.6%, unchanged from April, marking the lowest inflation rate since January 2022, largely due to a milder rise in the costs of housing & utilities.

Housing related spending is the largest segment of consumer spending. The contribution to total spending rose from 20.5% in 2010 to 24% in 2023 and is expected to reach 25% by 2030.

Consumer Price Index



Saudi Arabia Population Evolution

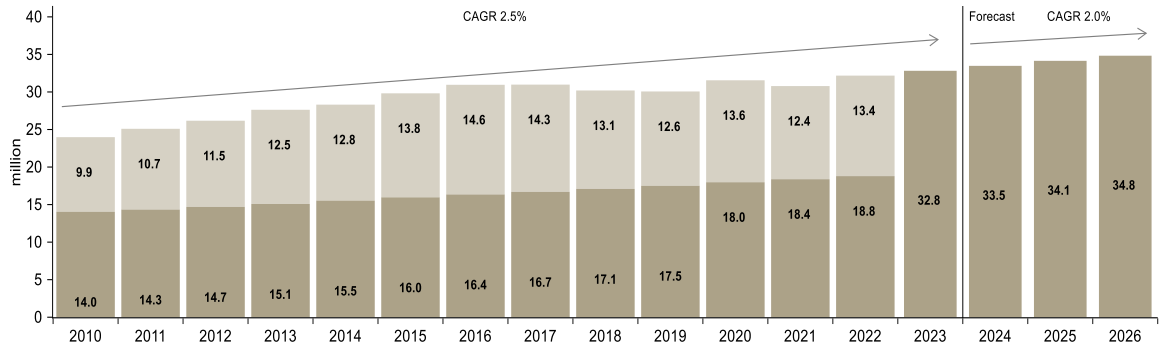
Saudi Arabia accounts for more than half of the GCC's total population and has a larger population than any other GCC country.

According to the statistics, the population of Saudi Arabia is estimated to have reached 32.8 million in 2023. The Saudi/Non-Saudi breakdown of the population for 2022 stands at 18.8 million 13.4 million.

Based on the Oxford Economics forecasts, the population of Saudi Arabia is expected to grow at a constant 2% annual growth rate from 2022 onwards, reaching 34.8 million in 2026.

Saudi Arabia's population is dominated by Saudi nationals, accounting for 58.4% of the population. This implies that aggregate demand for products and services does not primarily stem from the expatriate workforce.

Population Evolution



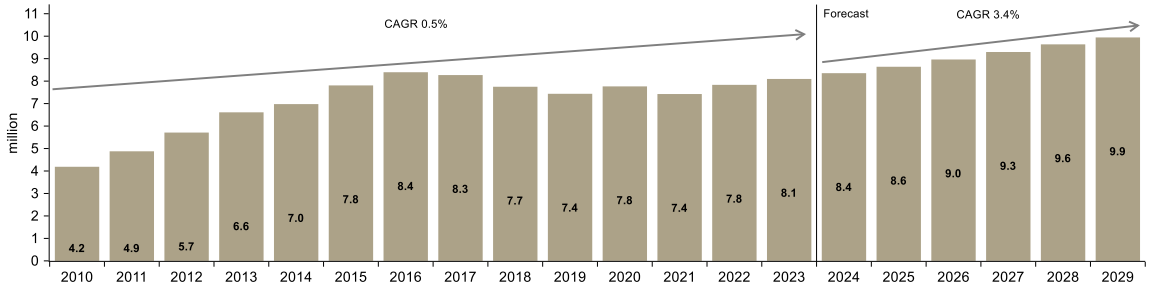
Saudi Arabia Total Number of Households

The total number of households in Saudi Arabia is currently estimated at roughly 8.1 million in 2023. According to Oxford Economics, annual average growth in the number of households will grow by 3.4% between 2023 and 2030, up from 0.5% between 2015 and 2023.

The average household size in Saudi Arabia stood at 3.7 individuals in 2022, according to the Saudi Census. While the average household size for Saudi households stands at just over 4.8, the average household size for non-Saudis is closer to 2.7 individuals. The overall average household size is set to slightly decrease over the coming years.

Regarding the local population, it was not unusual historically for generations of the same family to be living in a sizeable family home. The younger generation now exhibits a desire to move away from the multi-generational household structure.

Total Number of Households

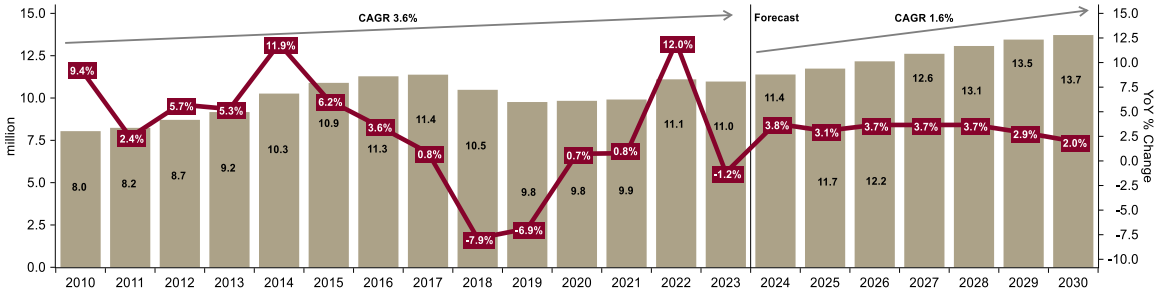


Saudi Arabia Total Employment

Saudi Arabia's total workforce was estimated at 11 million employees in 2023, down from 11.3 million employees in 2017.

Looking ahead, given the positive momentum created by the government's extraordinary response to COVID-19 and several economic reforms that have supported employment growth in a variety of industries. The Saudi labour force is expected to increase to 11.4 million by 2024, exceeding the peak employment figures recorded in 2017.

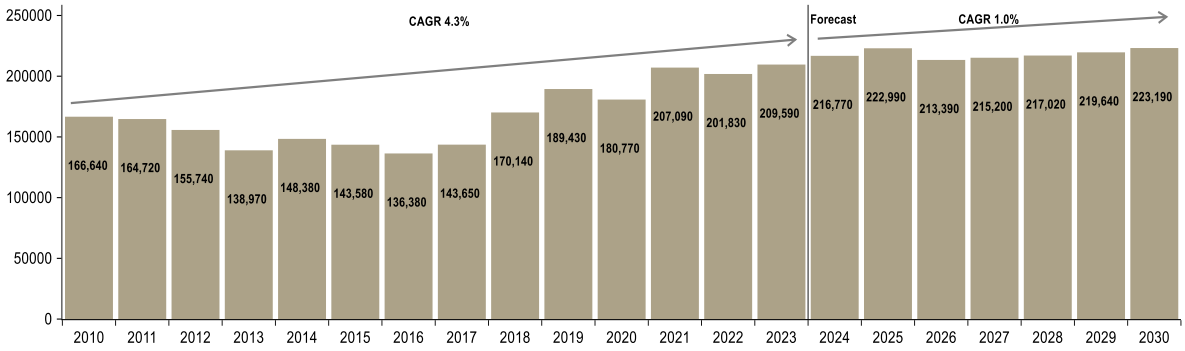
Total Employment



Saudi Arabia Average Household Disposable Income in SAR

Household income is a key determinant of affordability and consumer spending patterns. The average household personal disposable income in Saudi Arabia stood at c. SAR 209,590 in 2023. Between 2015 and 2023, the average household personal disposable income increased at a CAGR of 4.3%. It is expected that this growth momentum will slow down to 1% between 2023 and 2030, as highlighted in the adjacent graph.

Household Disposable Income in SAR

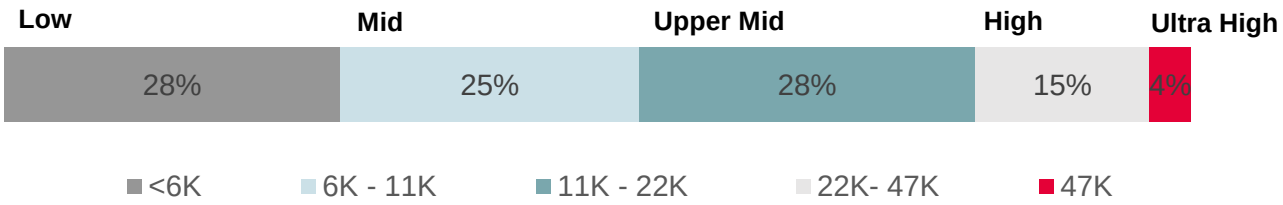


Saudi Arabia Household Breakdown – By Monthly Income SAR (2023)

In 2023, households in Saudi Arabia with Upper Mid and Low incomes had the largest share. Both stood at 28%, with Upper Mid earning between 11,000 to 22,000 SAR and Low earning less than 6,000 SAR per month respectively, showcasing diverse economic spectrum in the Kingdom.

In Saudi Arabia, 28% of the population belongs to the low-income group, while 25% represents the middle-income segment, demonstrating a close proximity between two income classes within the country.

In 2023, 19% of households in Saudi Arabia earned high and ultra-high incomes, while 53% of households earned mid- and high-mid incomes, indicating mid income levels compared to the national average and other Saudi cities.



Riyadh Market Overview

I. Riyadh Office Market Overview

Key Findings

Demand

Demand for office space is expected to increase from current levels as economic reforms under the National Transformation Plan (NTP) and Vision 2030 continue to feed through the wider economy, translating into an acceleration of growth in the non-oil private sector. Moreover, the implementation of various urban regeneration initiatives, including mixed-use communities and large-scale infrastructure projects like DGDA, Kind Salman Park, and Roshn, is expected to act as a catalyst for the real estate market.

Supply

By H1 2024, the existing office supply stands at 5.2 million sqm, mainly dominated by Grade A office stock. The current pipeline suggests that the supply is expected to increase to 5.5 million sqm by 2026. The majority of the upcoming supply is slated for large-scale masterplan developments like Roshn, DGDA, the new project of Laysen Valley and the remaining phases of KAFD.

Lease Rates

The demand for office space is increasing at unprecedented rates in Riyadh, fueled by an influx of businesses to the Saudi capital. As a result, office lease rates continue to climb in the wake of growing demand. Indeed, average lease rates for Grade A office space have increased by 21% over the past 12 months to approximately SAR 2,260 psm.

Government Initiatives

The initiatives, such as Program HG and several other reforms implemented by the government, have powered a promising surge in office demand in the capital city. In fact, Program HQ is gaining further traction, with 180 international businesses committing to establishing their Middle East headquarters in Riyadh since the launch of the scheme.

Occupancy Rates

The Grade A occupancy levels have dipped slightly to 97%, down from 98% at this time last year. Despite this small decline, heightened demand continues to put

landlords in a strong position, while city-wide Grade B vacancy levels have now reached 4%, the lowest in at least five years.

Outlook

We anticipate that demand for prime and best-in-class space will continue to rise from both international corporates and newly formed public-private sector companies, fueled by continuing government-led economic reforms that will infuse renewed confidence and accelerate business growth.

Office Buildings Classification: Definition

Commercial buildings are classified into three main categories: Grade A, Grade B, and Grade C based on several factors such as the location of the property, age, maintenance, landlord credibility, and rated tenants. Grade A tends to be the most sought-after category, but it is subject to the tenant and their needs and the available budget.

	Grade A	Grade B	Grade C
Building Specifications	• Premium architecture with state-of-the-art finishing • Located in prime areas within central business districts	• Dated interior but properly maintained • Located around or close to central business districts	• Dated interior and not properly maintained • Located in old business districts or main city roads
Tenant Profiles	• Multinational/International • Large corporates	• Local firms • Small to medium enterprises	• Small businesses
Parking	• Adequate tenant parking • Guests parking available	• Adequate tenant parking	• Minimal parking
Building Features	• Advanced security system and security personals available • Gym, café, restaurants	• Security system or personnel available • Minimal facilities	• Minimal security presence • No additional facilities
Lease Rates	• Premium rental rates	• Average rental rates	• Lower than average rental rates

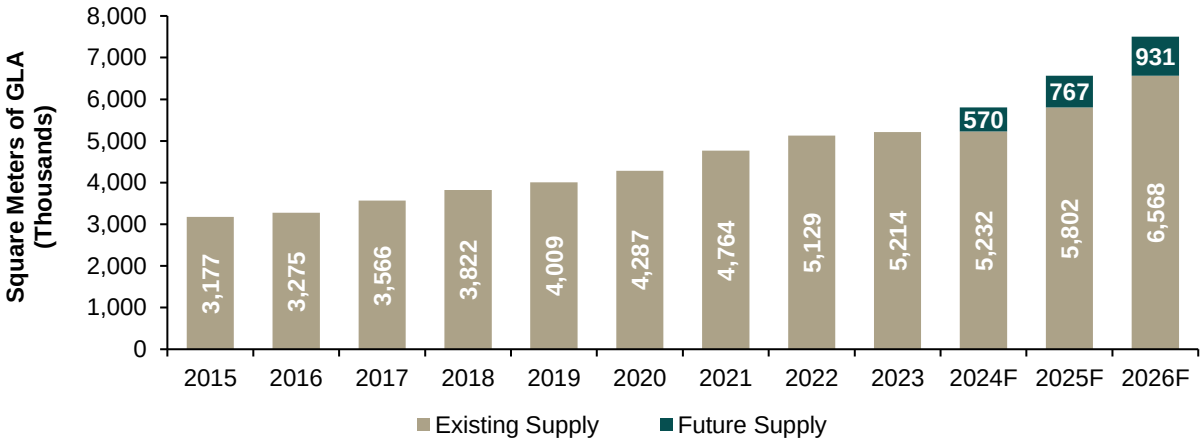
Evolution of Quality Supply

Between 2015 and 2024, Riyadh's office stock compounded annual growth rate (CAGR) of 6.5%.

Between 2024 and 2026, Riyadh's office supply is expected to grow at a CAGR of 13.7%, having a maintained level to the historical CAGR.

King Abdullah Financial District, a landmark prime office development. KAFD has provided c. 700,000 plus square meters of GLA to the market between 2020-H1 2024 and is slated to supply c. 300,000 more by 2024/25.

Office Supply

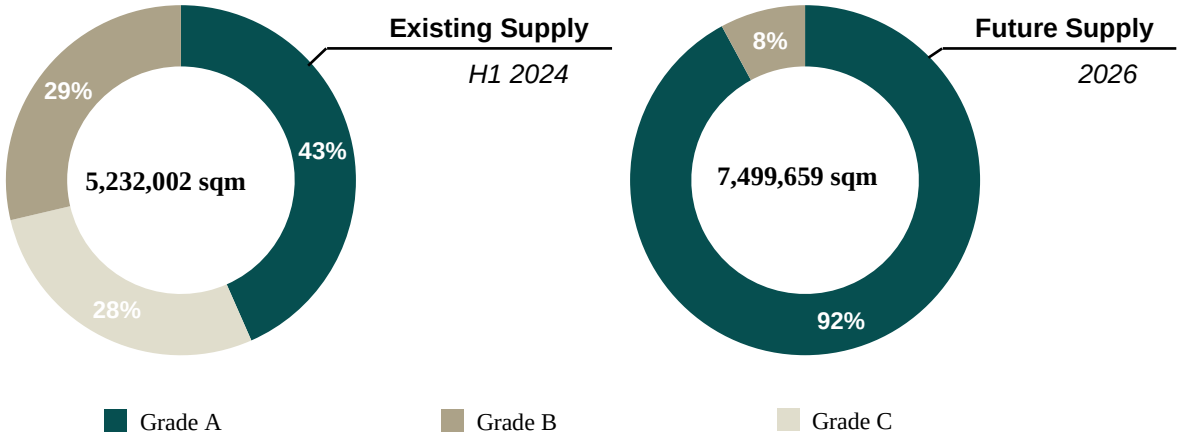


Distribution of Existing Office Supply by Categories (sqm GLA)

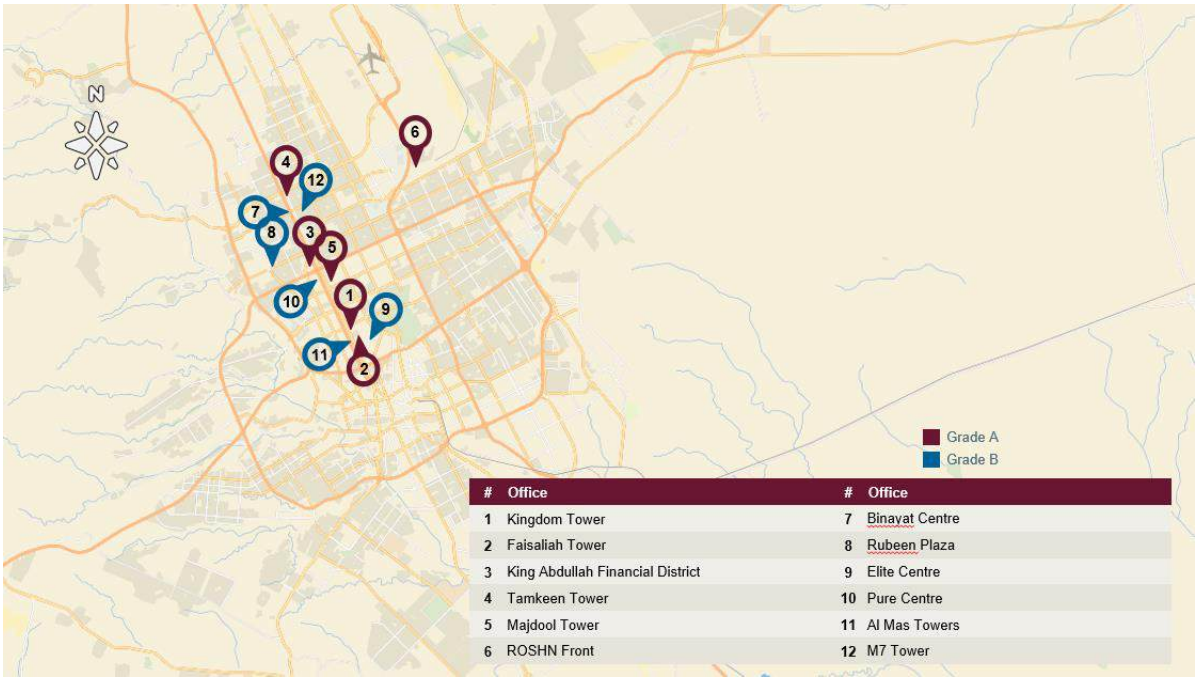
As of 2024, the total GLA of office space stands at over 5.2 million sqm. With Grade A developments making up the majority of the supply (43%).

Total office market is expected to witness the addition of around 1.77 million sqm of quality GLA by 2026, assuming no further construction delays.

The majority of new office developments are skewed towards Grade A and are part of mixed-use properties that integrate several commercial components, including office and retail.

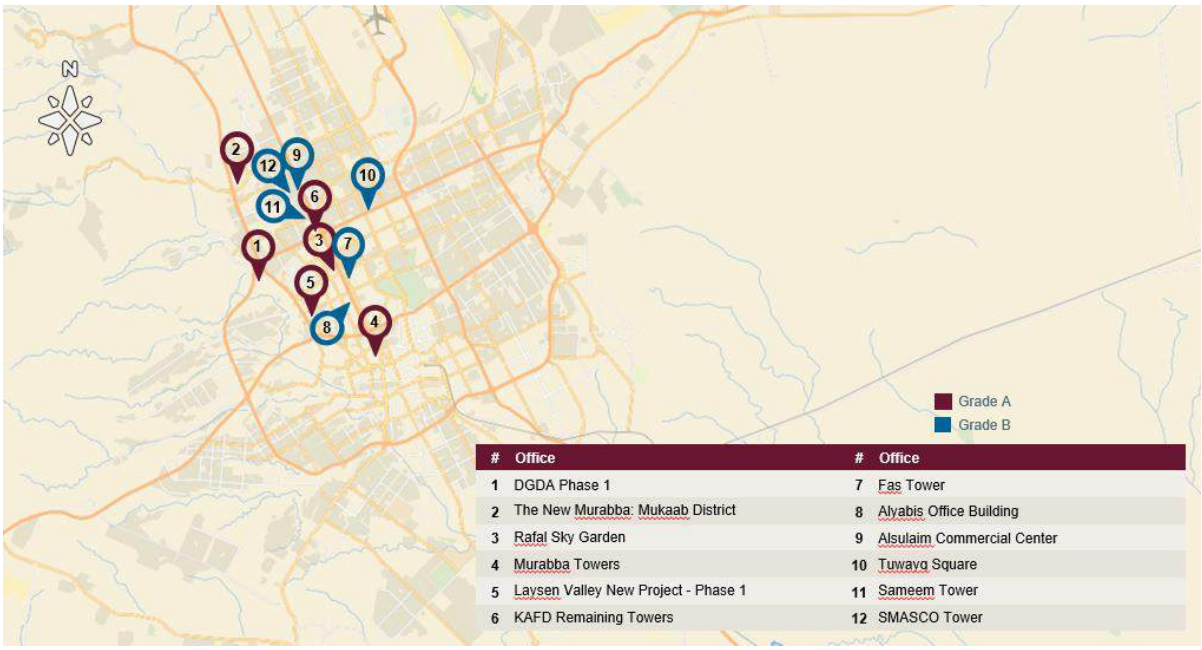


Riyadh Existing Quality Supply Samples



#	Office	#	Office
1	Kingdom Tower	7	Binayat Centre
2	Faisaliah Tower	8	Rubeen Plaza
3	King Abdullah Financial District	9	Elite Centre
4	Tamkeen Tower	10	Pure Centre
5	Majdool Tower	11	Al Mas Towers
6	ROSHN Front	12	M7 Tower

Riyadh Future Office Supply Samples



#	Office	#	Office
1	DGDA Phase 1	7	Fas Tower
2	The New Murabba: Mukaab District	8	Alyabis Office Building
3	Rafal Sky Garden	9	Alsulaim Commercial Center
4	Murabba Towers	10	Tuwaya Square
5	Laysen Valley New Project - Phase 1	11	Sameem Tower
6	KAFD Remaining Towers	12	SMASCO Tower

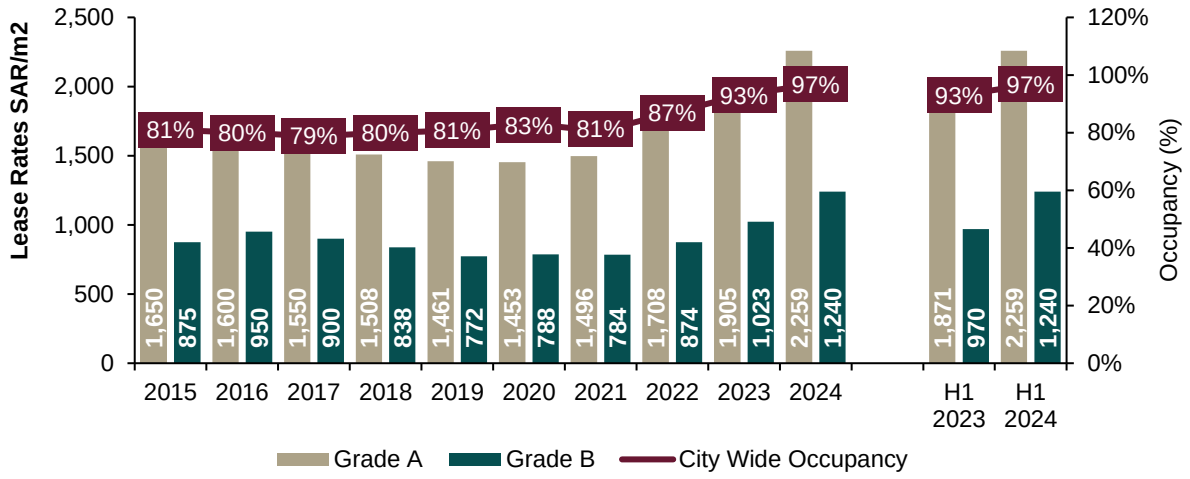
Average Lease Rates Across Office Spaces and City-Wide Occupancy Levels

Commercial activity in Riyadh continued to gain momentum in 2024 as local and international businesses sped up to establish their presence in the capital.

Grade A office rents reached an average of SAR 2,260 per sqm, reflecting a 21% growth over the past year. Similarly, average Grade B office rents have reached SAR 1,240 per sqm.

Demand for office space is increasing at unprecedented rates in Riyadh, fuelled by an influx of businesses to the Saudi capital. As a result, Grade A occupancy have reached at 98%, while Grade B occupancy standing at around 96%.

Riyadh City Wide Lease Rates and Occupancy Levels



II. Riyadh Retail Market Overview

Key Findings

Demand

Demand for retail in the capital of the kingdom still grows as it is the main destination for visitors, and it houses the highest population in the country. In addition, Riyadh population has a higher purchasing power that incentives retail business to open and remain operational.

Supply

By the end of H1 2024, the existing retail supply will stand at 3.8 million sqm, mainly dominated by regional and super regional malls. The bulk of new supply will come from super regional malls, Jawharat Al Riyadh, The Avenues and Diriyah retail Area.

Lease Rates

Retail rental rates quickly picked up in 2021 due to the overall economic improvements and the shortage of supply in the city. Average rates for regional malls increased by 2.1% in H1 2024 compared to the same period last year. The growth of community malls picked up from 2022, following the same economic improvements as regional malls, with a 2.4% increase in 2023. Similar growth continued in the 2024, with average rates rising by 5.5% in the first half year.

Market Trends

As the retail supply continues to expand, the focus is being directed towards lifestyle, leisure and entertainment elements in shopping centres. Some of these life-style centre that mainly attract the younger generation are VIA Riyadh and The Esplanade.

Occupancy Rates

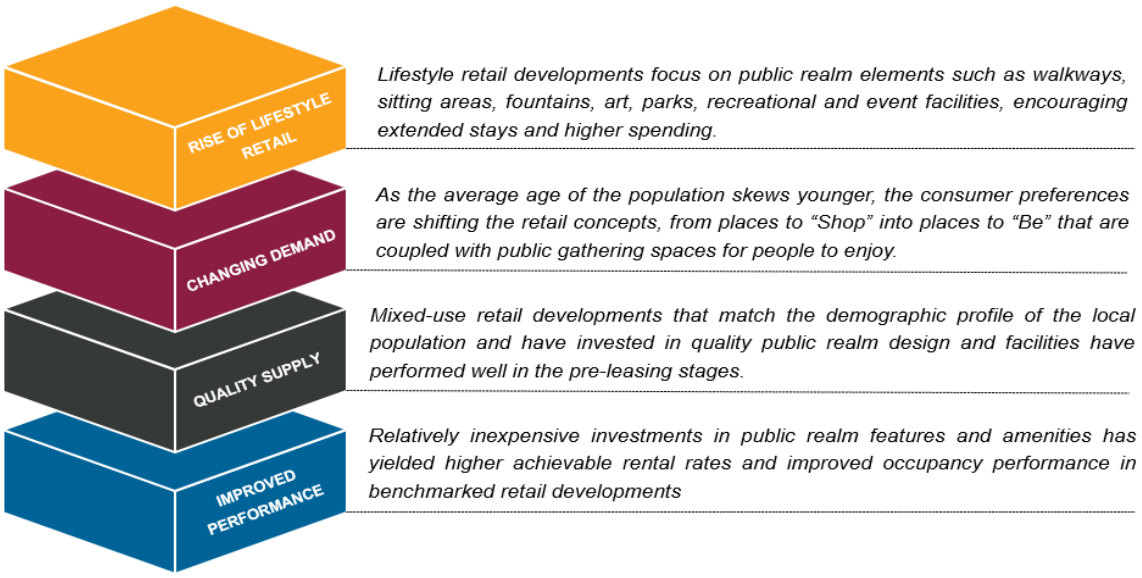
Following a record low occupancy rate of 82% in 2020 due to the pandemic, a level not seen since 2013, the Riyadh retail market's occupancy rate has picked up, reaching 90% in the first half of 2024.

Outlook

The retail sector in Riyadh is poised for robust growth, driven by increasing consumer spending and a burgeoning middle class. Expansion of malls, such as Riyadh Park and The Avenues, reflects a thriving market. The sector benefits from Vision 2030's focus on economic diversification and enhanced consumer experiences.

Rise of Entertainment and Lifestyle

As the retail supply pipeline continues to expand, we believe future supply will need to be lifestyle-oriented, with a focus on leisure and entertainment. A very large and growing population of young Saudi customers favour retailers that emphasize lifestyle-enhancing, experience-based platforms.



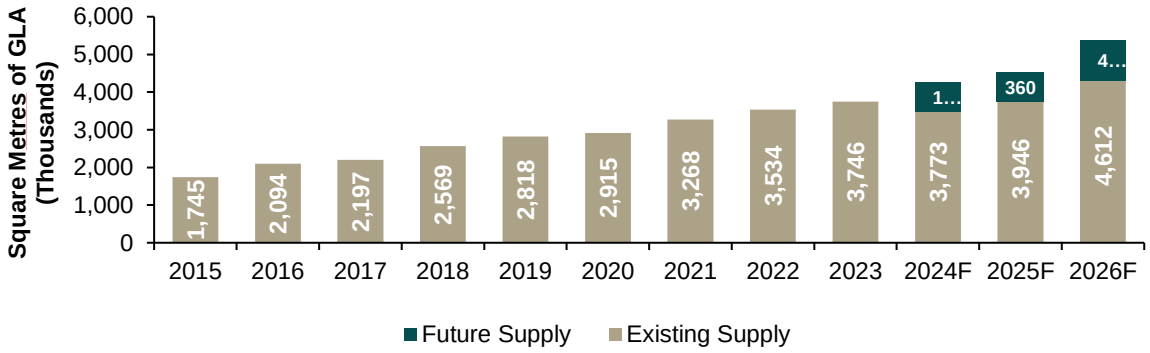
Evolution of quality organized retail supply

Between 2015 and 2024, the retail stock in Riyadh grew at a compounded annual growth rate (CAGR) of 8.9%.

Between 2024 and 2026, Riyadh's retail sector is expected to grow at a compounded annual growth rate (CAGR) of 6.8%.

By 2026, the future supply in Riyadh is projected to introduce around 1 million square meters of Gross Leasable Area (GLA), primarily through the development of Super Regional and Regional Malls.

Evolution of Riyadh Retail Supply

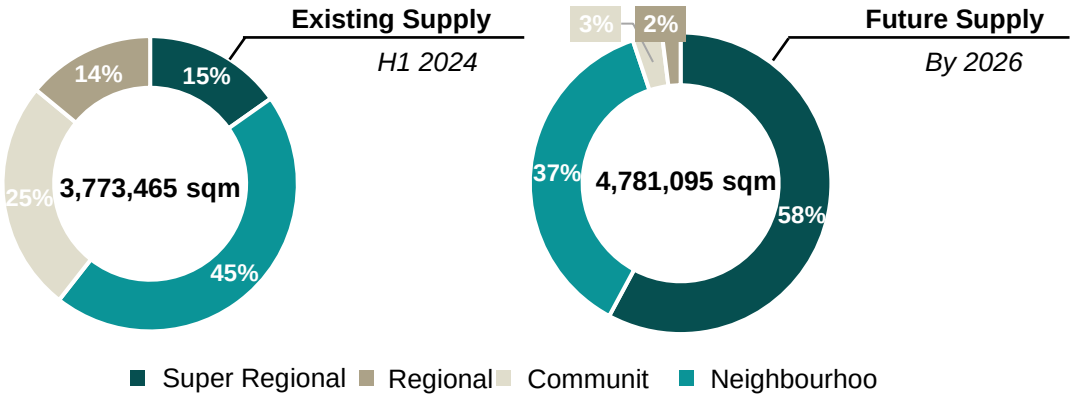


Evolution of quality organized retail supply

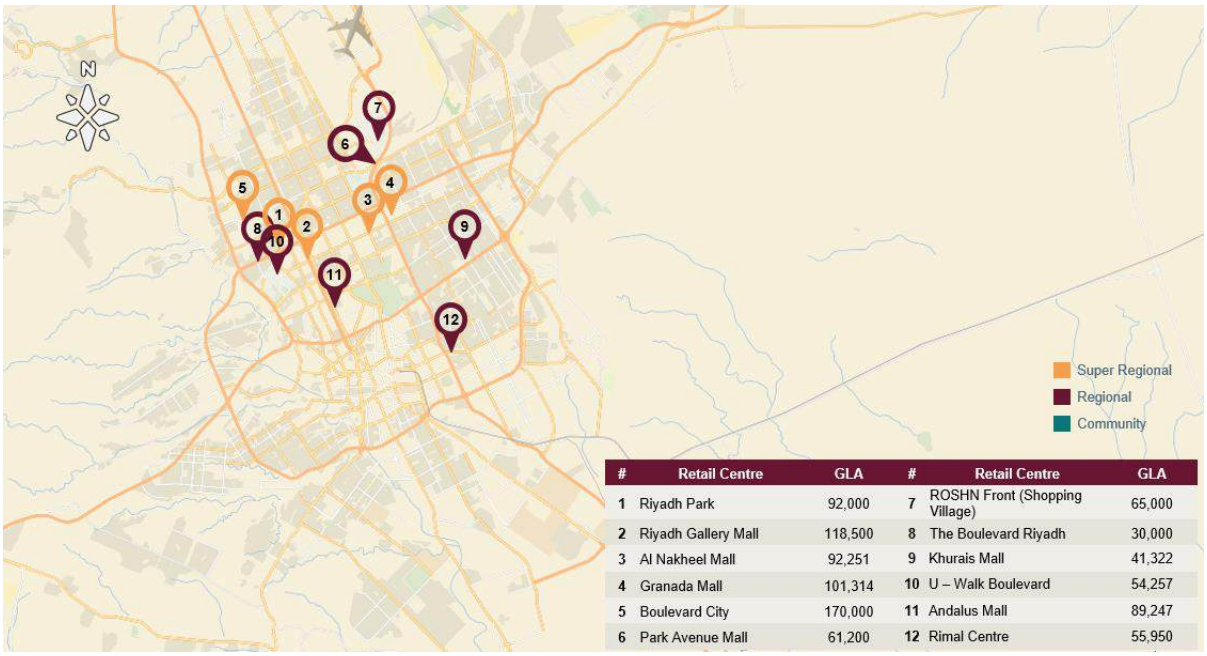
As of H1 2024, the total GLA of retail space stands at around 3.77 million sqm. With quality regional mall making up the majority of the supply (45%).

Riyadh's retail market is expected to have an approximate addition of 1 million sqm of quality GLA by the year 2026.

Future mall developments in Riyadh will focus on the Super Regional and Regional mall segments, with 58% of the developments falling into the Super Regional category and 37% into the regional category. Notable examples of large Super Regional malls in construction include The Avenues Mall and Mall of Saudi.

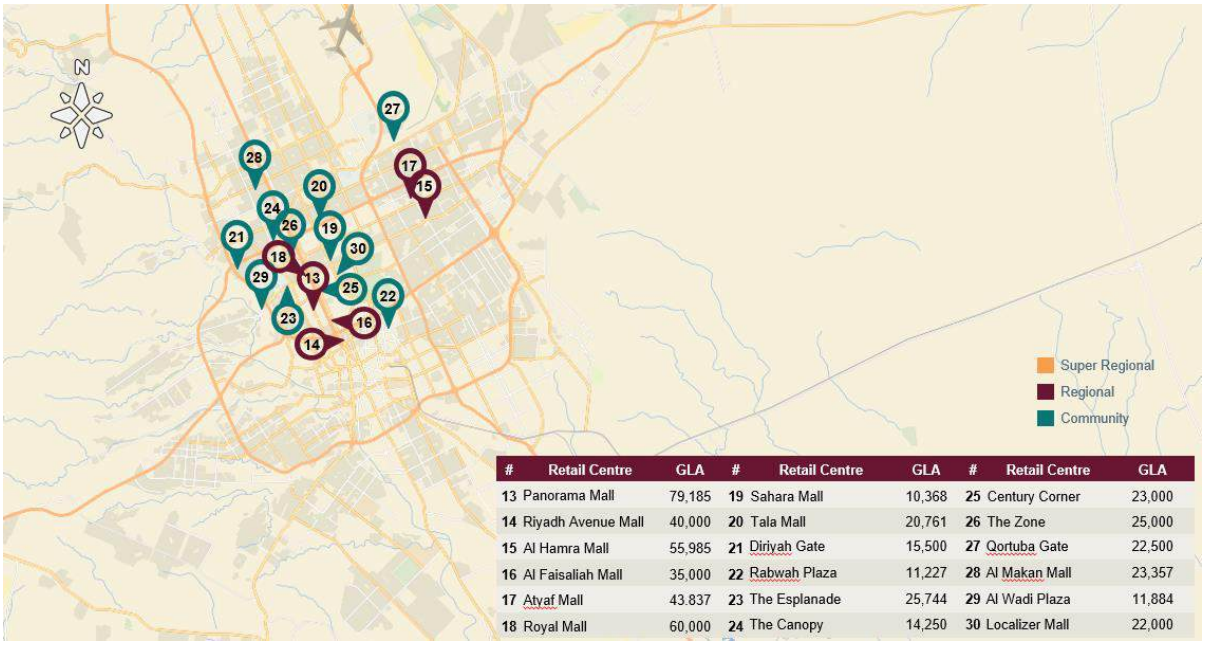


Riyadh existing quality organised retail supply 1/2



#	Retail Centre	GLA	#	Retail Centre	GLA
1	Riyadh Park	92,000	7	ROSHN Front (Shopping Village)	65,000
2	Riyadh Gallery Mall	118,500	8	The Boulevard Riyadh	30,000
3	Al Nakheel Mall	92,251	9	Khurais Mall	41,322
4	Granada Mall	101,314	10	U – Walk Boulevard	54,257
5	Boulevard City	170,000	11	Andalus Mall	89,247
6	Park Avenue Mall	61,200	12	Rimal Centre	55,950

Riyadh existing quality organised retail supply 2/2



#	Retail Centre	GLA	#	Retail Centre	GLA	#	Retail Centre	GLA
13	Panorama Mall	79,185	19	Sahara Mall	10,368	25	Century Corner	23,000
14	Riyadh Avenue Mall	40,000	20	Tala Mall	20,761	26	The Zone	25,000
15	Al Hamra Mall	55,985	21	Diriyah Gate	15,500	27	Qortuba Gate	22,500
16	Al Faisaliah Mall	35,000	22	Rabwah Plaza	11,227	28	Al Makan Mall	23,357
17	Atyaf Mall	43.837	23	The Esplanade	25,744	29	Al Wadi Plaza	11,884
18	Royal Mall	60,000	24	The Canopy	14,250	30	Localizer Mall	22,000

Riyadh future quality organized retail supply



#	Retail Centre	GLA
1	Mall of Saudi (2025)	300,000
2	The Avenue Mall (2025)	400,000
3	Jawharat Ar Riyadh (2025)	180,000
4	DGDA Retail Development (2024)	236,000
5	SEVEN – Al Hamra Entertainment Complex (2024)	89,230
6	Solitair Mall (2024)	52,000

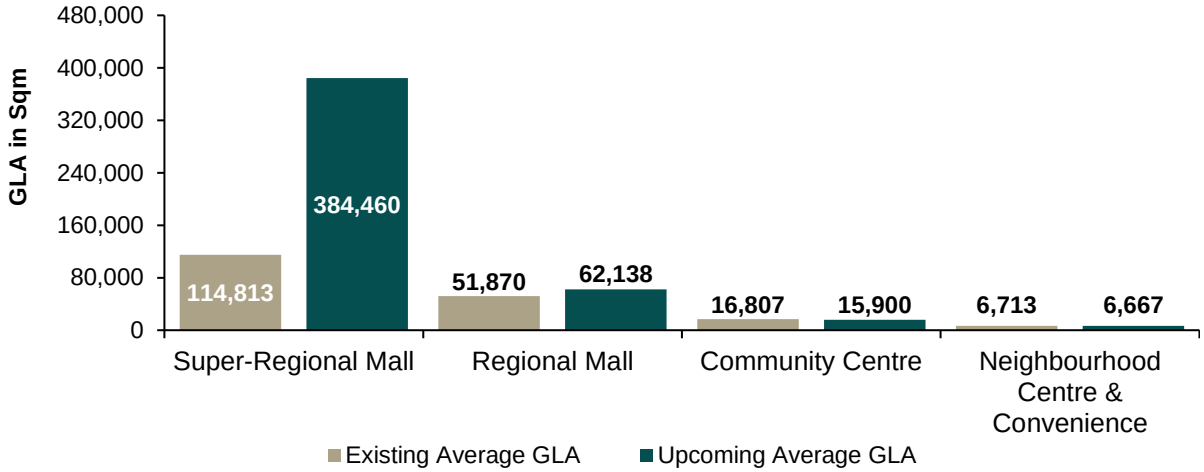
Quality Organised Retail Supply Characteristics

In Riyadh, larger malls have outperformed smaller ones by offering more than just retail, featuring social spaces and family entertainment that encourage longer visits. In contrast, smaller malls mainly attract shoppers for specific stores and serve a more limited purpose.

Regional malls are getting larger to account for more entertainment and leisure-based activities. Upcoming regional average sizes are expected to be considerably larger than existing ones. Also, there has been a surge in the neighbourhood centres with bigger average sizes compared to existing ones.

A clear trend across the GCC (e.g. Ajdan Walk, City Walk) is towards lifestyle and entertainment-led centers or strip retail with outdoor spaces, emphasizing F&B and entertainment over traditional retail stores.

Average Mall Size by Type of Mall



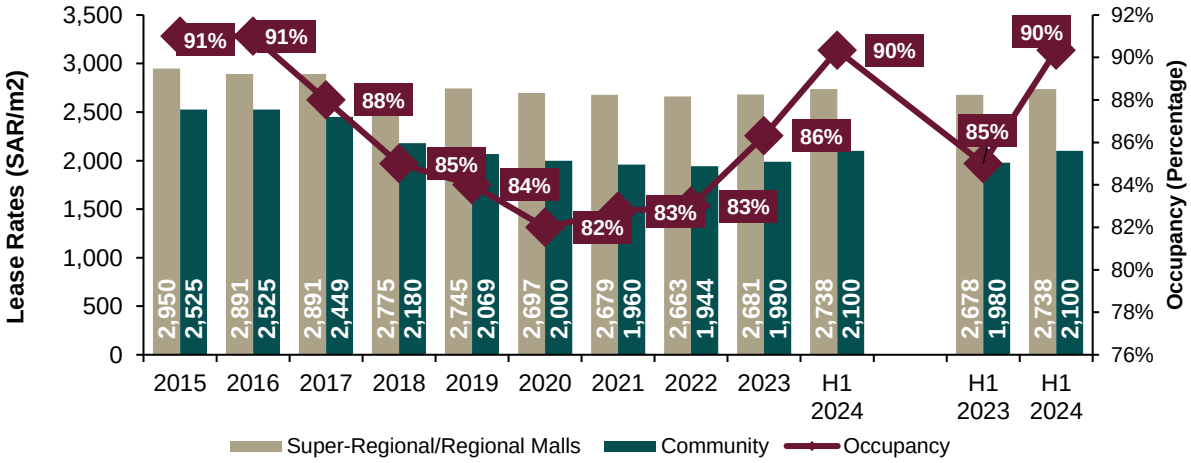
Average Lease Rates in Quality Organised Retail Developments

Following a record low in occupancy rate of 82% in 2020 due to pandemic consequences since 2013, Riyadh retail market occupancy rate is picking up to reach 90% in H1 of 2024

Retail lease price in super regional and regional malls continue to outperform prices in Smaller and community malls. In 2024, lease rates stood at 2,738 SAR per sqm while rates for community malls were 2,100 SAR per sqm in Riyadh.

In the first half of 2024, occupancy rates and lease prices are performing strongly. There are optimistic expectations for further improvements, driven by increased international activity and conferences, which are anticipated to boost both population growth and investment in the city.

Average Lease Rates Across Retail Types and City-Wide Occupancy Levels



Jeddah Market Overview

I. Jeddah Office Market Overview

Key Findings

Demand



After being somewhat muted since 2016, demand for office space in Jeddah stared picking up in 2022. Commercial activity in Jeddah has been picking up, especially with the formation of Jeddah Governorate Development authority, which will work with local entities to develop initiatives and attract businesses.

Supply



By the end of H1 2024, the existing office supply stood at 1.36 million sqm, mainly dominated by Grade B office stock. The current pipeline indicates that the supply is expected to increase to around 1.47 million sqm by 2026. The upcoming supply is expected to include projects such as Somou Towers and other smaller office spaces that are part of mixed-use developments.

Lease Rates



The office market in Jeddah started showing signs of recovery during 2022 as commercial activity started picking up. During H1 2024, Grade A office rents stood at around SAR 1,236 per sqm, increasing at an annual rate of 3.4%. Similarly, Grade B rents increased by around 2.4%, reaching an average of SAR 798.

Government Initiatives



The transformation of Jeddah Projects Management office into Jeddah Development Authority will transform the city from an economic perspective, diversify national sources of income, and creating jobs. Additionally, projects, such as Jeddah Central, are expected to revitalize and revive the city.

Occupancy Rates



Vacancy levels in the across office segments was rising between 2015 and 2021. However, vacancy levels began to fall as demand started rising across Jeddah, a trend supported by a lack of significant supply mixed with an upward rise in demand. In H1 2024, market-wide vacancy levels edged downward, standing at 9% across the city.

Outlook



The lack of supply of notable quantum, combined with the upward creep in demand, suggests that rents will continue to rise. office developments that are part of a mixed-use project are expected to attract more tenants as they prioritise experiential factors when selecting a workplace.

Office Buildings Classification: Definition



Commercial buildings are classified into three main categories: Grade A, Grade B, and Grade C based on several factors such as the location of the property, age, maintenance, landlord credibility, and rated tenants. Grade A tends to be the most

sought-after category, but it is subject to the tenant and their needs and the available budget.

	Grade A	Grade B	Grade C
Building Specifications	• Premium architecture with state-of-the-art finishing • Located in prime areas within central business districts	• Dated interior but properly maintained • Located around or close to central business districts	• Dated interior and not properly maintained • Located in old business districts or main city roads
Tenant Profiles	• Multinational/International • Large corporates	• Local firms • Small to medium enterprises	• Small businesses
Parking	• Adequate tenant parking • Guests parking available	• Adequate tenant parking	• Minimal parking
Building Features	• Advanced security system and security personals available • Gym, café, restaurants	• Security system or personnel available • Minimal facilities	• Minimal security presence • No additional facilities
Lease Rates	• Premium rental rates	• Average rental rates	• Lower than average rental rates

Evolution of Quality Supply



Between 2015 and 2024, Jeddah's office stock compounded annual growth rate (CAGR) of 5.9%.

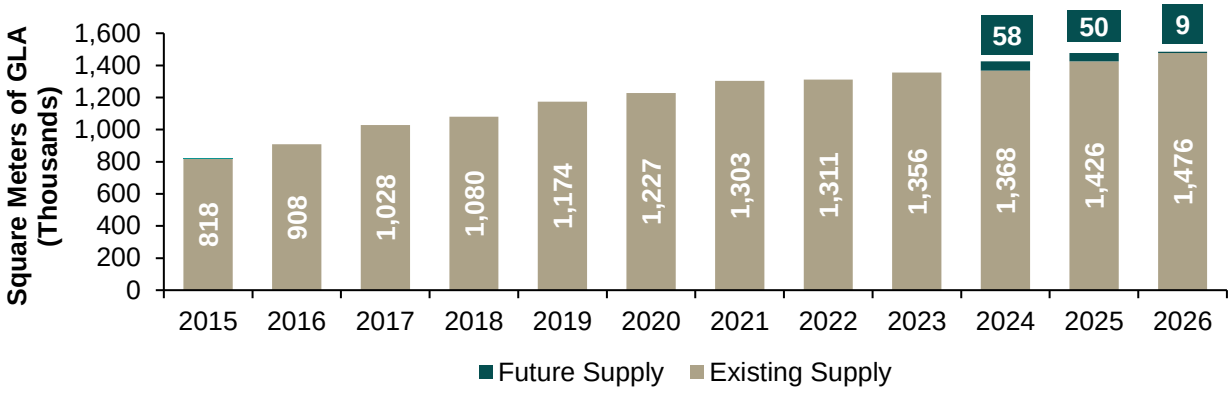


Building upon the steady growth observed between 2015 and 2023, Jeddah's office market is poised for further expansion. The city's office supply is projected to increase at a compounded annual growth rate (CAGR) of 3.9% between 2024 and 2026.



Upcoming projects include Somou Towers located on Ash Shati, and other smaller office developments spread across the Jeddah's commercial districts.

Office Supply

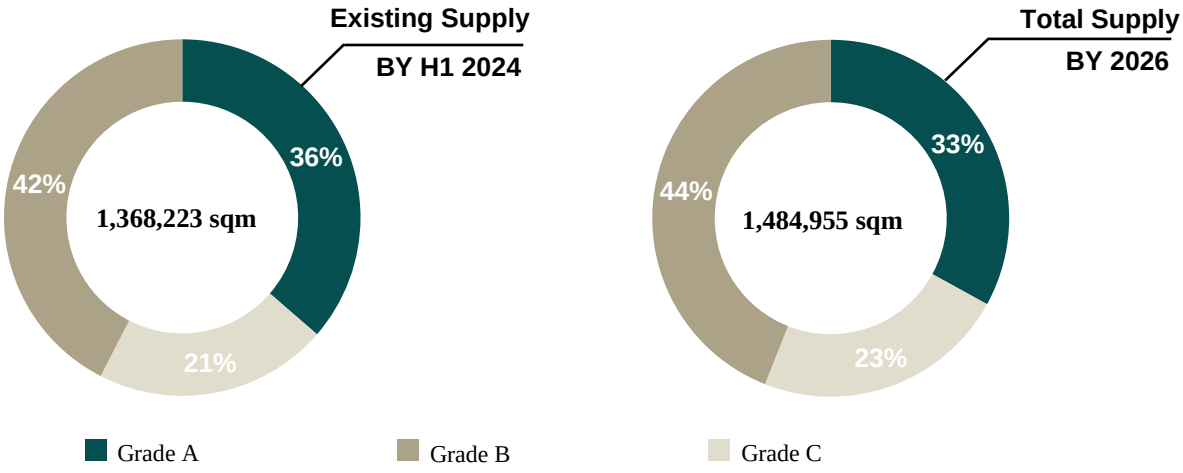


Distribution of Existing Office Supply by Categories (sqm GLA)

As of H1 2024, the total GLA of office space stands at over 1.36 million sqm. With Grade B developments making up most of the supply (44%).

Despite the solid demand for commercial office spaces, total office market is expected to witness the addition of around 116,732 sqm of quality GLA by 2026, assuming no further construction delays.

Most of the upcoming office developments are integrated into mixed-use properties, where various commercial components, particularly office and retail spaces, are combined.

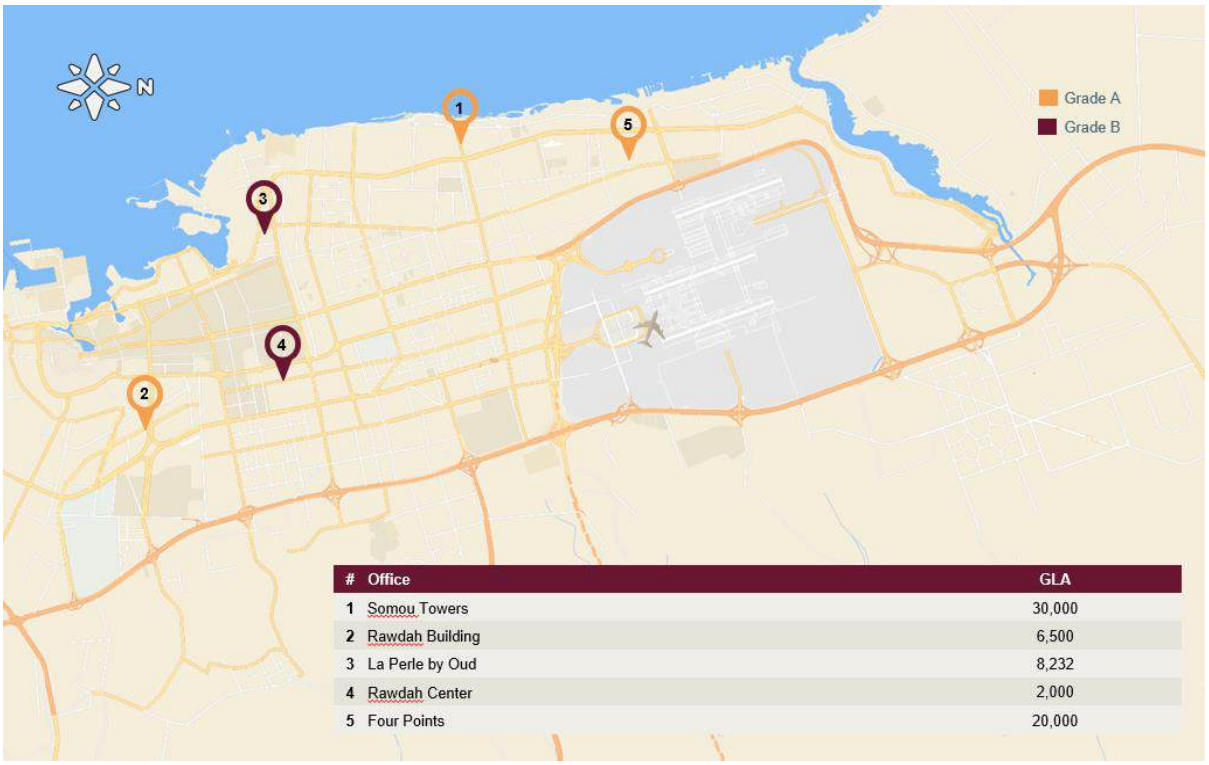


Jeddah Existing Quality Supply Samples



#	Office	GLA	#	Office	GLA	#	Office	GLA
1	Jameel Square	31,000	6	Zahran Business Center	49,397	11	Al Zaqzoog Business Center	15,000
2	Jeddah Headquarters	75,000	7	Ibrahim Center	10,700	12	Olaya Administrative Building	7,642
3	King Road Tower	55,224	8	Vision Tower	12,846	13	Njoud Center	15,020
4	Al Mukmal Tower	15,840	9	Rovan Tower	8,500	14	Al Rabie Commercial Center	20,160
5	Prince Abdullah Center	14,500	10	Emaar Square	21,685	15	Al Malkies Center	12,000

Jeddah Future Office Supply Samples



#	Office	GLA
1	Somou Towers	30,000
2	Rawdah Building	6,500
3	La Perle by Oud	8,232
4	Rawdah Center	2,000
5	Four Points	20,000

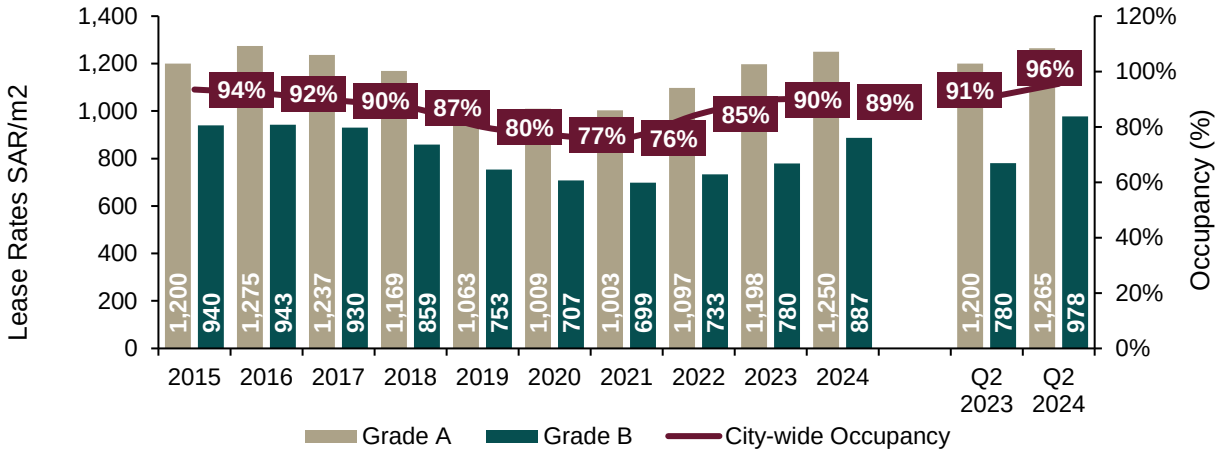
Average Lease Rates Across Office Spaces and City-Wide Occupancy Levels

Commercial activity in Jeddah started gaining momentum in early 2022 and continued through H1 2024 as both local and international businesses increased their presence in the city.

by the end of H1 2024, Grade A office rents reached SAR 1,236 per sqm, while Grade B office rents rose to SAR 798 per sqm, reflecting the strengthening demand in the market.

As a result of the rising demand, city-wide occupancy levels increased significantly, with Grade A occupancy peaking at 96% and Grade B occupancy reaching 90% by H1 2024.

Jeddah City Wide Lease Rates and Occupancy Levels



II. Jeddah Retail Market Overview

Key Findings

Demand

Demand for new retail space in Jeddah has remained subdued over the last 12 months. However, developments featuring F&B, entertainment, and recreational components (including the likes of Atlier La Vie, Jeddah Walk and City Yard) have been able to maintain occupancy levels, averaging at around 90-100%. Retail occupiers are favouring trendier locations to capitalise on the rising footfall.

Supply

In H1 2024, the existing retail supply stood at 2.69 million sqm, mainly dominated by regional malls. The current retail pipeline is expected to increase the supply to around 572,000 by 2026. The bulk of new supply will come from super regional malls, including Souq 7, U-walk and Jawharat Jeddah.

Lease Rates

In H1 2024, Super regional and regional malls rents reached an average of around SAR 2,464 per sqm, declining by 5.7%, compared to the last year. However, for community retail centres, lease rates increased to SAR 1,790 per sqm.

Market Trends

As the retail supply continues to expand, the focus is being directed towards lifestyle, leisure and entertainment elements in shopping centres. These elements proved sustained footfall and increased dwelling times, combating the ever-growing threat of e-commerce.

Occupancy Rates

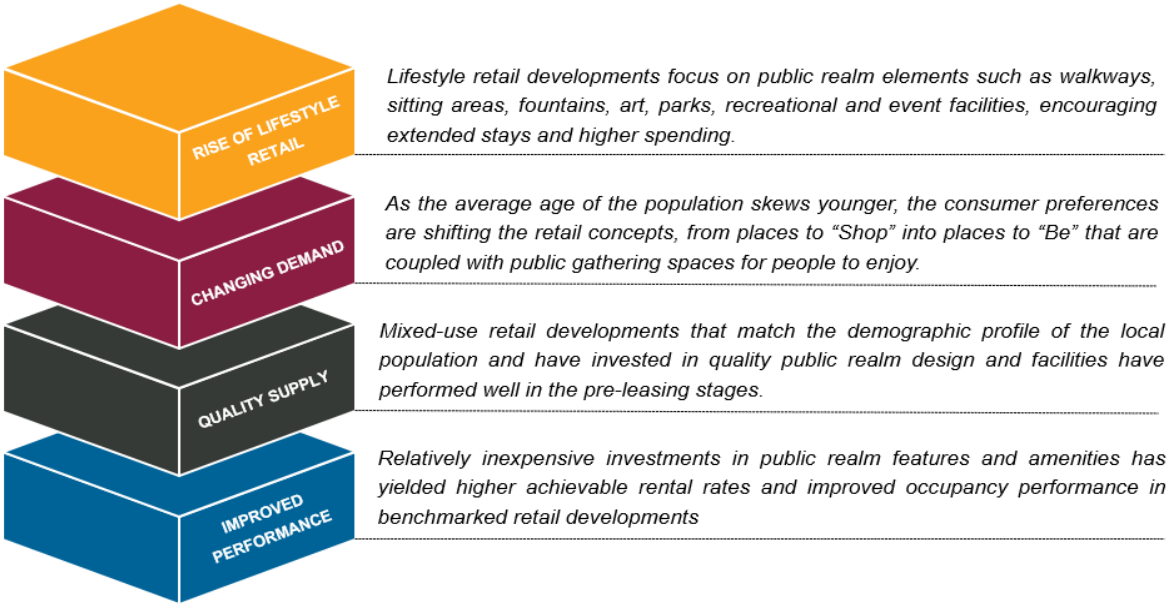
From 2015 to 2023, super-regional and regional malls have seen their occupancy levels fluctuating. City-wide occupancy levels remained relatively stable in 2023 with no change compared to the previous year. Average occupancy levels currently stand at 90% in H1 2024.

Outlook

Given a large supply pipeline, lease rates and occupancy levels are expected to remain under pressure over the short-term. However, we expect entertainment-focused retail development to show more resilience when facing challenging market conditions and enable them to outperform the rest of the market.

Rise of Entertainment and Lifestyle

As the retail supply pipeline continues to expand, we believe future supply will need to be lifestyle-oriented, with a focus on leisure and entertainment. A very large and growing population of young Saudi customers favour retailers that emphasize lifestyle-enhancing, experience-based platforms.



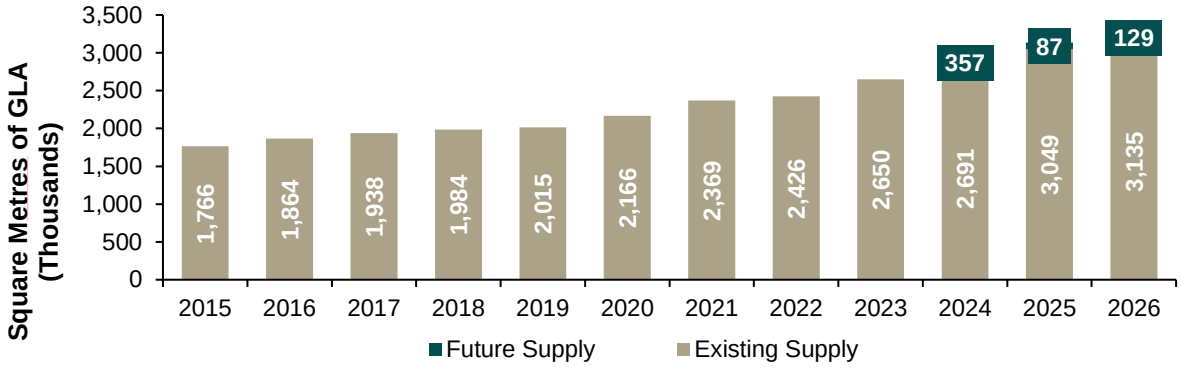
Evolution of quality organized retail supply

Between 2015 and 2024, Jeddah's retail stock grew at a compounded annual growth rate (CAGR) of 4.79%.

Between 2024 and 2025, Jeddah's retail supply is expected to grow at a CAGR of 7.94%, a much higher rate compared to the historical CAGR.

Upcoming projects include 3 super regional malls: Souq 7; The Village; and Jawharat Jeddah. In addition to other smaller developments, such as U-walk and Trio Plaza.

Evolution of Jeddah Retail Supply

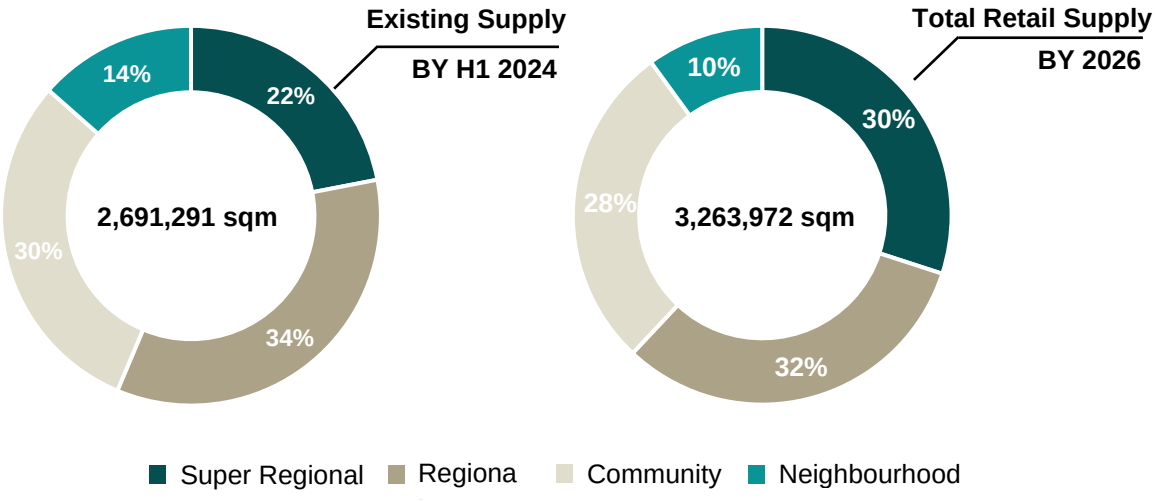


Evolution of quality organized retail supply

As of H1 2024, the total GLA of retail space stands at around 2.69 million sqm. With quality regional mall making up the majority of the supply (34%).

Total retail market is expected to witness the addition of around 572,681 sqm of quality GLA by 2026, assuming no further construction delays.

Developers are seeking to enhance consumer experiences and increase dwelling times through tenant mixes and increasing of F&B or entertainment elements in their retail developments.



Jeddah existing quality organised retail supply 1/3



#	Retail centre	GLA	#	Retail centre	GLA	#	Retail centre	GLA
1	Al Andalus Mall	76,373	7	Flamingo Mall	70,954	13	Red Sea Mall	144,707
2	Al Baroom Centre	30,000	8	Haifa Mall	32,111	14	Roshan Mall	7,200
3	Al Salam Mall	120,564	9	Heraa Int. Mall	52,000	15	Souq7	295,709
4	Al Shatea Mall	61,293	10	Sultan Square	35,000	16	Stars Avenue	36,000
5	Al Yasmeen Mall	54,059	11	Jeddah Park	128,700	17	Sultan Mall	38,477
6	Aziz Mall	70,954	12	Mall of Arabia	102,097	18	The Village	80,202

Jeddah existing quality organised retail supply 2/3



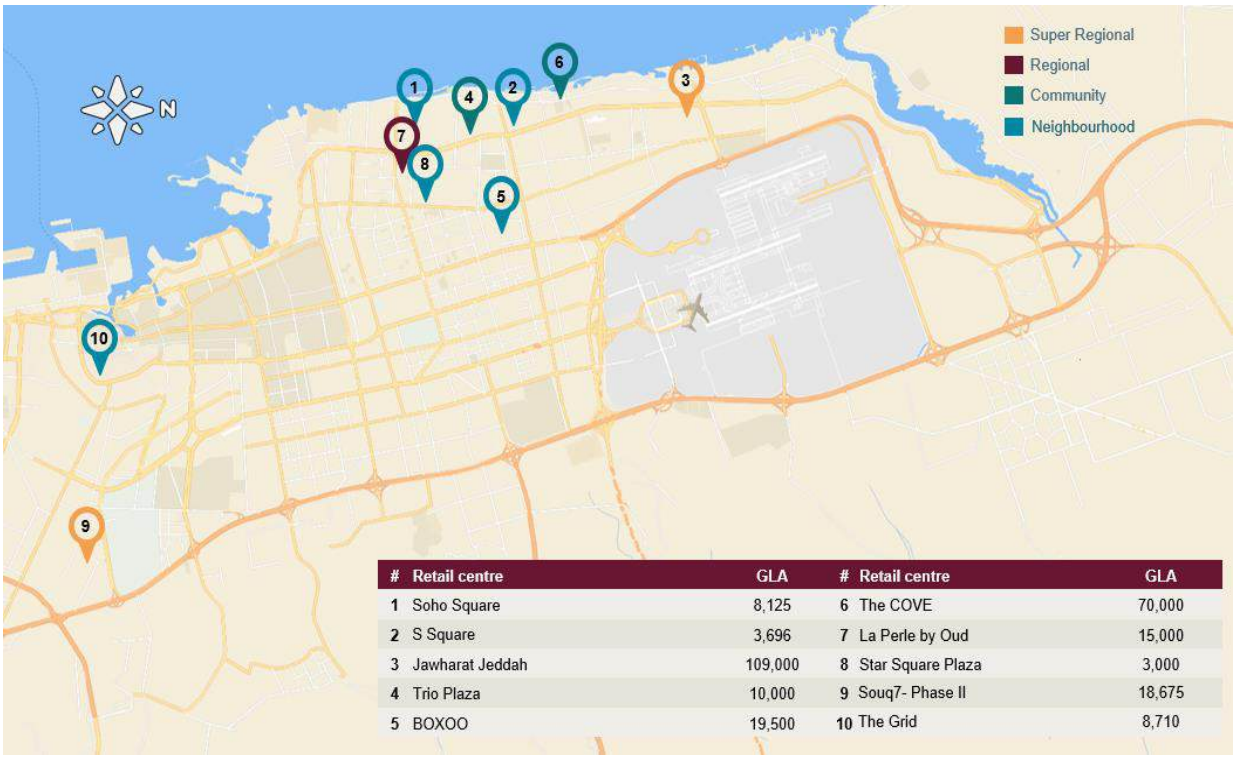
#	Retail centre	GLA	#	Retail centre	GLA	#	Retail centre	GLA
19	The HUB	12,000	25	Al Nakheel centre	15,437	31	City Yard	10,878
20	Al Basateen Centre	13,010	26	North Gate Mall	20,000	32	Corniche Centre	28,880
21	Al Jamea Plaza	24,784	27	Al Shola centre	13,200	33	Fayfa Complex	22,000
22	Al Mahmal centre	15,000	28	Al Sulaymaniyah Plaza	26,000	34	Hijaz Mall	12,000
23	Al Marwah Plaza	10,456	29	Atelier LaVie	23,000	35	Le Chateau	12,588
24	Al Moj Plaza	18,909	30	Aya Mall	29,160	36	Al Bahr Mall	18,933

Jeddah existing quality organised retail supply 3/3



#	Retail centre	GLA	#	Retail centre	GLA
37	Le Prestige Mall	17,000	43	Obhur Mall	23,094
38	Lilian Centre Phase 1	10,000	44	Salamah Centre	16,078
39	Mandarine Avenue	15,000	45	Sawari Landmark	14,813
40	Town Square	27,917	46	South Mall	28,926
41	Nojoud Centre	11,903	47	Space Mall	19,928
42	Oasis Mall (Al Waha)	17,000	48	Tahlia centre	18,000

Jeddah future quality organized retail supply



#	Retail centre	GLA	#	Retail centre	GLA
1	Soho Square	8,125	6	The COVE	70,000
2	S Square	3,696	7	La Perle by Oud	15,000
3	Jawharat Jeddah	109,000	8	Star Square Plaza	3,000
4	Trio Plaza	10,000	9	Souq7- Phase II	18,675
5	BOXOO	19,500	10	The Grid	8,710

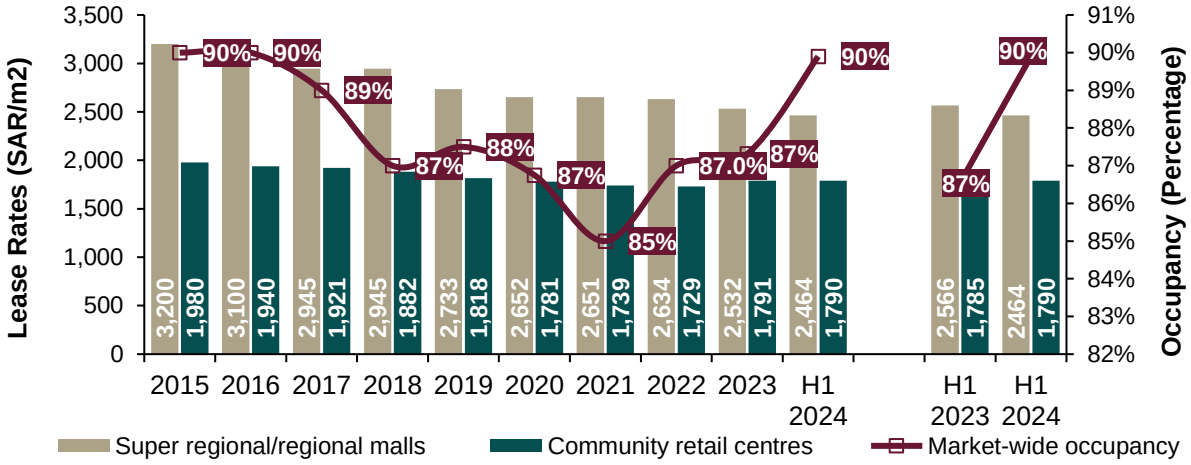
Average Lease Rates in Quality Organised Retail Developments

The rise of lifestyle retail developments and their ability to maintain occupancy levels and lease rates has encouraged owners of traditional retail centres to enhance their offerings and tenant mix.

In 2024, Super regional and regional malls rents reached an average of around SAR 2,464 per sqm, declining by 4%, compared to the last year. However, for community retail centres, lease rates decreased to SAR 1,795 per sqm.

City wide occupancy levels have been declining across traditional retail centres since 2020 as a result of changing consumer behaviours. Occupancy remained relatively stable at 87% in 2023 and saw a 3% increase in H1 2024.

Average Lease Rates Across Retail Types and City-Wide Occupancy Levels



DMA Market Overview

I. DMA Office Market Overview

Key Findings

Demand



Demand for office spaces is expected to increase from current levels as economic reforms under the National Transformation Plan (NTP) and Vision 2030 continue to feed through the wider economy, translating into an acceleration of growth in the non-oil private sector. Moreover, the implementation of various urban regeneration initiatives, including mixed-use communities and large-scale infrastructure projects.

Supply



By the end of H1 2024, the existing office supply stands at 1.37 million sqm, mainly dominated by Grade A office stock. The current pipeline suggests that the supply is expected to increase to 1.55 million sqm by 2026. The majority of the upcoming supply is privately held developments, the governmental backed projects and masterplans are yet to initiate in the eastern province.

Lease Rates



In DMA, there is a consistent rise in the demand for office spaces, driven by businesses entering the Saudi market. Consequently, office lease rates are projected to continue their upward trend. Over the past 12 months, the citywide Grade A office space lease rate has already witnessed an increase of 3%.

Government Initiatives



The initiatives, such as Program HQ and several other reforms implemented by the government, have powered a promising surge in office demand in KSA. In fact, Program HQ is gaining further traction, with 180 international businesses committing to establishing their Middle East headquarters in KSA since the launch of the scheme.

Occupancy Rates

Grade A occupancy levels currently sit at 86%, marking a 6-percentage point increase compared to the same period last year. This highlights the demand for office spaces, putting landlords in a strong negotiating position. In contrast, city-wide Grade B occupancy levels are at 71%, further emphasizing the market's preference for Grade A spaces.

Outlook

We anticipate that demand for prime and best-in-class space will continue to rise from both international corporates and newly formed public-private sector companies, fueled by continuing government-led economic reforms that will infuse renewed confidence and accelerate business growth.

Office Buildings Classification: Definition

Commercial buildings are classified into three main categories: Grade A, Grade B, and Grade C based on several factors such as the location of the property, age, maintenance, landlord credibility, and rated tenants. Grade A tends to be the most sought-after category, but it is subject to the tenant and their needs and the available budget.

	Grade A	Grade B	Grade C
Building Specifications	• Premium architecture with state-of-the-art finishing • Located in prime areas within central business districts	• Dated interior but properly maintained • Located around or close to central business districts	• Dated interior and not properly maintained • Located in old business districts or main city roads
Tenant Profiles	• Multinational/International • Large corporates	• Local firms • Small to medium enterprises	• Small businesses
Parking	• Adequate tenant parking • Guests parking available	• Adequate tenant parking	• Minimal parking
Building Features	• Advanced security system and security personals available • Gym, café, restaurants	• Security system or personnel available • Minimal facilities	• Minimal security presence • No additional facilities
Lease Rates	• Premium rental rates	• Average rental rates	• Lower than average rental rates

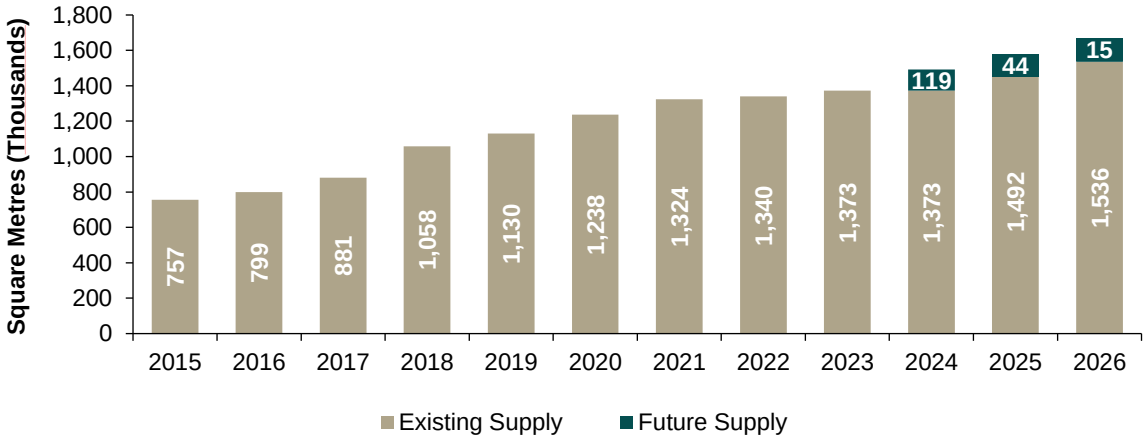
Evolution of Quality Supply

Between 2015 and 2024, DMA's office stock compounded annual growth rate (CAGR) of 6.8%.

Between 2024 and 2026, DMA's office supply is expected to grow at a CAGR of 5.8%, slightly less than seen in historical CAGR.

Upcoming projects include 5D Business Park, Refad Business Park, and other smaller office developments spread across the DMA's commercial districts.

Office Supply

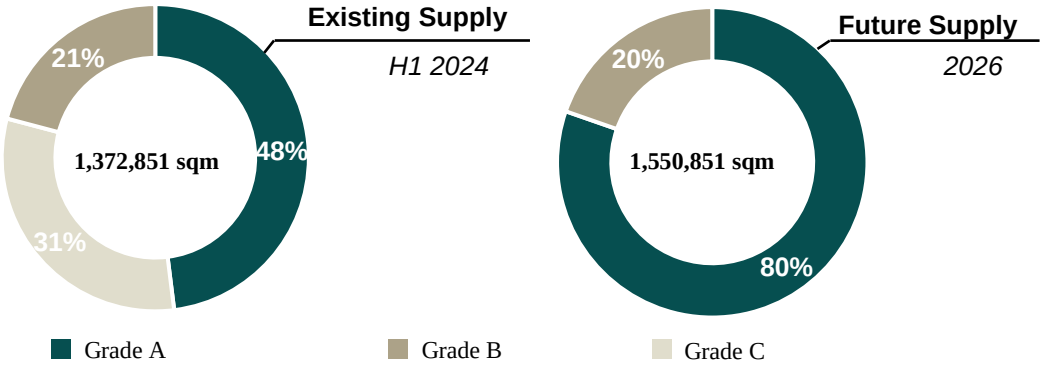


Distribution of Existing Office Supply by Categories (sqm GLA)

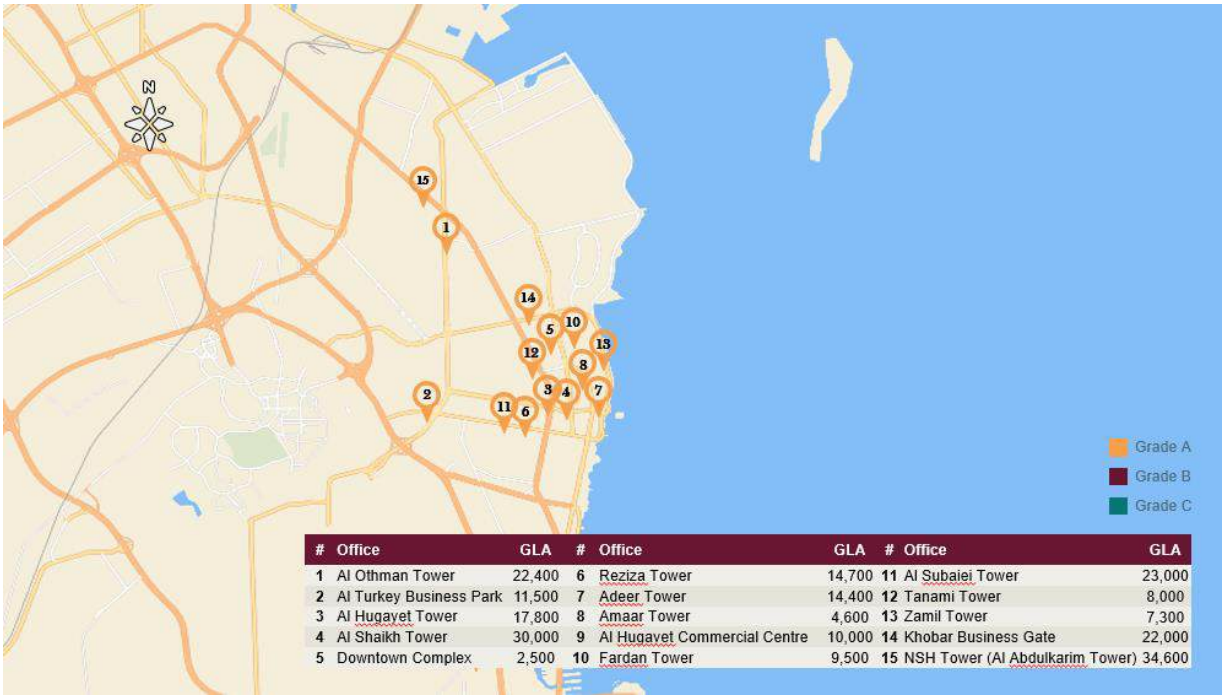
As of 2024, the total GLA of office space stands at over 5.2 million sqm. With Grade A developments making up the majority of the supply (43%).

Total office market is expected to witness the addition of around 1.77 million sqm of quality GLA by 2026, assuming no further construction delays.

The majority of new office developments are skewed towards Grade A and are part of mixed-use properties that integrate several commercial components, including office and retail.

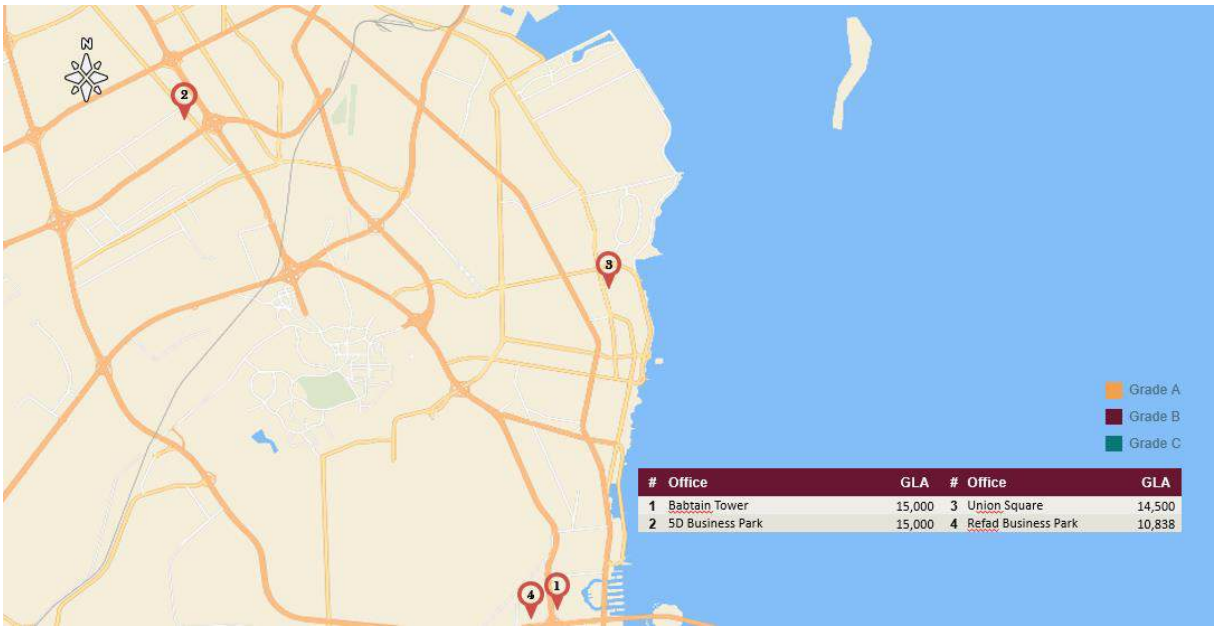


DMA Existing Quality Supply Samples



#	Office	GLA	#	Office	GLA	#	Office	GLA
1	Al Othman Tower	22,400	6	Reziza Tower	14,700	11	Al Subaiei Tower	23,000
2	Al Turkey Business Park	11,500	7	Adeer Tower	14,400	12	Tanami Tower	8,000
3	Al Hugayet Tower	17,800	8	Amaar Tower	4,600	13	Zamil Tower	7,300
4	Al Shaikh Tower	30,000	9	Al Hugayet Commercial Centre	10,000	14	Khobar Business Gate	22,000
5	Downtown Complex	2,500	10	Fardan Tower	9,500	15	NSH Tower (Al Abdulkarim Tower)	34,600

DMA Future Office Supply Samples



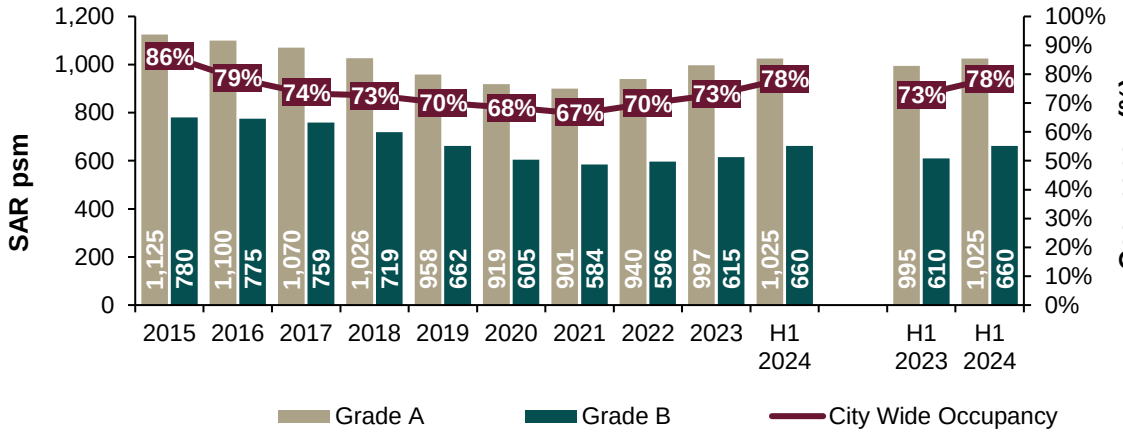
Average Lease Rates Across Office Spaces and City-Wide Occupancy Levels

Office activity in Dammam continued to gain momentum in 2024 as local and international businesses sped up to establish their presence in the Eastern Province.

By the end of H1 2024, Grade A rents increased by 3% to SAR 1,025 psm, and Grade B rents grew marginally by 8% to SAR 660 psm over the same time period.

As a result of the demand influx, occupancy levels increased across the city, with Grade A occupancy standing at around 86%, and Grade B occupancy standing at around 71%. Overall, market-wide occupancy has reached 78%.

DMA City Wide Lease Rates and Occupancy Levels



II. DMA Retail Market Overview

Key Findings

Demand

Mixed-use developments with a diverse F&B mix, entertainment, and recreational options maintain 90-95% occupancy in the DMA. Malls that have been slower to adapt to changing consumer behaviour have seen retailers leave for developments with better customer experiences and appealing lifestyle and public realm features.

Supply

In H1 2024, the existing retail supply stood at around 1.29 million sqm, mainly dominated by regional malls. The current retail pipeline is expected to increase the supply to around 2.1 million by 2026. The bulk of new super regional malls like Jawharat al Khobar by Cenomi.

Lease Rates

Over the last 12 months, average lease rates for regional and super-regional malls remained stable, showing a slight 1.3% decrease. Similarly, community malls experienced a similar decline of 1.5% in rental rates during the same period.

Market Trends

As the retail supply continues to expand, the focus is being directed towards lifestyle, leisure and entertainment elements in shopping centres. These elements proved sustained footfall and increased dwelling times, combating the ever-growing threat of e-commerce.

Occupancy Rates

From 2015 to 2021, super-regional and regional malls have seen their occupancy levels fluctuating. City-wide occupancy levels remained relatively stable in H1 2024 occupancy rates have seen a 1% drop currently standing at 89%.

Outlook

Given a large supply pipeline, lease rates and occupancy levels are expected to remain under pressure over the short-term. However, we expect entertainment-focused retail development to show more resilience when facing challenging market conditions and enable them to outperform the rest of the market.

Rise of Entertainment and Lifestyle

As the retail supply pipeline continues to expand, we believe future supply will need to be lifestyle-oriented, with a focus on leisure and entertainment. A very large and growing population of young Saudi customers favour retailers that emphasize lifestyle-enhancing, experience-based platforms.



Lifestyle retail developments focus on public realm elements such as walkways, sitting areas, fountains, art, parks, recreational and event facilities, encouraging extended stays and higher spending.

As the average age of the population skews younger, the consumer preferences are shifting the retail concepts, from places to "Shop" into places to "Be" that are coupled with public gathering spaces for people to enjoy.

Mixed-use retail developments that match the demographic profile of the local population and have invested in quality public realm design and facilities have performed well in the pre-leasing stages.

Relatively inexpensive investments in public realm features and amenities has yielded higher achievable rental rates and improved occupancy performance in benchmarked retail developments

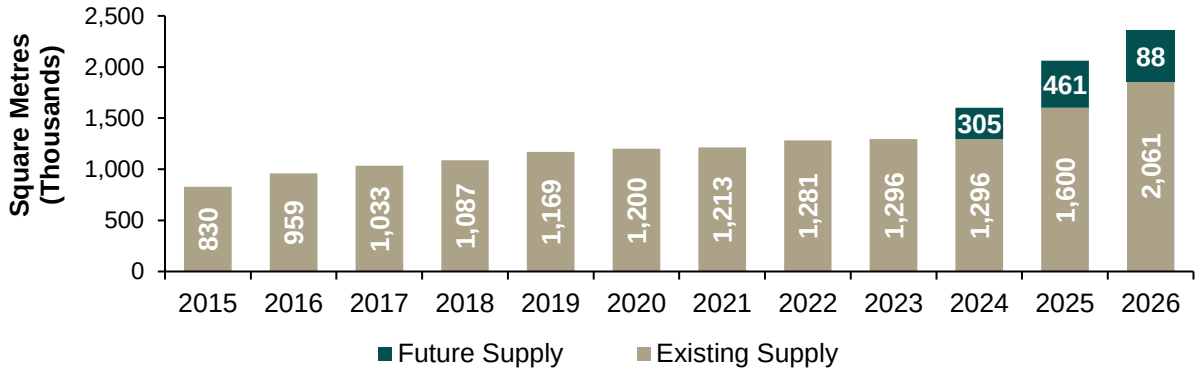
Evolution of quality organized retail supply

Between 2015 and 2024, DMA's retail stock grew at a compounded annual growth rate (CAGR) of 5.08%.

Between 2024 and 2026, DMA's retail supply is expected to grow at a CAGR of 26.1%, significantly higher than the figure seen in previous years.

Upcoming projects include one super regional mall, Al Shobily Grand Mall, In addition to several other regional malls and community and neighbourhood centres.

Evolution of DMA Retail Supply

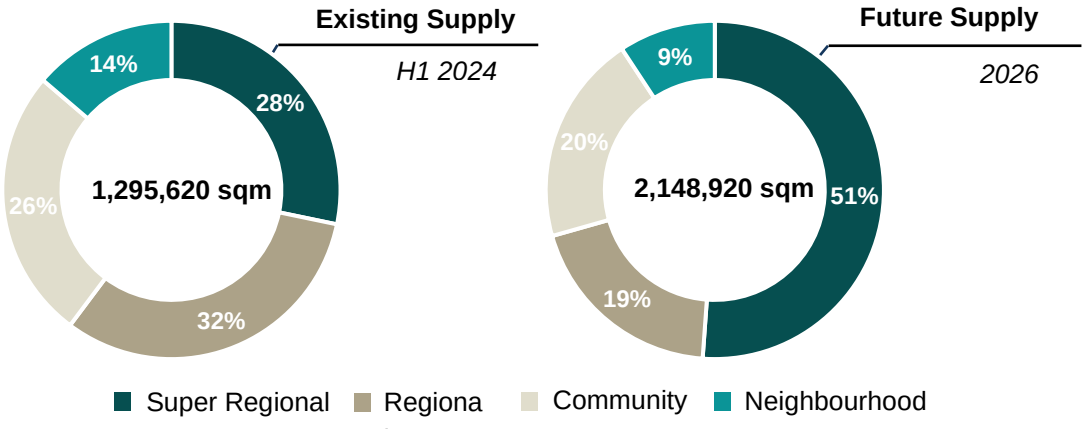


Organised Retail Supply Characteristics

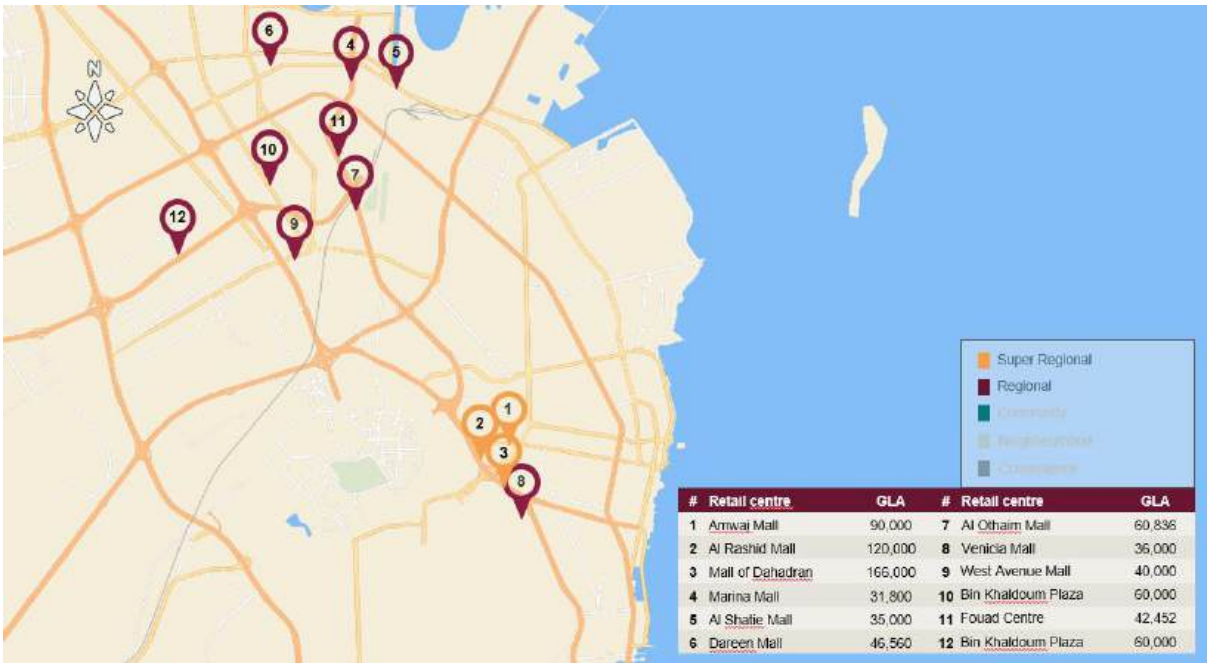
As of H1 2024, the total GLA of retail space stands at around 1.29 million sqm. With quality regional mall making up the majority of the supply (32%).

Total retail market is expected to witness the addition of around 853,300 sqm of quality GLA by 2026, assuming no further construction delays.

Developers are seeking to enhance consumer experiences and increase dwelling times through tenant mixes and increasing of F&B or entertainment elements in their retail developments.

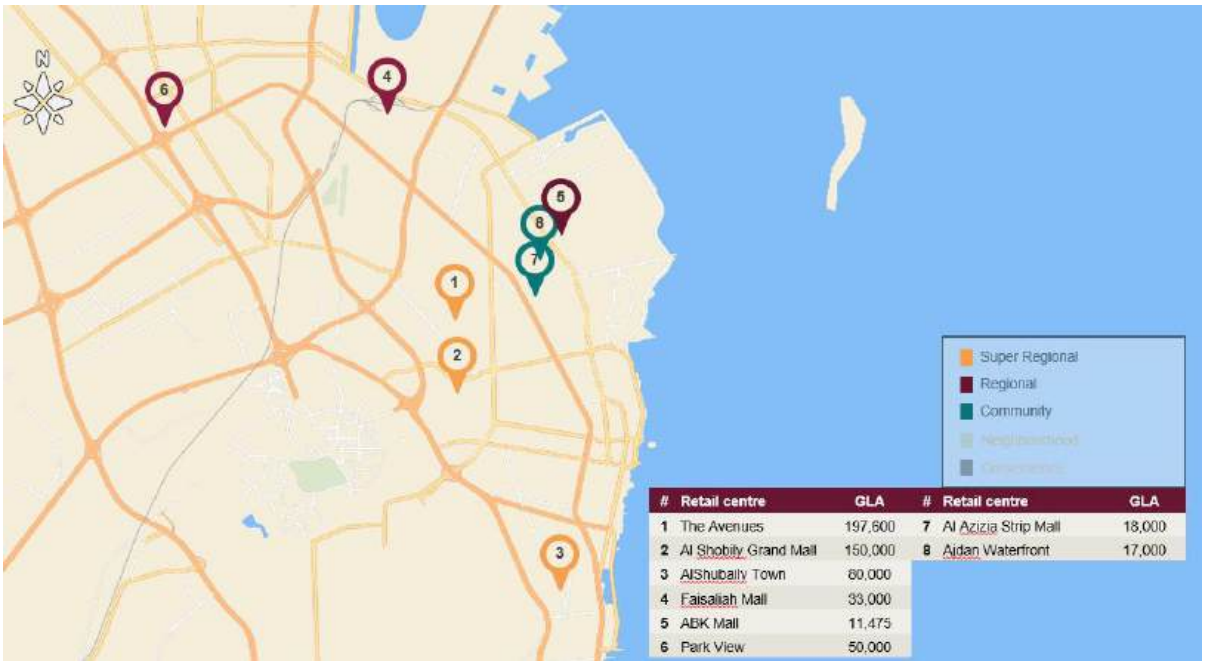


DMA existing quality organised retail supply



#	Retail centre	GLA	#	Retail centre	GLA
1	Amwaj Mall	90,000	7	Al Othaim Mall	60,836
2	Al Rashid Mall	120,000	8	Venicia Mall	36,000
3	Mall of Dahadran	166,000	9	West Avenue Mall	40,000
4	Marina Mall	31,800	10	Bin Khaldoum Plaza	60,000
5	Al Shatie Mall	35,000	11	Fouad Centre	42,452
6	Dareen Mall	46,560	12	Bin Khaldoum Plaza	60,000

DMA future quality organised retail supply



#	Retail centre	GLA	#	Retail centre	GLA
1	The Avenues	197,600	7	Al Azizia Strip Mall	18,000
2	Al Shobily Grand Mall	150,000	8	Aidan Waterfront	17,000
3	AlShubaily Town	80,000			
4	Faisaliah Mall	33,000			
5	ABK Mall	11,475			
6	Park View	50,000			

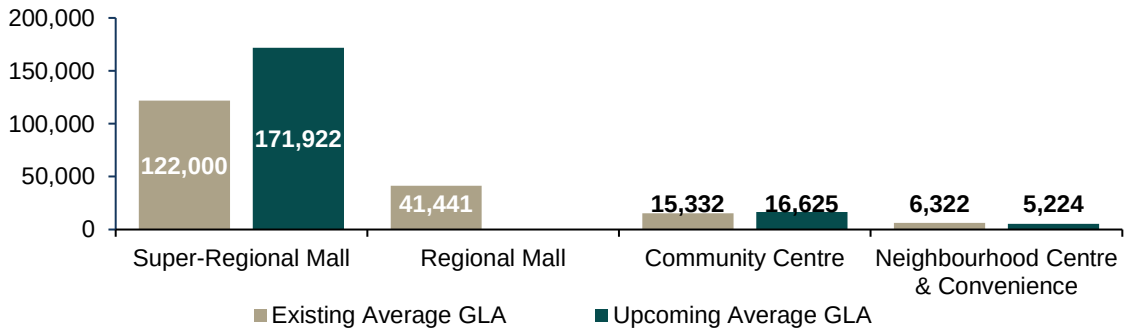
Quality Organised Retail Supply Characteristics

In DMA, larger malls have outperformed smaller ones by offering more than just retail, featuring social spaces and family entertainment that encourage longer visits. In contrast, smaller malls mainly attract shoppers for specific stores and serve a more limited purpose.

Regional malls are getting larger to account for more entertainment and leisure-based activities. Upcoming regional average sizes are expected to be considerably larger than existing ones. Also, there has been a surge in the neighbourhood centres with bigger average sizes compared to existing ones.

A clear trend across the GCC (e.g. Ajdan Walk, City Walk) is towards lifestyle and entertainment-led centers or strip retail with outdoor spaces, emphasizing F&B and entertainment over traditional retail stores.

Average Mall Size by Type of Mall



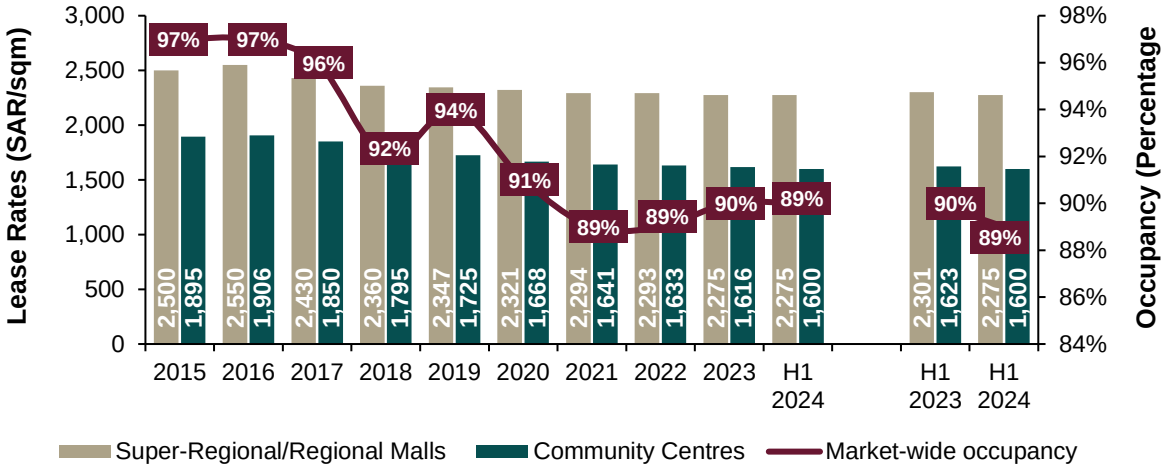
Average Lease Rates in Quality Organised Retail Developments

The rise of lifestyle retail developments and its ability to maintain occupancy levels and lease rates has encouraged owners of traditional retail centres to enhance their offerings and tenant mix.

In H1 2024, super-regional and regional malls rents reached an average of around SAR 2,275 per sqm, declining by 1%, compared to the last 12 months. Similarly, for community retail centres, lease rates declined to SAR 1,600 per sqm.

City wide occupancy levels have been relatively stable across traditional retail centres since 2021. Occupancy declined slightly to 89% in H1 2024.

Average Lease Rates Across Retail Types and City-Wide Occupancy Levels



Source of information

Our market analysis has been undertaken using market knowledge within Knight Frank, enquiries of other agents, searches of property databases, as appropriate and any information provided to us.

Investment overview

2.1 We have had regard to REIT transactions across the Office, Industrial and Retail Sector across KSA which we have listed below:

Office Transactions:

Name	Location	Type	Initial Yield	Year Acquired	Commentary
Al Raed Offices	Riyadh	Office	8.0%	2021	Acquired by Riyadh REIT in August 2021. Leased at 100% occupancy for 3 years to government tenant on triple net lease. Acquired for SAR 184,437,500.
i-Offices	Riyadh	Office	7.74%	2021	Three towers acquired by SICO REIT in March 2021 at 100% occupancy. The gross annual rent at the time of purchase was SAR 10.45m. Acquired for SAR 135,000,000.
Elegance Tower	Riyadh	Office	7.02%	N/A	3 years lease to government at SAR 30 M pa. Acquired for SAR 424,350,000.
Al Sahafa Building 1	Riyadh	Office	8.61%	N/A	Freehold. Acquired for SAR 50,102,756.
Al Sahafa Building 2	Riyadh	Office	8.72%	N/A	Freehold. Acquired for SAR 53,544,744
Al Henaki Business Center	Jeddah	Office	6.53%	2023	Acquired in August 2023 with a Net Operating Income of SAR 33,000,000 by Al Rajhi REIT.
Verdun Tower	Riyadh	Office	7.40%	2022	Acquired in March 2022 by Musharaka REIT. Occupancy at 100% with 33 different tenants. 59% of the revenue generated from four major tenants. Acquired for SAR 235,000,000.
Moon Tower	Riyadh	Office	7.44%	2023	Acquired in December 2023 by Moton Real Estate Company. Occupancy at 94% operating with a net income of SAR 23,000,000 and acquired for SAR 300,500,000.

Source: Knight Frank Research

Warehouse Transactions:

Name	Location	Type	Initial Yield	Year Acquired	Commentary
Al Sharq Warehouse Complex	Riyadh	Warehouse	7.10%	2023	Derayah REIT has sold this asset for SAR 158,000,000. The transaction completed in July 2023. Our research suggest that the passing rent is currently SAR 11.2m and given we expect there to be limited expenditure on warehouses units we would expect the NIY to be approximately 7.1%. We would caveat this saying this is subject to the most recent publicly available information.
Akun Cold Storages	Jeddah, King Faisal Naval Base	Warehouse	7.50%	2021	Cold storage facilities of 12,889 sq m of BUA were acquired by Al Khabeer REIT for SAR 213,400,000 on June 2021. The property is subject to a 5-year binding leasing contract with an NOI of SAR 16 million per year.
Al Sharq Warehouse Complex	Riyadh	Warehouse	8.00%	2020	Gated logistic complex consisting of 193 units, purchased in September 2020 by Derayah REIT for SAR 140,000,000. 164 Units are storage warehouses and 29 are retail warehouses/offices. Occupancy at 90% at time of purchase.
Lulu Warehouse	Kharj Road, Riyadh	Warehouse	7.25%	2018	Built to suit logistics and distribution centre for Lulu Supermarkets. Sold in late 2018 for SAR 52.3 m off an NOI of SAR 3.795m reflecting 7.25% initial yield. Acquired by Al Rajhi Capital REIT. There were 8 bidders on this asset and we consider the price paid was at the sharp end, arguably keener than the wider market.
Al-Sulay Warehouse	Riyadh	Warehouse	7.32%	2017	Multi occupied (30 tenants) warehouse complex (26 warehouses) with a BUA of 46,158 sq m, which was acquired by Al Mathaar REIT for SAR 75,502,675 of an NOI of SAR 5,523,550 pa. The asset is 20 years old, land amounts to 54,075 sq m.
Ha'er warehouse	Riyadh	Warehouse	6.40%	2017	Multi occupied warehouse complex with 28 tenants with a BUA of 11,970

Name	Location	Type	Initial Yield	Year Acquired	Commentary
					sq m, which was acquired by Al Mathaar REIT for SAR 27,281,888, of an NOI of SAR 1,747,000 pa. The asset is 9 years old, land amounts to 13,544.45 sq m.
Al Khorayef	Riyadh	Warehouse	8.66%	N/A	Acquired by Shuaa REIT, comprising 66 warehouses. Acquired for SAR 130 m off an NOI of SAR 11.255 m.

Source: Knight Frank Research

Retail Transactions:

Name	Location	Type	Initial Yield	Year Acquired	Commentary
Ajdan Entertainment Complex	Khobar	Retail	7.59%	2022	This is a commercial complex situated on Al-Amir Al-Turki Street in Al-Khobar city, with a land area of 6.87 thousand square meters. The complex comprises four showrooms and cinemas.
Irqah Plaza	Riyadh	Retail	8.00%	2021	This is a commercial center situated on Mishaal bin Abdulaziz Street, in the Al-Arqa neighborhood. The center is built on a land area of 14,269 thousand square meters.
Alhamra Plaza	Riyadh	Retail	7.50%	2021	This is a property situated on Al-Batha Street in the Al-Mansoura district, located in the heart of Riyadh. The property sits on a land area of 21.12 thousand square meters.
Oasis Mall	Al Kharj	Retail	8.96%	2022	This property is a mall located in Alkharj and Acquired in February 2022 for SAR 93,000,000 with a Net Operating Income of SAR 8,334,085 by Al Rajhi.
Ajdan Entertainment	Dammam	Retail	7.13%	2022	This property was acquired by Sedco in May 2022 for 164,750,000 with a Net Operating Income of SAR 11,741,838.
Extra Store	Dammam	Retail	7.15%	2021	This property was Acquired by Sedco in December 2021 for SAR 52,927,875

Name	Location	Type	Initial Yield	Year Acquired	Commentary
					with a Net Operating Income of 3,785,600

Source: Knight Frank Research

Capitalisation rates

2.2 In coming to our opinion of Fair Value, we have taken into account the comparables above and have allocated a variety of different capitalisation rates to the various Properties depending on their risk and income profile.

3. Valuation Assumptions, Definitions and General Comments

Methodology

3.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Investment Method

3.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

Comparable Method

3.3 In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, aspect, ESG-related factors and other material factors.

Valuation Date

Valuation Date

3.4 The valuation date is 31 December 2024.

Valuation Bases

Fair Value

3.5 Fair Value is defined within **RICS Valuation – Global Standards / IVS**, adopting the definition of the International Accounting Standards Board (IASB) in IFRS 13, as:

"*The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date*."

Market Rent

3.6 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation - Global Standards as:

"*The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

Property Issues

Measurement

3.7 As agreed with the client, we have relied upon areas provided to us by them. No further verification has been undertaken.

Legal Title

3.8 We do not undertake searches or inspections of any kind (including web-based searches) for title or price paid information in any publicly available land registers.

3.9 Unless specifically referred to in this Valuation Report, we have assumed a good and marketable title and that all documentation is satisfactorily drawn and that the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

3.10 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

3.11 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us, as this information may have an important bearing upon the values reported.

3.12 Any tenure assumptions should be verified by your legal advisors. If they prove incorrect, any variation may have a material impact on value and should be referred back to us for further comment.

3.13 In the absence of a copy lease, unless specifically referred to in this Valuation Report, we have assumed that normal covenants and liabilities devolve upon the lessee, where relevant. It is further assumed that there are no onerous restrictions or outgoings contained within the lease that would impact on the valuation provided within this report.

Rights of Way

3.14 Unless specifically referred to in this Valuation Report, we have not been advised of any right of way, easement, wayleaves or similar which may potentially have a detrimental impact upon the valuations in this report. We recommend that your legal advisers confirm that our understanding is correct.

Covenant

3.15 Although we reflect our general understanding of the status of any tenants, we are not qualified to advise you on their financial standing.

Condition

3.16 Unless specifically referred to in this Valuation Report, we have not undertaken a building or site survey of the property.

3.17 Apart from any matters specifically referred to in this Valuation Report, we have assumed that the property is in sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.

3.18 As part of our inspection we did not inspect any inaccessible areas. We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair.

Deleterious Materials & Latent Defects

3.19 Unless specifically referred to in this Valuation Report, we have not been advised of any deleterious materials or latent defects affecting the property.

Services

3.20 No tests have been undertaken on any of the services.

3.21 Unless specifically referred to in this Valuation Report, we have assumed for the purpose of this valuation that main supplies of gas, electricity, water, drainage and telecommunications are all available to the property.

Environmental Issues

Environmental / Contamination

3.22 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

3.23 Unless specifically referred to in this Valuation Report, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the subject property that would give cause for concern as to possible environmental contamination. Likewise, during our inspection, there was no visible contamination on site. Our valuation is provided on the assumption that the property is unaffected.

Ground Conditions

3.24 Unless specifically referred to in this Valuation Report, we have not been provided with a copy of a ground condition report for the site. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the buildings constructed thereon.

Flooding

3.25 We have assumed that the property is not within an indicative floodplain and that there is therefore a negligible risk of flooding.

Mining

3.26 We have not investigated ground conditions. Unless specifically referred to in this Valuation Report, so far as we are aware, the property is not situated in a known mining area. Unless advised to the contrary, our valuation is on the basis that there is no unidentified adverse ground, or soil conditions and that the load bearing qualities of the property are sufficient to support the buildings constructed or to be constructed thereon.

3.27 Where the property is situated in an area within which historic or current mining is suspected, our valuation assumes that the property is not affected by such mining. But, in the event that a mining survey (or equivalent) reveals an adverse position, our valuation could be materially affected.

High Voltage Equipment

3.28 Unless specifically referred to in this Valuation Report, while carrying out our inspection, we did not become aware of any high voltage electrical supply equipment close to the Property. The possible effects of electric and magnetic fields have been the subject of media coverage, with the result that where there is high-voltage electrical supply equipment close to the property, there is a risk that public perception may affect marketability and value.

Statutory Enquiries

Planning

3.29 It is assumed either that the building(s) complies with all necessary planning and building regulation approvals as appropriate, or that the building(s) to be constructed will comply with all necessary Planning, Listed Building and Building Regulation approvals as appropriate.

Highways & Access

3.30 Unless specifically referred to in this Valuation Report, we have assumed that there are no current highway proposals in the immediate vicinity likely to have a detrimental effect upon the property within the foreseeable future.

3.31 Unless specifically referred to in this Valuation Report, in reporting our opinion of value, we have assumed that there are no third party interests between the boundary of the subject property and the adopted highways and that accordingly the property has unfettered vehicular and pedestrian access.

3.32 Where access to the property from the highway is currently via a right of way over a private roadway, which is owned by a third party, we have assumed for the purposes of this Valuation Report that the subject property can fully benefit from this right of way. We would however strongly recommend that your legal advisers are asked to confirm the position.

Fair Value

Aggregate Fair Value

3.33 We are of the opinion that the aggregate Fair Value of the subject interests in the properties forming the Portfolio, subject to the assumptions and caveats detailed herein, at the valuation date is:

SAR 2,942,170,000

(Two Billion, Nine Hundred and Forty Two Million, One Hundred and Seventy Thousand Saudi Arabian Riyals)

Appendix 1 Instruction Documentation

Al Rajhi REIT

For the attention of Abdullah Alsalloom

Our Ref: KFV279-2023

05 July 2023

Dear Sirs

Terms of Engagement for Valuation Services for the property listed in section 2

Thank you for your enquiry requesting a portfolio valuation report in respect of the property detailed below (the "Property"). We are writing to set out our agreed terms of engagement for carrying out this instruction which comprise this Terms of Engagement letter (this "Letter") together with our General Terms of Business for Valuation Services (the "General Terms"). This Letter and the General Terms (together, the "Agreement") exclude any other terms which are not specifically agreed by us in writing save for the terms stated in the request for proposal, however, in the event of any conflict between the terms of proposal and this Agreement, this Agreement terms shall prevail. To the extent that there is any inconsistency between this Letter and the General Terms, this Letter shall take precedence.

You and we agree that, to the extent that any legal system would (but for the provision of this paragraph) impose (whether by contract or by statute or otherwise) any obligation to pay interest, the parties hereto irrevocably and unconditionally expressly waive and reject any entitlement to recover interest from each other. Clause 10.2 of the General Terms is hereby deemed deleted and shall not form part of the Agreement.

1. Client

Our client for this instruction is Al Rajhi Capital (the "Client", "you", "your").

2. Property to be valued

The Property to be valued is as follows:

Property Address	Tenure
Baraem Rowad Al Khaleej International Schools	Freehold
Rowad Al Khaleej International Schools	Freehold
Rowad Al Khaleej International Schools	Freehold
Al Salam Specialty Hospital	Freehold
Lulu Hypermarket	Freehold
Anwar Plaza	Freehold
Narjes Plaza	Freehold
Rama Plaza	Freehold
Jarir Bookstores	Freehold
Al Faris International Schools	Freehold

Building WH01-04 1St Floor
T +966 5308 03297

Property Address	Tenure
Panda	Freehold
Hyper Panda	Freehold
Panda	Freehold
Panda	Freehold
Al Andalus Center	Freehold
Blue Tower	Freehold
Al Louloua	Freehold
Lulu Central	Freehold
Oasis Mall0	Freehold
Al Hanaki Business Center	Freehold
Riyadh Avenue	Freehold

3. Valuation standards

The Valuation will be undertaken in accordance with the current edition of RICS Valuation - Global Standards, incorporating the International Valuation Standards.

Knight Frank is licensed by the Saudi Authority of Accredited Valuers (Taqeem) and the valuer responsible for this instruction is a Taqeem Certified Valuer.

4. Status of valuer and disclosure of any conflicts of interest

For the purposes of the Red Book, we are acting as External Valuers, as defined therein.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are in a position to provide an objective and unbiased valuation.

We draw to your attention that if you subsequently request and we agree to the Valuation being re-addressed to a lender (for which we shall make an additional charge), the Valuation may not meet their requirements, having originally been requested by you. We will only readdress the Valuation once we have received a signed reliance letter in our standard format from the new addressee. Please note also that no update or alterations will be made to the Valuation prior to its release to any new addressee.

5. Valuer and competence disclosure

The valuer, on our behalf, with responsibility for the Valuation will be Stephen Flanagan MRICS, RICS Registered Valuer (the "Lead Valuer"). Parts of the Valuation may be undertaken by additional valuers within the firm.

We confirm that we meet the requirements of the Red Book in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation competently.

6. Purpose of valuation

The Valuation is provided solely for the purpose of Financial Reporting under IFRS (the "Purpose") and in accordance with clause 4.1 of our General Terms may not be used for any other purpose without our express written consent.

7. Limitation of liability and restrictions on use

Clause 3.1 of the General Terms limits our liability to SAR 1 million under this instruction.

Nothing in this Agreement excludes or limits our liability to the extent that such liability may not be excluded or limited as a matter of applicable law.

Neither party shall be liable to the other party for any indirect, special, punitive or consequential loss or damage (including loss of profit, loss of contract, loss of opportunity) howsoever caused whether in contract, tort, negligence or otherwise.

Third party reliance

Clause 4.2 of the General Terms states that no liability is accepted to any third party for the whole or any part of the Valuation.

Disclosure

Clauses 4.3 to 4.6 of the General Terms limits disclosure and generally prohibits publication of the Valuation. As stated therein, the Valuation is confidential to the Client and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and written approval of the form or context in which it may appear.

8. Basis of valuation

The Valuation will be undertaken on the following basis, as defined in the Red Book:

- Fair Value.

9. Special assumptions and assumptions

Special assumptions

In addition to section 8 above, the Valuation will be undertaken on the following special assumptions:

- You have not requested any valuations on special assumptions.

Assumptions

The Valuation will necessarily be based upon a number of assumptions, as set out in the General Terms, this Letter and within the Valuation.

10. Valuation date

Under this agreement, we will produce 4 valuation reports of different valuation dates as set out below:

- As of 30 June 2023
- As of 31 December 2023
- As of 30 June 2024
- As of 31 December 2024

11. Currency to be adopted

The valuation figures will be reported in Saudi Riyals (SAR).

12. Extent of inspection and investigations

We have agreed the following specific requirements in relation to the Valuation:

Inspection

You have instructed us to inspect the Property internally / by going onto the site, as well as externally.

13. Information to be relied upon

Where we express an opinion in respect of (or which depends upon) legal issues, any such opinion must be verified by your legal advisers before any Valuation can be relied upon.

Please inform us as to whether there has been a purchase price recently agreed or transacted in respect of the Property. Please note that the Valuation will comment as to whether any such information has been revealed and if not, will contain a further request that this information must be provided to us before the Valuation is relied upon.

14. Report format

The Valuation will be prepared in our standard format which will be compliant with the Red Book and will take into account any reasonable requests made by you at the relevant time.

15. Fees and expenses

Payment details

Our fee for undertaking this instruction will be **Saudi Riyals (SAR) Five Hundred) excluding VAT**, and reasonable disbursements divided into two payments, set out below.

Advance Payment	
Final payment	

Semi Annual Revaluation Report as of 31 December 2023

Our fee for undertaking this instruction will be **Saudi Riyals (SAR) Thousand Five Hundred) excluding VAT**, and reasonable disbursements divided into two payments, set out below.

Advance Payment	

4

Final payment

Semi Annual Revaluation Report as of 30 June 2024

Our fee for undertaking this instruction will be **Saudi Riyals (SAR) Thousand Five Hundred) excluding VAT**, and reasonable disbursements divided into two payments, set out below.

Advance Payment

Final payment

Semi Annual Revaluation Report as of 31 December 2024

Our fee for undertaking this instruction will be **Saudi Riyals (SAR) Thousand Five Hundred) excluding VAT**, and reasonable disbursements divided into two payments, set out below.

Advance Payment

Final payment

Our timeframe for completion of draft reports shall be 20 working days from receipt of the initial invoice payment and receipt of all information contained within Annex 1. Where any additional work is undertaken by Knight Frank Spain Saudi Arabia Real Estate Valuations Company or the time period of the assignment is extended due to reasons outside our control.

Al Hanaki Business Center and Riyadh Avenue may be excluded from 30.6.2023 valuation. Therefore, the semi-annual cost will be reduced by SAR 29,380.96.

It has been agreed with the Client that for each additional asset to be valued, upon Client request, the charge of such will be SAR 14,690 for the first valuation and SAR 7,690 for any revaluation thereafter as per the valuation dates above. This is exclusive of VAT.

Payment of our fee is required in advance. Before the Valuation is discussed or issued the invoice must have been settled.

The scope of our work is set out in the Agreement. In accordance with clause 10.5 of the General Terms, if we are instructed to carry out additional work that we consider either to be beyond the scope of providing the Valuation or to have been requested after we have finalised the Valuation (including, but not limited to,

commenting on reports on title) we will charge additional fees for such work. We will endeavour to agree any additional fees with you prior to commencing the work

Where additional work is requested after we have issued the Valuation, please note that we cannot guarantee the availability of the Lead Valuer or any additional valuers that may have been involved in the preparation of the Valuation (especially where such requests are received on short notice). Please note also that we will require sufficient time for completion of such additional work.

16. Acceptance

Please sign and return a copy of this Letter signifying your acceptance of the terms of the Agreement. We reserve the right to withhold any Valuation and/or refrain from discussing it with you until this Letter has been countersigned and returned. Your attention is drawn to the "Important Notice" in the General Terms. If you have any questions regarding this Letter and/or the terms of the Agreement between us please let us know before signing this Letter or otherwise giving us instructions to proceed.

Thank you for instructing Knight Frank Spain Saudi Arabia Real Estate Valuations Company.

Yours faithfully

Stephen Flanagan MRICS
Partner - Head of Valuation & Advisory, MENA,
Valuation & Advisory
For and on behalf of Knight Frank Spain Saudi Arabia
Real Estate Valuations Company
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Attached - General Terms of Business for Valuation Services

Signed for and on behalf of Al Rajhi Capital

10 July 2023
Date

KF Ref: KFV279-2023

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Annex 1 – Information from Client

Please supply us with the following information, which will be required by us in order to commence work on the instruction:

NO	REQUIRED INFORMATIONS	REQUIRED
1.	Affection plans and title deed	✓
2.	Copy of all floor plans, site plans	✓
3.	Schedule of all floor areas	✓
4.	Details of ground leases if applicable	✓
5.	Copy of detailed tenancy schedule with lease start and end dates, details of rent escalations, occupiers etc	✓
6.	Operating costs of each individual property (including but not limited to property management fees, maintenance contracts, insurance, common area utility charges etc)	✓
7.	VAT certificate (indicating tax registration number and registered address)	✓
8.	Trade Licence / Identification documents	✓
9	Schedule of unpaid rents / disputed tenancies / outstanding rents	✓
10	Sample lease document for asset	✓
11	Any current or impending schedules of capital expenditures (CAPEX) intended for Property repairs or improvements.	✓
12	Planning documents and building permits relating to the Property.	✓

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General Terms of Business for Valuation Services

Important Notice

If you have any queries relating to this Agreement please let us know as soon as possible and in any event before signing the Letter and/or giving us instructions to proceed.

Your instructions to proceed in writing will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions and executing this Agreement shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business (the "**General Terms**") and our engagement letter (the "**Letter**") together form the agreement between you and us (the "**Agreement**"). References to "**you**", "**your**" etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Letter.

When used herein or in the Letter, the term "**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms "**including**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

1. Knight Frank

1.1 Knight Frank Spain Saudi Arabia Real Estate Valuations Company ("**Knight Frank**", "**our**", "**us**", "**we**") is a company with registered number 1010564516; this is a corporate body which has *members* and not *partners*.

1.2 Our registered office is at Level 1 WH14, Raidah Digital City, Riyadh, Kingdom of Saudi Arabia

1.3 Any representative of Knight Frank described as *partner* is either a member or an employee of Knight Frank and is not a partner in a partnership. The term *partner* has been retained because it is an accepted way of referring to senior professionals. The term "**Knight Frank Person**" shall, when used herein, mean any member, employee, "partner" or consultant of Knight Frank.

1.4 Our VAT registration number is 310377157300003.

1.5 The details of our professional indemnity insurance will be provided to you on request by Analyn Cuajotor, Business Services Manager.

1.6 Knight Frank is registered for regulation in the United Kingdom by the Royal Institution of Chartered Surveyors ("**RICS**"). Any Valuation provided by us may be subject to monitoring under RICS Valuer Registration. In accordance with our obligations it may be necessary to disclose valuation files to RICS. By instructing us you give us your permission to do so. Where possible we will give you prior notice before making any such disclosure, although, this may not always be possible. We will use reasonable endeavours to limit the scope of any such disclosure and to ensure any disclosed documents are kept confidential.

1.7 Valuations will be carried out in accordance with local laws and regulations and in accordance with the relevant edition of the RICS valuation standards, the RICS Red Book (the "**Red Book**"), by valuers who conform to its requirements and who are registered with the Saudi Authority for Accredited Valuers (TAQEEM).

1.8 As required by RICS, a copy of our complaints procedure is available on request.

2. Governing law and jurisdiction

2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with the laws of the Kingdom of Saudi Arabia.

2.2 The courts of the Kingdom of Saudi Arabia shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the the Client, or any relevant third party, is located or the service is provided.

3. Limitations on liability

3.1 Subject to clause 3.6, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to SAR 1,000,000.

3.2 Subject to clause 3.6, we will not be liable for any loss of profits or for indirect or consequential loss.

3.3 Our liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution, whether pursuant to contract or at law from one or more of the other professionals instructed by you in relation to any relevant property/asset and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).

3.4 Subject to clause 3.6, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, for breach of statutory duty, or otherwise.

3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below no third party shall have any right to enforce any of the terms of this Agreement.

3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.

3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.

3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.

4. Purpose, reliance and disclosure

4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.

4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.

4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.

4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of the Kingdom of Saudi Arabia.

4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.

4.6 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.

4.7 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.

5. Knight Frank network

5.1 Knight Frank Spain Saudi Arabia Real Estate Valuations Company is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside the United Arab Emirates (each such firm, an "**Associated Knight Frank Entity**").

5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.

5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.

5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.

6. Severance

If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

7. Entire agreement

7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.

7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.

7.3 The Letter and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.

7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.

8. Assignment

You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).

9. Force majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

10. Our fees

10.1 Without prejudice to clause 10.3 below, you shall be liable to pay our fees in accordance with the terms set out in the Letter. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2).

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

10.4

10.5 .

10.6 Where we agree to accept payment of our fees from a third party, such fees remain due from you until payment is received by us.

11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

(a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010, (the "Relevant Requirements");

(b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the UK Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

(c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and

(d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Anti-slavery Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the UK Modern Slavery Act 2015

12. Portfolios
Properties/Assets comprising a portfolio, unless specifically agreed with you otherwise, will be valued separately and upon the assumption that the properties/assets have been marketed individually and in an orderly manner.

13. Land Register inspection and searches
We are not required to undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers in the Kingdom of Saudi Arabia.

14. Title and burdens
We will assume, unless specifically informed and stated otherwise, that each property/assethas a valid title and that all documentation is satisfactorily drawn and that there are no unusual outgoings, planning proposals, onerous restrictions or local municipality intentions which affect the property, nor any material litigation pending.

15. Disposal costs and liabilities
No allowance is made in our Valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our Valuation is expressed as exclusive of any VAT that may become chargeable. Properties/Assetsare valued disregarding any mortgages or other charges.

16. Sources of information
We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies, planning consents and other relevant matters, as summarised in our Valuations. We assume that this information is complete and correct.

17. Identity of property/assetto be valued
We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property/assetaddress in your instructions, is the property/asset inspected by us and contained within our valuation report. If there is ambiguity as to the property/assetaddress, or the extent of the property/assetto be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

18. Boundaries
Plans accompanying Valuations are for identification purposes only and must not be relied upon to define boundaries, title or easements. The site is identified or outlined by reference to information given to us and/or our understanding of the extent of the site.

19. Planning, highway and other statutory regulations

19.1 Enquiries of the relevant local municipalities in respect of matters affecting properties, where considered appropriate, are normally only obtained verbally, and this information is given to us, and accepted by us, on the basis that it should not be relied upon.

19.2 We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate permits and consents and that there are no outstanding municipal or governmental notices.

19.3 We assume that the premises comply with all relevant statutory and municipal requirements including fire safety, civil defence and building regulations.

20. Property/Assetinsurance
Our Valuation assumes that each property/assetwould, in all respects, be insurable against all usual risks including terrorism, ground instability, flooding and rising water table at normal, commercially acceptable premiums.

21. Building areas and age
Where so instructed, areas provided from a quoted source will be relied upon. Any dimensions and areas measured on location or from plan are calculated in accordance with or by reference to the current RICS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source. Where the age of the building is estimated, this is for guidance only.

22. Structural condition
Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations (except where we separately agree in writing and are instructed to do so), we are unable to report that any property/assetis free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report provided to us in advance, or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

23. Ground conditions
Unless informed otherwise in writing, we assume there to be no adverse ground or soil conditions and that the load bearing qualities of the sites of each property/assetare sufficient to support the building constructed or to be constructed thereon.

24. Environmental issues

24.1 Investigations into environmental matters by suitably qualified environmental specialists would usually be commissioned by most responsible purchasers or chargees of higher value properties or where there was any reason to suspect contamination or a potential future liability (whether following review of the environmental searches which should always be carried out by any purchaserichargee or their legal advisors, or for other reasons). Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our Valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

24.2 However, we are not environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination or any other environmental searches. If we are not provided with the results of appropriate investigations as outlined above and where there is no obvious indication of harmful contamination, our Valuation will be provided on the assumption that the relevant property/assetis unaffected. Where we are informed that contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the Valuation will be qualified by reference to appropriate sections of the Red Book.

25. Minerals, timber, airspace etc.
Unless specifically agreed otherwise in writing and so stated within the main body of the relevant Valuation, we do not value or attempt to value or take into account any potential income stream or other beneficial or detrimental effect or other factor relating to undiscovered or unquantified mineral deposits, timber, airspace, sub-ground space or any other matter which would not be openly known in the market and considered to have value.

26. Legal advice

26.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice and any statements made by us, or advice given, in a legal context should be construed accordingly.

26.2 Where appropriate we will liaise with your legal advisors. However, we accept no responsibility for any work carried out by them and we will not be liable for anything contained in legal documentation prepared by them.

26.3 Where we consider it is necessary for the provision of the Valuation and/or specifically agree to do so, and any additional fees we require for this work are agreed, we will read legal documents (including leases, licences etc.), however, (save for any comment concerning the impact of our interpretation of such documents on value) our interpretation of such documents cannot be relied upon to be legally correct. Where we do interpret legal documents, we will, for the purposes of providing our Valuation, assume our interpretation to be correct.

27. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. However, we do not carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

28. Loan security

Where instructed to comment on the suitability of property/assetas a loan security we are only able to comment on any inherent property/assetrisk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

29. Build cost information

In the provision of valuation services we do not hold ourselves out to have expertise in assessing build costs. Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. The Valuation will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. Build costs produced using this approach must be assumed to be unreliable or inaccurate; any reliance which can be placed upon our Valuation in these circumstances is severely restricted. Specialist professional advice on the build costs should be sought by you. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our Valuation.

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30. Reinstatement assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If an indication is required as a check against the adequacy of existing cover this should be requested and will be so stated in the body of the relevant Valuation. Any indication given is provided for guidance only and must not be relied upon as the basis for insurance cover. In any event, our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be reconsidered.

31. Comparable evidence

Where comparable evidence information is included in our Valuation, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe it or where it was in accordance with our expectation. In addition, we have not inspected comparable properties.

32. Valuation bases

Valuations are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in the Red Book. The basis of valuation will be agreed with you and specified in the Letter and in the relevant Valuation.

33. Data Protection

33.1 You and we shall comply with applicable privacy and data protection laws.

33.2 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

33.3 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. We will only transfer such Personal Data in accordance with the requirements of applicable privacy and data protection laws.

33.4 Full details of how we use Personal Data can be found in our Privacy Statement at http://www.knightfrank.com/legals/privacy-statement.

Property Valuation.

Baraem Rowad Al Khaleej International Kindergarten, AlSahafa, Riyadh

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.





Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 19,000,000
Inspection Date:	3 December 2024	*Terminal Yield:*	7.75% to 8.00%
Use Type(s):	Education	*Discount rate:*	10.25% to 10.50%
Tenure:	Freehold	*Inflation / Growth rate:*	2.50%
Site Area (sq m):	1,830 sq m	**Current Rent Passing pa:**	SAR 1,666,250
Total Floor Area (BUA):	2,549 sq m (2,655 sq m including boundary wall)	*Rent passing per sq m:*	*SAR 628 per sq m*
Number of Tenants:	1	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	100%		
Covenant of Tenant(s)	Strong	**Zoning**	Education

SWOT analysis

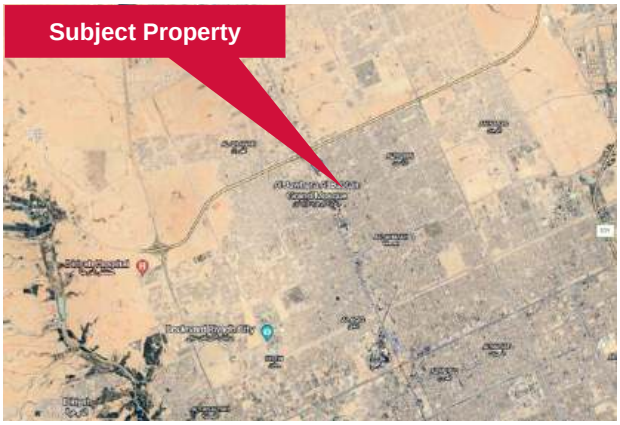
Table 1: SWOT Analysis

Strengths	Weaknesses
• Purpose built facility. • Good quality of facilities. • Reputable tenant with good recognition and track record in education sector.	• Insufficient outdoor play areas or inadequate recreational facilities may restrict the ability to provide outdoor activities and physical exercise opportunities for children.
Opportunities	**Threats**
• Location in growing residential neighbourhood in North Riyadh. Further development in the vicinity may stimulate demand.	• Increasing competition in the education sector.

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• Good links to the major highways and a relatively short travel time to Downtown which could be used to draw students from schools that are showing signs of weakness and loosing students.	

Location / Situation





Source: Google Earth / Knight Frank

- The Property is located in the Sahafa District of Riyadh, which is classed as North Riyadh, being some 15 km to the south west of King Khalid International Airport and some 5 km to the north of King Abdullah Financial District. The major highways providing access to this area include King Fahd Road (1.2 km to the west) and King Salman Road (1.4 km to the north).
- The surrounding areas of Al Sahafa district comprises predominantly low rise residential buildings and few plots of undeveloped land.

Description

- The Property occupies a flat rectangular site of approximately 1,830 sq m according to the documents provided by the client. The part of the site that is not developed is used as a car park for the property.
- The Property comprises a bespoke built kindergarten facility which was constructed in 2013 in a predominantly residential suburb of North Riyadh, in the district of Sahafa. It is arranged over basement, ground and first floor levels and has a secure yard and parking area within a gated area.
- The Property is constructed around a reinforced concrete frame, with concrete elevations. Externally, the building is slightly unusual, with an irregular façade, comprising coloured cladding panels and fenestration in a variety of shapes and sizes, all being aluminium framed and double glazed. The floors are solid reinforced concrete and the roof structure is an unusual pre-tensioned “tent like” canopy structure supported by steel cross beams. The roof cover appears to be PVC material which is hard wearing and capable of cleaning.

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- Internally, the Property is laid out over basement, ground and first floor levels. The basement is accessed via a main set of stairs, a gentle ramp structure and a set of emergency stairs from the ground floor area. The building has a central open atrium reaching from basement to 1/F level, and the open area of the basement is a kids play area which has an astro turf floor finish and incorporates climbing frames and kids play area. Around the perimeter of the basement level there are a series of rooms including a multi-purpose hall, computer lab, kitchen, office, janitor room, library, toilets and utility room.
- The internal finishes in the building are of good quality.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single-let to Al-Khaleej for Training and Education Company under a triple net lease. This represents full occupancy of the Property. Below, we present the key lease information:

Table 2: Lease Overview

Baraem Rowad AlKhaleej International Kindergarten, AlSahafa, Riyadh	
Lease Start Date	28/4/1441 (25 Dec 2019)
Tenant	Al-Khaleej for Training and Education Company
Term	Fifteen (15) Gregorian years
Property Leased	Land and buildings on which the school known as Baraem Rowad AlKhaleej International Kindergarten is situated, located in Riyadh, Saudi Arabia
Rental Contract Details	Escalation: 7.5% after every 5 years 25-Dec-2019 to 24-Dec-2024: SAR 1,550,000 per annum 25-Dec-2024 to 24-Dec-2029: SAR 1,666,250 per annum 25-Dec-2029 to 24-Dec-2034: SAR 1,791,219 per annum
Rent Payment Date	Bi-annually in advance
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

The Property has an unexpired lease term of 10 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Baraem Rowad AlKhaleej International Kindergarten, AlSahafa, Riyadh	
Title Deed No.	317807001087
Plot No(s).	4529 & 4537, Block 820 / 1637

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Baraem Rowad AlKhaleej International Kindergarten, AlSahafa, Riyadh	
Owner	Privileged Warehouse company 2
Tenure	Freehold
Title Deed Date	28/04/1441 (26/12/2019)
Land Size (sq m)	1,830

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Baraem Rowad AlKhaleej International Kindergarten, AlSahafa, Riyadh	
Permit Number	1433/7276
Permit Date	11/04/1433 (05/03/2012)
Zoning	Education Facility
Municipality License No.	3901456
Building Specifications	Basement: 681 sq m (services) Ground Floor – Education: 924 sq m First Floor – Education: 924 sq m Electrical Room: 20 sq m Boundary Wall: 106 sq m

Source: Client

- We have been provided with a building completion certificate dated 06/02/1435, which confirms that the building has been constructed in line with the use as described in the building permit.

Valuation Considerations

- Our valuation has been carried out using the investment method via a discounted cash flow (DCF) approach. The cash flows considered have regard to the lease agreement in place.
- We have further considered the affordability of the lease payments under the agreement with respect to the estimated revenue generated by the school. In absence of detailed operational and financial performance metrics of the school, we have assumed the following when estimating the revenue:
    - The school has a capacity of 450 students as informed by the Client. Given that the school has been operational since 2014, it is assumed that it has reached an optimal capacity utilization of 80%.
    - Upon inquiry with the school's administration office, , we have been provided the following fee schedule:

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Table 5: Annual Tuition Fee - 2024/25

Grade	SAR per Pupil
KG1	23,100
KG2	23,100
KG3	24,100
Grade 1	24,750
Grade 2	29,040
Grade 3	29,040
Average	25,522

Source: School Administration Office

- We note that the school has been offering a discounted fee in recent years. Furthermore, we observe that, in terms of average tuition fee, there has been a further reduction of approximately 10.6% compared to the previous academic year. Therefore, we have assumed a nil increment in tuition fees for next two academic years, 2025/26 and 2026/27, and an annual fee increment of 2.5% has been considered based on inflation thereafter.
- Based on the above, the school's estimated annual revenue works out to be SAR 9.19 million.

- We have considered an affordable rent equivalent to 12.00% of the estimated annual revenue of the school, which computes to SAR 1.10 million per annum. Given that the rent as per the lease agreement for year ending 31-Dec-2025 is SAR 1.67 million, it is inferred that an amount of approximately SAR 0.58 million overburdens the school ("over rented portion").
- As we consider the rent as per the lease agreement to be in excess of what we consider affordable, we have assigned different cap rates / risk premiums to the "core income" (i.e. the base rent which we consider to be affordable) and the "over rented portion".
- A risk premium of 250bps has been considered in the discount rate and the yield to reflect the higher risk associated with the "over rented portion" of the rental cashflows.
- We also note that the Client has not informed us of any rental defaults.
- Operating costs: As per the lease agreement, the tenant is responsible for all operating expenses, maintenance and insurance costs of the Property. Accordingly, we have not considered any operating costs for the Property.

Yield rationale

- The table below shows transactions in which educational facilities have been acquired by REITs in last few years.
- We are of the opinion that the Market Value would be based off capitalisation rate(s) of 7.75% for the "core income" portion of the lease cash flows and 8.00% for the "over rented portion".

Table 6: Recent RIET Transactions in Education Sector

Asset	RIET	Location	Yield (%)	Date
University	Riyadh REIT	Riyadh	8.70%	2017
Private School	Taleem REIT	Riyadh	6.32%	2018
International School	Taleem REIT	Riyadh	4.87%	2018

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Asset	RIET	Location	Yield (%)	Date
Training Center	Derayah	Al Khobar	8.66%	2018
International School	Derayah	Direyah	8.50%	2018
University	Jadwa II	Direyah	8.00%	2018
International School	Jadwa II	Direyah	9.75%	2018
Private School	Taleem REIT	Direyah	6.47%	2020
Private School	Taleem REIT	Dammam	8.40%	2022
3 x Kindergarten	Taleem REIT	Riyadh	8.40%	2022

Source: Knight Frank Research

Valuation Assumptions

Table 7: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75% for “core income” and 8.00% for “over rented portion” of the lease cash flows
Discount Rate	• 10.25% for “core income” and 10.50% for “over rented portion” of the lease cash flows
Rent Passing pa	• SAR 1,666,250

Source: Knight Frank Research

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the Property, subject to the caveats and assumptions stated herein, at the valuation date is:

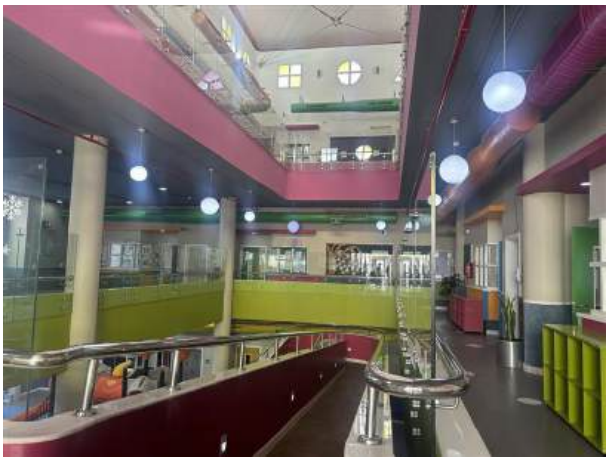
SAR 19,000,000

(Nineteen Million Saudi Arabian Riyals)

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Appendix 1 – Photographs













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Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل بشمال الرياض

الرقم : ٣١٧٨٠٧٠٠١٠٨٧
التاريخ : ٢٨ / ٤ / ١٤٤١ هـ

صك

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

فإن قطعة الارض ٤٥٢٩ و قطعة الارض ٤٥٣٧ من البلك رقم ٨٢٠ من المخطط رقم ١٦٣٧ الواقع في حي الصحافة بمدينة الرياض .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٤ م بطول: (٦١) واحد و ستون متر

جنوباً: قطعة رقم ٤٥٢٨ و ٤٥٣٦ بطول: (٦١) واحد و ستون متر

شرقاً: شارع عرض ١٥ م بطول: (٣٠) ثلاثون متر

غرباً: شارع عرض ٣٦ م بطول: (٣٠) ثلاثون متر

ومساحتها :(١٨٣٠) ألف و ثمانمائة و ثلاثون متر مربعاً فقط حسب المخطط

والمستند في افراغها على الصك الصادر من كتابة العدل الاولى بالرياض برقم ٧١٠١٠٧٠٢٠١٩٥ في ١٦ / ٣/ ١٤٣٢ هـ

قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ .

بثمن وقدره ١١٢٠٦١٣٧ أحد عشر مليونا و مئتين و ستة ألفا و مائة و سبعة و ثلاثون ريال وعليه جرى التصديق

تحريراً في ٢٨ / ٤/ ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل

عبدالإله بن حمد بن علي المبارك

وزارة العدل
كتابة العدل بشمال الرياض
كاتب العدل بكتب رقم (٧)

هذا المستند وحدة متكاملة - وضياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)

مطبعة مطابع الحكومة - ٢٩٢١١٥

نموذج صفحة ١ من ١

Baraem Rowad Al Khaleej International Kindergarten, AlSahafa, Riyadh

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Appendix 3 – Cashflow Extract

Currency: SAR	*31-Dec-25*	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*	*31-Dec-30*	*31-Dec-31*	*31-Dec-32*	*31-Dec-33*	*31-Dec-34*
Periods Ending 31-Dec-20XX	***2025***	***2026***	***2027***	***2028***	***2029***	***2030***	***2031***	***2032***	***2033***	***2034***
Timeline	*1.0*	*2.0*	*3.0*	*4.0*	*5.0*	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*
Affordable Rent (Core Income)	1,184,286	1,184,286	1,184,286	1,184,286	1,184,286	1,273,107	1,273,107	1,273,107	1,273,107	1,273,107
Terminal Value based on Affordable Rent @ 7.75%										16,427,191
Total Cash Flows based on Affordable Rent	**1,184,286**	**1,184,286**	**1,184,286**	**1,184,286**	**1,184,286**	**1,273,107**	**1,273,107**	**1,273,107**	**1,273,107**	**17,700,298**
Discount Factors @ 10.25%	*0.907*	*0.823*	*0.746*	*0.677*	*0.614*	*0.557*	*0.505*	*0.458*	*0.416*	*0.377*
Discounted Cash Flows based on Affordable Rent	**1,074,182**	**974,315**	**883,732**	**801,571**	**727,049**	**708,914**	**643,006**	**583,225**	**529,002**	**6,671,056**
Over Rented Portion	481,964	481,964	481,964	481,964	481,964	518,112	518,112	518,112	518,112	518,112
Terminal Value based on Over Rented Portion @ 8.00%										6,476,396
Total Cash Flows based on Over Rented Portion	**481,964**	**481,964**	**481,964**	**481,964**	**481,964**	**518,112**	**518,112**	**518,112**	**518,112**	**6,994,508**
Discount Factors @ 10.50%	*0.905*	*0.819*	*0.741*	*0.671*	*0.607*	*0.549*	*0.497*	*0.450*	*0.407*	*0.368*
Discounted Cash Flows based on Affordable Rent	**436,167**	**394,721**	**357,214**	**323,270**	**292,552**	**284,610**	**257,565**	**233,091**	**210,942**	**2,577,118**

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Property Valuation.

Rowad AlKhaleej International School, AlMughrizat, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 198,700,000
Inspection Date:	1 December 2024	*Terminal Yield:*	7.75% to 8.00%
Use Type(s):	Education	*Discount rate:*	10.25% to 10.50%
Tenure:	Freehold	*Inflation / Growth rate:*	2.50%
Site Area (sq m):	15,959.9 sq m	**Current Rent Passing pa:**	SAR 17,495,625
Built Up Area (BUA):	38,991.6 sq m	*Rent passing per sq m:*	*SAR 449 per sq m*
Number of Tenants:	1	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy:	100%		
Covenant of Tenant(s):	Strong	**Zoning**	Education

SWOT analysis

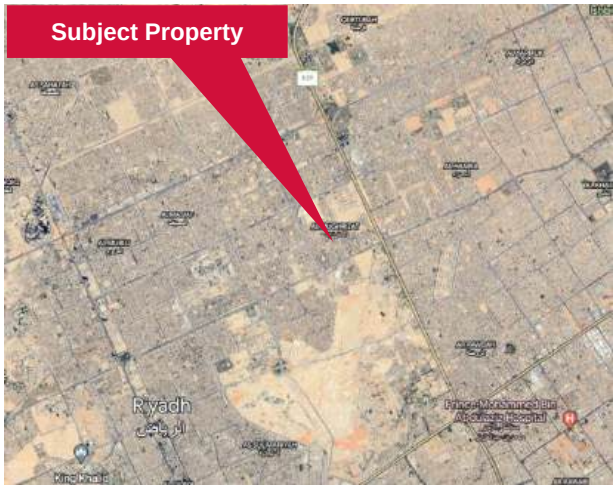
Table 1: SWOT Analysis

Strengths	Weaknesses
• Purpose built facility. • Good quality of facilities. • Reputable tenant with good recognition and track record in the domestic education sector.	• We are of the opinion that the Property is overrented and would experience a downward reversion upon expiry of the lease.
Opportunities	**Threats**
• Location in growing residential neighbourhood in North Riyadh. Further development in the vicinity may stimulate demand. • Good links to the major highways and a relatively short travel time to Downtown which could be	• Increasing competition in the education sector.

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used to draw students from schools that are showing signs of weakness and losing students.	

Location / Situation





Source: Google Earth / Knight Frank

- The Property is located in Riyadh, KSA. More specifically the Property is located in the Al Moghrazat district, in the northern part of Riyadh.
- The Al Moghrazat district comprises predominantly low rise residential buildings and large plots of undeveloped land. Al Nakheel Mall is situated some 600 metres to the north of the Property and the Riyadh International Exhibition Centre is approximately 1 km to the south.

Description

- The Property comprises of a school situated in a predominantly residential suburb of North Riyadh, in the district of Al Moghrazat. We understand that the Property was built in 2015 and has a total BUA of 38,983 sqm, built over basement level 1, basement level 2, ground, first, second and roof floor.
- The Property appeared to be constructed around a reinforced concrete frame which is surrounded by a concrete wall.
- There are 9 gates at the Property, where the main pedestrian access is through gate 3 that leads to the main administration area. The kindergarten is accessible through gate 1.
- Internally, the Property is divided into 3 distinct sections:
  - A Boys school in the east and north eastern wing;
  - A Girls school and kindergarten in the west and north western wing;
  - A staff accommodation building within the central part of the north wing.
- The central part of the Property includes a playground that is covered by a tent like structure. The tent like structure appears to be PVC material which is hard wearing and capable of cleaning.

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- The internal finishes in the building are of good quality, floors are finished with tile on the ground and upper floors and laminated wood flooring at basement level 2. Although some damage could be seen along corridors, with a few elevators out of service.
- The boys section contains a semi-fitted second floor that is not currently in use.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single-let to Al-Khaleej for Training and Education Company under a triple net lease. This represents full occupancy of the Property. Below, we present the key lease information:

Table 2: Lease Overview

Rowad AlKhaleej International School, AlMughrizat, Riyadh	
Lease Start Date	25 Dec 2019
Tenant	Al-Khaleej for Training and Education Company
Term	Fifteen (15) Gregorian years
Property Leased	Land and buildings on which the school known as Rowad AlKhaleej International School is situated, located in Riyadh, Saudi Arabia
Rental Contract Details	Escalation: 7.5% after every 5 years 25-Dec-2019 to 24-Dec-2024: SAR 16,275,000 per annum 25-Dec-2024 to 24-Dec-2029: SAR 17,495,625 per annum 25-Dec-2029 to 24-Dec-2034: SAR 18,807,797 per annum
Rent Payment Date	Bi-annually in advance
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

- The Property has an unexpired lease term of 10 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Rowad AlKhaleej International School, AlMughrizat, Riyadh	
Title Deed No.	417807001085 & 417807001086
Plot No(s).	Plots 1,2,3,4; Block 1/3309 Plots 5,6,7,8; Block 1/3309
Owner	Privileged Warehouse company 2

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Rowad AlKhaleej International School, AlMughrizat, Riyadh	
Tenure	Freehold
Title Deed Date	28/04/1441 (26/12/2019)
Land Size (sq m)	Plots 1,2,3,4: 8,039.9 Plots 5,6,7,8: 7,920.0 Total: 15,959.9

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Rowad AlKhaleej International School, AlMughrizat, Riyadh	
Permit Number	1432/4252
Permit Date	11/03/1432 (15/12/2014)
Zoning	Education Facility
Municipality License No.	4002002
Building Specifications	Basement: 15,143 sq m (Parking) Ground Floor – Education: 7,537 sq m First Floor – Education: 7,957 sq m Second Floor – Education: 7,957 sq m Electrical Room: 33.6 sq m Boundary Wall: 364 sq m

Source: Client

- We have been provided with a building completion certificate dated 02/08/1439, which confirms that the building has been constructed in line with the use described in the municipality license.

Valuation Considerations

- Our valuation has been carried out using the investment method via a discounted cash flow (DCF) approach. The cash flows considered have regard to the lease agreement in place.
- We have further considered the affordability of the lease payments under the agreement with respect to the estimated revenue generated by the school. In absence of detailed operational and financial performance metrics of the school, we have assumed the following when estimating the revenue:
    - The school has a capacity of 3,000 students as informed by the Client. Given that the school has been operational since 2017, it is assumed that it has reached an optimal capacity utilization of 85%.
    - Upon inquiry with the school's administration office, we have been provided the following fee schedule:

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Table 5: Annual Tuition Fee 2024-25

Annual Tuition Fee 2024/25	SAR per Pupil
KG1	27,230
KG2	26,830
KG3	33,358
Grade 1	33,358
Grade 2	33,358
Grade 3	33,358
Grade 4	33,358
Grade 5	33,358
Grade 6	33,358
Grade 7	36,437
Grade 8	36,437
Grade 9	36,437
Grade 10	37,638
Grade 11	37,638
Grade 12	37,638
Average	33,986

Source: School administration office

  - We note that the school has been offering a discounted fee in recent years. Furthermore, we observe that, in terms of average tuition fee, there has been a further reduction of approximately 3.1% compared to the previous academic year. Therefore, we have assumed a nil increment in tuition fees for next two academic years, 2025/26 and 2026/27, and an annual fee increment of 2.5% has been considered based on inflation thereafter.
  - Based on the above, the school's estimated annual revenue works out to be SAR 86.66 million.

- We have considered an affordable rent equivalent to 12.0% of the estimated annual revenue of the school, which computes to SAR 10.40 million per annum. Given that the average rent as per the lease agreement for year ending 31-Dec-2025 is SAR 17.50 million, it is inferred that an amount of approximately SAR 7.0 million 5.71 million overburdens the school ("over rented portion").
- As we consider the rent as per the lease agreement to in excess of what we consider affordable, we have assigned different cap rates / risk premiums to the "core income" (i.e. the base rent which we consider to be affordable) and the "over rented portion".
- A risk premium of 250bps has been considered in the discount rate and the yield to reflect the higher risk associated with the "over rented portion" of the rental cashflows.
- We also note that the Client has not informed us of any rental defaults.

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- Operating costs: As per the lease agreement, the tenant is responsible for all operating expenses, maintenance and insurance costs of the Property. Accordingly, we have not considered any operating costs for the Property.

Yield rationale

- The table below shows transactions in which educational facilities have been acquired by REITs in last few years.
- We are of the opinion that the Market Value would be based off capitalisation rate(s) of 7.75% for the "core income" portion of the lease cash flows and 8.00% for the "over rented portion".

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Asset	RIET	Location	Yield (%)	Date
University	Riyadh REIT	Riyadh	8.70%	2017
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International School	Taleem REIT	Riyadh	4.87%	2018
Training Center	Derayah	Al Khobar	8.66%	2018
International School	Derayah	Direyah	8.50%	2018
University	Jadwa II	Direyah	8.00%	2018
International School	Jadwa II	Direyah	9.75%	2018
Private School	Taleem REIT	Direyah	6.47%	2020
Private School	Taleem REIT	Dammam	8.40%	2022
3 x Kindergartens	Taleem REIT	Riyadh	8.40%	2022

Source: Knight Frank Research

Valuation Assumptions

Table 7: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75% for "core income" and 8.00% for "over rented portion" of the lease cash flows
Discount Rate	• 10.25% for "core income" and 10.50% for "over rented portion" of the lease cash flows
Rent Passing pa	• SAR 17,495,625

Source: Knight Frank Research

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the Property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 198,700,000

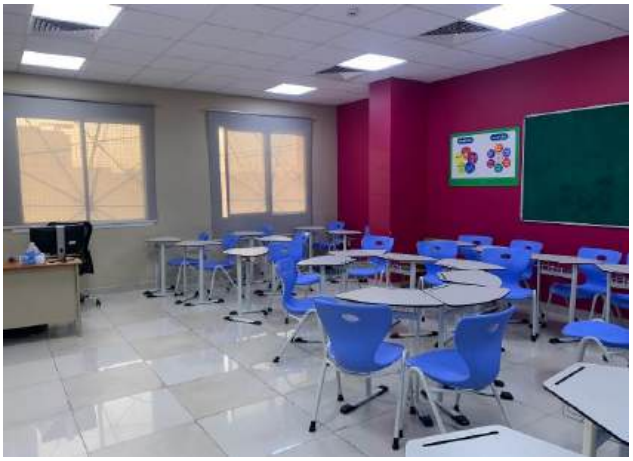
(One Hundred and Ninety Eight Million, Seven Hundred Thousand Saudi Arabian Riyals)

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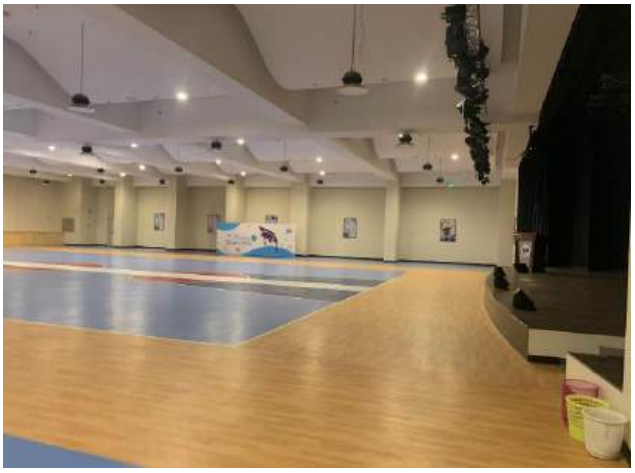
Appendix 1 – Photographs













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Appendix 2 – Title Deed



كتابة العدل بشمال الرياض

صك

عبد الإله بن حمد بن علي المبارك



كتابة العدل بشمال الرياض

صك

عبد الإله بن حمد بن علي المبارك

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Appendix 3 – Cashflow Extract

Currency: SAR										
Periods Ending 31-Dec-20XX	***2025***	***2026***	***2027***	***2028***	***2029***	***2030***	***2031***	***2032***	***2033***	***2034***
Timeline	*1.0*	*2.0*	*3.0*	*4.0*	*5.0*	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*
Affordable Rent (Core Income)	11,170,847	11,170,847	11,170,847	11,170,847	11,170,847	12,008,660	12,008,660	12,008,660	12,008,660	12,008,660
Terminal Value based on Affordable Rent @ 7.75%										154,950,457
Total Cash Flows based on Affordable Rent	**11,170,847**	**11,170,847**	**11,170,847**	**11,170,847**	**11,170,847**	**12,008,660**	**12,008,660**	**12,008,660**	**12,008,660**	**166,959,118**
Discount Factors @ 10.25%	*0.907*	*0.823*	*0.746*	*0.677*	*0.614*	*0.557*	*0.505*	*0.458*	*0.416*	*0.377*
Discounted Cash Flows based on Affordable Rent	**10,132,287**	**9,190,283**	**8,335,858**	**7,560,869**	**6,857,931**	**6,686,871**	**6,065,190**	**5,501,306**	**4,989,846**	**62,925,136**
Over Rented Portion	6,324,778	6,324,778	6,324,778	6,324,778	6,324,778	6,799,137	6,799,137	6,799,137	6,799,137	6,799,137
Terminal Value based on Over Rented Portion @ 8.00%										84,989,207
Total Cash Flows based on Over Rented Portion	**6,324,778**	**6,324,778**	**6,324,778**	**6,324,778**	**6,324,778**	**6,799,137**	**6,799,137**	**6,799,137**	**6,799,137**	**91,788,343**
Discount Factors @ 10.50%	*0.905*	*0.819*	*0.741*	*0.671*	*0.607*	*0.549*	*0.497*	*0.450*	*0.407*	*0.368*
Discounted Cash Flows based on Affordable Rent	**5,723,781**	**5,179,892**	**4,687,685**	**4,242,249**	**3,839,140**	**3,734,910**	**3,380,009**	**3,058,831**	**2,768,173**	**33,819,311**

DCF - Affordable Rent	128,245,578
DCF - Over Rented Portion	70,433,981
Total Value	**198,679,559**
Total Value (Rounded Off)	**198,700,000**
Value per sqm of BUA	**5,097**

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Property Valuation.

Rowad AlKhaleej International School, AlZuhur, Dammam

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 230,700,000
Inspection Date:	23 November 2024	*Terminal Yield:*	7.75% to 8.00%
Use Type(s):	Education	*Discount rate:*	10.25% to 10.50%
Tenure:	Freehold	*Inflation / Growth rate:*	2.50%
Site Area (sq m):	20,213 sq m	**Current Rent Passing pa:**	SAR 20,369,906
Built Up Area (BUA):	25,797 sq m	*Passing Rent per sq m:*	*SAR 790 per sq m*
Number of Tenants:	1	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good Condition
Stabilized Occupancy	100%		
Covenant of Tenant(s):	Strong	**Zoning**	Education

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• Purpose built facility. • Good quality of facilities. • Reputable tenant with good recognition and track record in education sector.	• The Property appears to be overrented and as such we might anticipate a downward reversion upon lease expiry.
Opportunities	**Threats**
• Further development in the vicinity may stimulate demand.	• Increasing competition in the education sector.

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Location / Situation





Source: Google Earth / Knight Frank

- The Property is located in the Eastern province of the Kingdom, within Dammam. More specifically the property is located along Anas Ibn Malik Street, in the Az Zuhur area, which is the northern side of the city.
- The immediate area to the north west of the Property comprises vacant land plots. The Az Zuhur area is developed of mostly low rise residential property with show rooms on the ground floor of buildings that have frontage to main roads.
- The Open Arab University is located to the south of the Property and Marina Mall is less than 2 km to the west.

Description

- The Property comprises of four buildings, which include, a staff accommodation building, Boys school, Girls school, and an additional building for the Girls school expansion. The four buildings have a total BUA of 25,797 sq m and are surrounded by a concrete wall that reaches approximately 2.5 metres in height.
- Surface parking is provided on the ground floor for school buses and staff vehicles. There is additional parking contained within the basement of the Girls school's expansion building.
- The Girls school is formed by two buildings, where an interconnecting bridge on the first floor provides access between them. The initial Girls school building was built in 2012 and extends to 5,025 sq m of BUA. The Girls school expansion building completed construction in 2015 and has a total BUA of 10,751 sq m.
- The initial Girls school building is built over ground, first and second floor and the expansion building is similar but includes basement level. The basement level in the expansion building contains 75 parking spaces with a disabled access ramp that leads to an elevator.
- The Girls school comprises of classrooms, including, science labs, computer rooms, multi-purpose room, a library and a large hall.
- The Boys school completed construction in 2012 and has a total BUA of 5,025 sq m, built over ground, first and second floor. On the ground floor there is a central open atrium reaching up to

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the second floor. The Boys school comprises of a classrooms, a library, an art room, and prayer room. There is also a cafeteria and an outdoor terrace that incorporates wooden benches and tables.

- The principal's office is located on the first floor, along with a series of classrooms, a multi-purpose room, an art room and toilets. The central staircase provides access to the first floor along with two additional staircases at opposing sides of the property.
- The second floor comprises of laboratories, classrooms and a councilor's office.
- The staff accommodation building is built over basement, ground and three upper floors. It completed construction in 2013 and has a total BUA of 4,996 sq m. The basement comprises of a large lounge area, a laundry room, controller room, driver/worker rooms, pump room and septic tanks. The ground and upper floors comprise of fully furnished apartments. There is also a swimming pool, gym and lounge area on the ground floor.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single-let to Al-Khaleej for Training and Education Company under a triple net lease. This represents full occupancy of the Property. Below, we present the key lease information:

Table 2: Lease Overview

Rowad AlKhaleej International School, AlZuhur, Dammam	
Lease Start Date	28/4/1441 (25 Dec 2019)
Tenant	Al-Khaleej for Training and Education Company
Term	Fifteen (15) Gregorian years
Property Leased	Land and buildings on which the school known as Rowad AlKhaleej International School is situated, located in Dammam, Saudi Arabia
Rental Contract Details	Escalation: 7.5% after every 5 years 24-Dec-2019 to 23-Dec-2024: SAR 18,948,750 per annum 24-Dec-2024 to 23-Dec-2029: SAR 20,369,906 per annum 24-Dec-2029 to 23-Dec-2034: SAR 21,897,649 per annum
Rent Payment Date	Bi-annually in advance
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

- The Property has an unexpired lease term of 10 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

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Table 3: Summary of Tenure

Rowad AlKhaleej International School, AlZuhur, Dammam	
Title Deed No.	630106028707 330113016485 730112017899 230108023590
Plot No(s).	Plots 25,26,27,28,29,30 Block 41/1
Owner	Privileged Warehouse company 2
Tenure	Freehold
Title Deed Date	27/04/1441 (25/12/2019)
Land Size (sq m)	Plots 25,26,27: 10,099 Plot 28: 3,750 Plot 29: 3,364 Plot 30: 3,000 Total: 20,213

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Rowad AlKhaleej International School, AlZuhur, Dammam			
Plots	25,26,27,28,29	25,26,27,28,29	30
Permit Number	427/010348	1/1427/010348	432/10423
Permit Date	06/11/1417 (15 March 1997)	27/11/1434 (02 October 2013)	09/09/1432 (09 August 2011)
Zoning	Education Facility – New Building	Education Facility – Extension	Education Facility – New Building
Municipality License No.	3909265986	3909265986	3909265986
Building Specifications	Ground floor: 134 sq m (services) Ground floor – Education: 3,348 sq m First Floor – Education: 3,248 sq m Second floor – Education: 3,248 sq m Other: 334 sq m	Basement: 3,465 sq m (services) Ground floor - parking: 718 sq m Ground floor – Education: 2,271 sq m Ground floor – services: 53 sq m First Floor – Education: 1,768 sq m Second floor – Education: 2,476 sq m Boundary wall: 125 m Other: 319 m	Ground floor – Residential: 1,000 sq m / Services: 426 sq m First Floor – Residential: 1,000 sq m / Services: 426 sq m Second floor – Residential: 1,000 sq m / Services: 426 sq m Third floor – Residential: 500 sq m / Services: 218 sq m Other: 105 m Boundary wall: 190 m

Source: Client

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- We have not been provided with the building completion certificate. However, we have been provided with electricity supply certificate (date unclear on the document provided). For the purpose of the valuation, we have assumed that the property complies with all relevant authority planning and zoning.

Valuation Considerations

- Our valuation has been carried out using the investment method via a discounted cash flow (DCF) approach. The cash flows considered have regard to the lease agreement in place.
- We have further considered the affordability of the lease payments under the agreement with respect to the estimated revenue generated by the school. In absence of detailed operational and financial performance metrics of the school, we have assumed the following when estimating the revenue:
  - The school has a capacity of 3,000 students as informed by the Client. Given that the school has been operational since 2010, it is assumed that it has reached an optimal capacity utilization of 85%.
  - Upon inquiry with the school's administration office, we have been provided the following fee schedule:

Table 5: Annual Tuition Fee – 2024/25

Grade	SAR per Pupil
KG1	27,230
KG2	26,830
KG3	33,358
Grade 1	33,358
Grade 2	33,358
Grade 3	33,358
Grade 4	33,358
Grade 5	33,358
Grade 6	33,358
Grade 7	36,437
Grade 8	36,437
Grade 9	36,437
Grade 10	37,638
Grade 11	37,638
Grade 12	37,638
Average	**33,986**

Source: School Administration Office

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- We note that the school has offered a discounted fee for the 2024/25 academic year. In terms of average tuition fee, there has been reduction of approximately 8.6% compared to the previous academic year. Therefore, we have assumed a nil increment in tuition fees for next two academic years, 2025/26 and 2026/27, and an annual fee increment of 2.5% has been considered based on inflation thereafter.
- Based on the above, the school's estimated annual revenue works out to be SAR 86.66 million.

- We have considered an affordable rent equivalent to 12.0% of the estimated annual revenue of the school, which computes to SAR 10.40 million per annum. Given that the current rent as per the lease agreement for year ending 31-Dec-2025 is SAR 20.37 million, it is inferred that an amount of approximately SAR 9.97 million overburdens the school ("over rented portion").
- As we consider the rent as per the lease agreement to in excess of what we consider affordable, we have assigned different cap rates / risk premiums to the "core income" (i.e. the base rent which we consider to be affordable) and the "over rented portion".
- A risk premium of 250bps has been considered in the discount rate and the yield to reflect the higher risk associated with the "over rented portion" of the rental cashflows.
- We also note that the Client has not informed us of any rental defaults.
- Operating costs: As per the lease agreement, the tenant is responsible for all operating expenses, maintenance and insurance costs of the Property. Accordingly, we have not considered any operating costs for the Property.

Yield rationale

- The table below shows transactions in which educational facilities have been acquired by REITs in last few years.
- We are of the opinion that the Market Value would be based off capitalisation rate(s) of 7.75% for the "core income" portion of the lease cash flows and 8.00% for the "over rented portion".

Table 6: Recent RIET Transactions in Education Sector

Asset	RIET	Location	Yield (%)	Date
University	Riyadh REIT	Riyadh	8.70%	2017
Private School	Taleem REIT	Riyadh	6.32%	2018
International School	Taleem REIT	Riyadh	4.87%	2018
Training Center	Derayah	Al Khobar	8.66%	2018
International School	Derayah	Direyah	8.50%	2018
University	Jadwa II	Direyah	8.00%	2018
International School	Jadwa II	Direyah	9.75%	2018
Private School	Taleem REIT	Direyah	6.47%	2020
Private School	Taleem REIT	Dammam	8.40%	2022
3 x Kindergarten	Taleem REIT	Riyadh	8.40%	2022

Source: Knight Frank Research

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Valuation Assumptions

Table 7: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75% for “core income” and 8.00% for “over rented portion” of the lease cash flows
Discount Rate	• 10.25% for “core income” and 10.50% for “over rented portion” of the lease cash flows
Rent Passing pa	• SAR 20,369,906

Source: Knight Frank Research

Fair Value

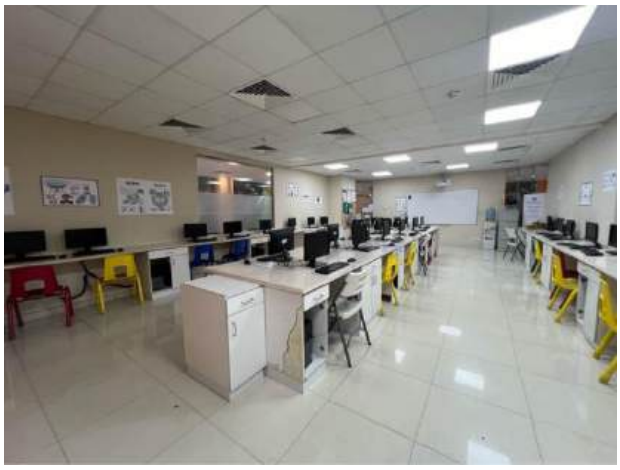
- We are of the opinion that the Fair Value of the freehold interest in the Property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 230,700,000

(Two Hundred and Thirty Million, Seven Hundred Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs













Rowad AlKhaleej International School, AlZuhur, Dammam

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Appendix 2 – Title Deed









Rowad AlKhaleej International School, AlZuhur, Dammam

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Appendix 3 – Cashflow Extract

Currency: SAR										
Periods Ending 31-Dec-20XX	***2025***	***2026***	***2027***	***2028***	***2029***	***2030***	***2031***	***2032***	***2033***	***2034***
Timeline	*1.0*	*2.0*	*3.0*	*4.0*	*5.0*	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*
Affordable Rent (Core Income)	11,170,847	11,170,847	11,170,847	11,170,847	11,170,847	12,008,660	12,008,660	12,008,660	12,008,660	12,008,660
Terminal Value based on Affordable Rent @ 7.75%										154,950,457
Total Cash Flows based on Affordable Rent	**11,170,847**	**11,170,847**	**11,170,847**	**11,170,847**	**11,170,847**	**12,008,660**	**12,008,660**	**12,008,660**	**12,008,660**	**166,959,118**
Discount Factors @ 10.25%	*0.907*	*0.823*	*0.746*	*0.677*	*0.614*	*0.557*	*0.505*	*0.458*	*0.416*	*0.377*
Discounted Cash Flows based on Affordable Rent	**10,132,287**	**9,190,283**	**8,335,858**	**7,560,869**	**6,857,931**	**6,686,871**	**6,065,190**	**5,501,306**	**4,989,846**	**62,925,136**
Over Rented Portion	9,199,059	9,199,059	9,199,059	9,199,059	9,199,059	9,888,989	9,888,989	9,888,989	9,888,989	9,888,989
Terminal Value based on Over Rented Portion @ 8.00%										123,612,357
Total Cash Flows based on Over Rented Portion	**9,199,059**	**9,199,059**	**9,199,059**	**9,199,059**	**9,199,059**	**9,888,989**	**9,888,989**	**9,888,989**	**9,888,989**	**133,501,345**
Discount Factors @ 10.50%	*0.905*	*0.819*	*0.741*	*0.671*	*0.607*	*0.549*	*0.497*	*0.450*	*0.407*	*0.368*
Discounted Cash Flows based on Affordable Rent	**8,324,940**	**7,533,883**	**6,817,993**	**6,170,130**	**5,583,828**	**5,432,231**	**4,916,046**	**4,448,910**	**4,026,163**	**49,188,419**

DCF - Affordable Rent	128,245,578
DCF - Over Rented Portion	102,442,543
Total Value	**230,688,120**
Total Value (Rounded Off)	**230,700,000**
Value per sqm of BUA	**8,943**

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Property Valuation.

Al Salam Specialty Hospital, Al Salam, Riyadh

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Source: Knight Frank

Valuation Summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 142,600,000
Inspection Date:	23 November 2024	*Terminal Yield:*	7.75%
Use Type(s):	Healthcare	*Discount rate:*	8.75%
ActionedTenure:	Freehold	*Inflation / Growth rate*:*	1.00%
Site Area (sq m):	3,603.6 sq m	**Current Rent Passing pa:**	SAR 11,073,300
Total Floor Area (BUA):	17,567.3 sq m	*Rent passing per sq m:*	*SAR 630 per sq m*
Number of Tenants:	1	**Environmental:**	Assumed Uncontaminated
Current Occupancy:	100%	**Condition:**	Good
Stabilized Occupancy:	100%	**Zoning:**	Healthcare
Covenant of Tenant(s):	Strong		

**The growth rate is defined as per lease escalation allowed in lease contract.*

SWOT Analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The Property is located in a highly populous area with good accessibility and is managed by a reputable and experienced healthcare operator.	• The contracted lease agreement allows for an escalation in lease rental amount of 5.0% after every 5 years, which is below the forecasted inflation rate.
Opportunities	**Threats**
• Increasing demand for quality private sector healthcare in KSA and Riyadh.	• There are several competing hospitals within 5 km radius of the Property.

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Location / Situation





Source: Google Earth

- The Property is located in Riyadh, KSA. More specifically the Property is located in the Al Salam district, in the south-east part of Riyadh.
- The Al Salam district comprises predominantly low to mid rise residential and mixed-use (residential with retail) buildings and few plots of undeveloped land. Prince Mohammad bin Abdulaziz Hospital is located approximately 1km north of the Property and Sky Mall is located approximately 1.3km to the south of the Property.

Description

- The Property is an operational multispecialty hospital situated on a rectangular plot with an area of 3,603 sq m with frontage on Al Imam Al Shafi Road. The Property has a configuration of 2B+G+M+5 with a total BUA of 17,567 sq m.
- The hospital has been operational since 2016 and has a capacity of 100 beds. Key medical specialties offered by the hospital include OB/GYN, Pediatrics, Dental, Internal Medicine, Pulmonology, Cardiology, Orthopedics, General Surgery, Dermatology, Urology, Ophthalmology, ENT. In addition, the hospital is equipped with usual amenities i.e. outpatient clinics, operating theatres, radiology, emergency, laboratory, pharmacy etc.
- During Q3 2024, shareholding in the operating company of the hospital (Al Salam Health Medical Hospital) has been acquired by National Medical Care Co., a listed healthcare operator.

Tenancy Overview

- We have been provided with lease information which shows that the Property is let to Al Salam Medical Group Company under a triple net lease.
- Below, we present the key lease information:

Table 2: Lease Overview

Al Salam Specialty Hospital, Riyadh	
Lease Start Date	01 April 2018

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Al Salam Specialty Hospital, Riyadh	
Tenant	Al Salam Medical Health Company (formerly: Al Salam Medical Group Company)
Term	15 Gregorian years ending on 31-Dec-2038
Property Leased	Land and buildings on which the hospital known as Al Salam Specialty Hospital is situated, located in Riyadh, Saudi Arabia
Rental Contract Details – Main Hospital	Escalation: 5% after every 5 years 01-Jan-2024 to 31-Dec-2027: SAR 11,073,300 per annum 01-Jan-2028 to 31-Dec-2032: SAR 11,626,966 per annum 01-Jan-2033 to 31-Dec-2037: SAR 12,208,314 per annum 01-Jan-2038 to 31-Dec-2038: SAR 12,818,728 per annum
Rent Payment Date	Bi-annually
Lease Renewal Provision	Upon mutual agreement by landlord and lessee upon expiration of the lease agreement.
Type of Lease	Triple Net

Source: Client

- The Property has an unexpired lease term of 14 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Al Salam Specialty Hospital, Riyadh	
Title Deed No.	310124039036, 810124039037, 310124039038, 410124039039
Plot No(s).	165, 166, 167, 168 Block 15/2696
Owner	Privileged Warehouse company 2
Tenure	Freehold
Title Deed Date	10/03/1441 (08/11/2019)
Land Size (sq m)	3,603.6

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Al Salam Specialty Hospital, Riyadh	
Permit Number	1429/4972
Permit Date	10/03/1437 (21/12/2015)
Zoning	Healthcare
Municipality License No.	N/A

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Al Salam Specialty Hospital, Riyadh	
Building Specifications	Basement (2 Floors): 3,603.6 sq m per floor Ground Floor – Healthcare Clinics: 1,440 sq m Mezzanine Floor – Commercial: 1,072.39 sq m First Floor – Healthcare Clinics: 1,422.18 sq m Second & Third Floors – Healthcare Clinics: 1,430.65 sq m per floor Fourth & Fifth Floors – Healthcare Clinics: 1,398.03 sq m per floor Annex – Healthcare Clinics: 713.6 sq m Boundary Wall: 55 m

Source: Client

- We have been provided with a building completion certificate dated 10/03/1437, which confirms that the building has been constructed in line with the use described in the building permit.

Valuation Considerations

- Our valuation has been carried out using the investment method via a discounted cash flow (DCF) approach. The cash flows considered have regard to the lease agreement in place.
- We note that the lease agreement has been amended on 07 August 2024 to incorporate the following changes:
  - Extension of the lease term till 31 Dec 2038.
  - Reduction of the total contractual rent to SAR 11,073,300 per annum with an escalation of 5% after every 5 years.
  - Removal of the lessee's right to terminate the contract before expiry of lease term. This provides additional security to the landlord.
  - Specification of the rights and obligations of both parties regarding major refurbishment expenses of the Property.
- In light of these amendments, we have accounted for lower counterparty risk and lower capital expenditure obligations of the lessor in the discount rate assumption. Furthermore, the amended contracted rent is deemed affordable, and we note that the Client has not informed of any rental defaults.
- Operating costs: As per the lease agreement, the lessee is responsible for all operating expenses, maintenance and insurance costs of the Property. Accordingly, we have not considered any operating costs for the Property.

Yield rationale

- It is noted that healthcare assets rarely transact within KSA and the region owing to which there is no or limited comparable transactional evidence readily available at present.
- We have reference to a 75-bed multispecialty hospital in Sharjah, UAE which was acquired by Al Ma'ather REIT at a yield of 8.0% in 2022.
- We are of the opinion that the Market Value would be fairly reflected by application of a capitalisation rate of 7.75% for the Property.

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Valuation Assumptions

Table 5: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75%
Discount Rate	• 8.75%
Rent Passing pa	• SAR 11,073,300

Source: Knight Frank Research

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the Property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 142,600,000

(One Hundred and Forty Two Million, Six Hundred Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Al Salam Specialty Hospital, Al Salam, Riyadh

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Appendix 2 – Title Deed









Al Salam Specialty Hospital, Al Salam, Riyadh

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Appendix 3 – Cashflow Extract

Currency: SAR											
Periods Ending 31-Dec-20XX		***2025***	***2026***	***2027***	***2028***	***2029***	***2030***	***2031***	***2032***	***2033***	***2034***
Timeline		*1.0*	*2.0*	*3.0*	*4.0*	*5.0*	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*
Rent per Lease Agreement		11,073,300	11,073,300	11,073,300	11,626,966	11,626,966	11,626,966	11,626,966	11,626,966	12,208,314	12,208,314
Terminal Value @ 7.75%											157,526,632
Total Cash Flows		**11,073,300**	**11,073,300**	**11,073,300**	**11,626,966**	**11,626,966**	**11,626,966**	**11,626,966**	**11,626,966**	**12,208,314**	**169,734,946**
Discount Factors @ 10.25%		*0.920*	*0.846*	*0.778*	*0.715*	*0.657*	*0.605*	*0.556*	*0.511*	*0.470*	*0.432*
Discounted Cash Flows		**10,182,345**	**9,363,076**	**8,609,725**	**8,312,838**	**7,643,989**	**7,028,956**	**6,463,408**	**5,943,363**	**5,738,420**	**73,363,258**
Total Value	**142,649,378**										
Total Value (Rounded Off)	**142,600,000**										
Value per sqm of BUA	**8,117**										

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Property Valuation.

Lulu Hypermarket, Nahda, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 210,175,000
Inspection Date:	30 November 2024	*Terminal Yield:*	7.75%
Use Type(s):	Retail and Office	*Discount rate:*	10.25%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.5%
Land Area (sq m):	19,500 sq m	**Market Rent pa:**	SAR 15,522,030
Net Leasable Area (sq m):	21,950 sq m	*Market Rent per sq m:*	*SAR 707 per sq m*
Number of Tenants:	One (master lease)	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Reasonable
Stabilized Occupancy	90%		
Covenant of Tenant(s)	Strong	**Zoning**	Commercial
Current Rent Passing	SAR 16,344,250	**Annual OpEx SAR per sq m:**	SAR 100 (upon lease expiry)

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The property enjoys a prime location with direct connectivity to Khurais Road. • It boasts a strong Weighted Average Unexpired Lease Term (WAULT) of 4.40 years, featuring rental rates that exceed the	• Modernized and upgraded retail buildings in the vicinity are likely to attract more foot traffic and tenants due to their improved and contemporary aesthetics.

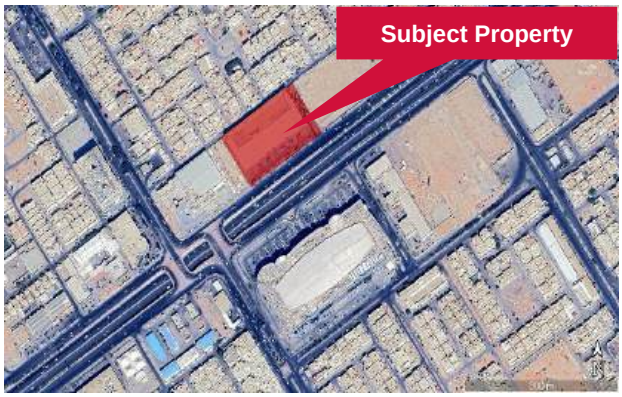
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market average and include provisions for future rent adjustments.	

Opportunities	Threats
• The property has potential for renovation, incorporating modern design elements and contemporary features to appeal to a broader customer base.	• The presence of numerous retail developments in the area may divert both tenants and customers, potentially reducing the property's attractiveness and occupancy levels.

Location / Situation





Source: Google Earth

- The subject property, known as Lulu Hypermarket, is situated in Al Nahda district within Riyadh, Kingdom of Saudi Arabia.
- Lulu Hypermarket benefits from direct access to Khurais road. The property has two frontages and the surrounding area consist of both residential and commercial uses.
- King Abdullah Financial District (KAFD) is located approximately 18 km west of the property, while King Khalid International Airport is situated around 24 km to the northwest.

Description

- The property consists of a ground-plus-two-storey building with visitor parking in the basement, shops on the ground and first floors, and offices on the second story. We understand there are offices within the Property too.
- Lulu Hypermarket is the sublessor's anchor tenant, albeit we understand that there are numerous other smaller tenants.

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- The Client has provided us with the net leasable area of the retail space amounting to 19,640.45 sq m. We have been provided with built up area of the office space which amounts to 2,887 sq m and have made the assumption that 80% of this space is to be treated as the net leasable area.
- This provides therefore a total net leasable area of 21,950 sq m.
- The Client has provided us with a building permit with dictating a total built up area (BUA) of 37,569 sq m (includes basement parking of 12,517 sq m).

External facilities

- The property benefits from generous underground parking and external surface parking.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Al Mutlaq Real Estate Company) under a triple net lease. This represents full occupancy of the Property. Below, we present the key lease information:

Table 2: Lease Overview

Lulu Hypermarket, Nahda, Riyadh	
Lease Start Date	1st December 2014
Tenant	Al Mutlaq Real Estate Investment
Term	Circa Fifteen (15) Years (expires on the 25th of April 2029)
Property Leased	The Property leased consists of a land area of 19,500 sqm along with the built structure comprising of approximately 37,569 sq m of retail / office space.
Rental Contract Details	The whole Property is let on a master lease. The rental terms are as follows: • Years 1 – 5: SAR 15,275,000 • Years 5 – 10: SAR 16,344,250 • Years 10 – 15: SAR 17,488,348 The current passing is SAR 16,344,250 pa, with an escalation of 7% scheduled for 2025. We understand that current Landlord pays a service agent fee to the tenant in order for them to carry out Major Maintenance and insure the building. However, we understand that this is also recoverable by the Landlord and as such have not factored this into the cashflow.
Rent Payment Schedule	Quarterly payments in advance
Type of Lease	Triple Net

Source: The Client

- The Property has a weighted average unexpired lease term (WAULT) of 4.40 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

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Table 3: Summary of Tenure

Lulu Hypermarket, Nahda, Riyadh		
Title Deed No.	618001000851	318001000841
Plot No(s).	542,543,544,545,546,547	548,549,550,551,552 and 553
Owner	Privileged Warehouse company 2	
Tenure	Freehold – Mortgaged	
Title Deed Date	Hijri and Gregorian Date: eg 30/01/1441 (29/09/2019)	Hijri and Gregorian Date: eg 27/01/1441 (26/09/2019)
Land Size (sq m)	19,500 sq m	

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Lulu Hypermarket, Nahda, Riyadh	
Permit Number	1432/22798
Permit Date	26/12/1432 (23/11/2011)
Zoning	Commercial - Retail
Civil Defence Permit	Not stated
Building Specifications	Basement: Parking (12,517 sq m) Ground Floor: Commercial (10,879 sq m) First Floor: Commercial (11,061 sq m) Upper Annex: Office (2,887 sq m) Electrical Room: (30 sqm) Boundary Wall / Services: (193 sq m)

Source: Client

- We have been provided with a building completion certificate dated 26/12/1432, which confirms that the building has been constructed in line with use described in the building permit.

Market Comparables

Table 5: Comparable Anchor/Supermarket Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Confidential Shopping Center	20-02-2023	1,365	900	• A discount was applied to account for the comparable's superior location, access, and specification. An additional adjustment was made to reflect the size difference.
Al Manar District	Asking	1,500	533	• No adjustments were made for location, as it shares similar attributes with the subject property. A premium

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Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
				was applied for inferior access and specification, while a discount was made to account for the size difference and negotiation.
Al Rawdah District	Asking	2,436	493	• No adjustments were made for location, as it is similar to the subject property. A premium was applied for inferior access and specification, with a discount given to reflect the size difference and negotiation.
Al Andalus District	Asking	750	1,098	• A discount was applied due to the comparable's superior size. Adjustments were made to reflect its inferior access and specification, alongside a further discount for negotiation.

Source: Knight Frank Research

Table 6: Comparable Kiosk's Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Confidential Shopping Center	07/07/2023	9	20,000	• The comparable boasts more desirable specifications.
Confidential Shopping Center	01/09/2023	15	10,667	• The comparable offers superior specifications.
Confidential Shopping Center	08/04/2024	9	23,333	• The specification of the comparable property is of a higher caliber.
Confidential Shopping Center	07/07/2024	9	20,889	• The comparable features more favourable specifications.
Confidential Shopping Center	18/06/2024	9	26,778	• The subject property has an inferior specification.

Source: Knight Frank Research

Table 7: Comparable Retail Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Confidential Shopping Centre	09/01/2023	462	1,145	• The comparable has more desirable specifications, so we applied a discount. Additionally, we added a

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Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
				premium to account for the smaller area of the subject.
Confidential Shopping Centre	02/01/2023	44	1,811	• Given the superior specifications of the comparable, we have applied a discount. We also consider a premium for the subject's smaller area to balance the size difference.
Confidential Shopping Centre	09/15/2022	95	1,400	• Since the comparable has more desirable specifications, we applied a its value accordingly. Moreover, we included a premium for the subject's smaller area to adjust for the difference in size
Al Nahdah District	Asking	180	1,000	• We applied a premium due to the comparable having inferior specifications than the subject property, While we applied a premium to adjust for the smaller size of the subject.
Confidential Shopping Centre	12/19/2023	148	1,400	• With the comparable having more desirable specifications, a discount was applied. Additionally, a premium was added to reflect the smaller area of the subject.

Source: Knight Frank Research

Table 8: Comparable Office Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
King Faisal District	Asking	55	865	• A discount was applied to reflect the comparable's superior access, while a premium was given for its inferior specification. An additional discount was made to account for the size difference.
Al Khaleej District	Transaction	63	560	• No adjustments were made for location as it shares similar attributes with the subject property. A premium was applied for its inferior specification, while a discount was made to reflect superior access and the size difference.
Al Andalus District	Asking	98	410	• A discount was applied to reflect the comparable's superior access, while a premium was given for its inferior specification. No adjustments were made for the size difference.

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Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Confidential Shopping Centre	Transaction	100	350	• No adjustments were made for location or size, as they share similar attributes with the subject property. A premium was applied for its inferior specification, while a discount was made to reflect superior access.
Confidential Shopping Centre	Transaction	55	342	• A discount was applied to reflect the comparable's superior location and access, while a premium was given for its inferior specification. No adjustments were made for size.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We have arrived at a blended Market Rent of SAR 707 per sq m (exclusive of service charge) across the whole Property which can be broken down as follows; SAR 747 SAR per sq m for the retail component and SAR 470 across the office component.
- We have factored in an additional 10% of Market Rent to account for revenue from speciality leasing and branding. This is a similar rate to comparables in the vicinity.

Valuation Assumptions & Rationale

Table 9: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75%
Discount Rate	• 10.25%
ERV at 100% Occupancy	• SAR 15,522,030 per annum
Stabilised Occupancy	• 90%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset we have valued it on a discounted cashflow basis assuming a holding period of 10 years, in which we have capitalised the year 11 net operating income with our designated capitalisation rate.
- In our cashflow we adopted a terminal capitalisation rate of 7.75% which we feel reflects the good WAULT and a discount rate of 10.25% which we feel reflects investors risk appetite for such a property.
- Upon expiry of the master lease, we have assumed that the Property will remain 70% occupied as sublessees will continue their leases at a Market Rent.
- We have then factored in a period of time to allow for the Property to stabilise at 90%.

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Costs

- For the duration of the master lease, we have not assumed any OpEx costs as this is a triple net lease in which all costs are borne by the tenant. However, upon expiry of the master lease we have assumed OpEx costs of SAR 90 per sq m across the gross leasable area which we have interpreted to be the same as the BUA (excluding the basement parking), which amounts to 25,050 sq m.
- We have assumed that much of this OpEx will be recovered by a service charge amounting to SAR 100 per sq m of occupied space.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the properties, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 210,175,000

(Two Hundred and Ten Million, One Hundred and Seventy Five Thousand Saudi Arabian Riyals)

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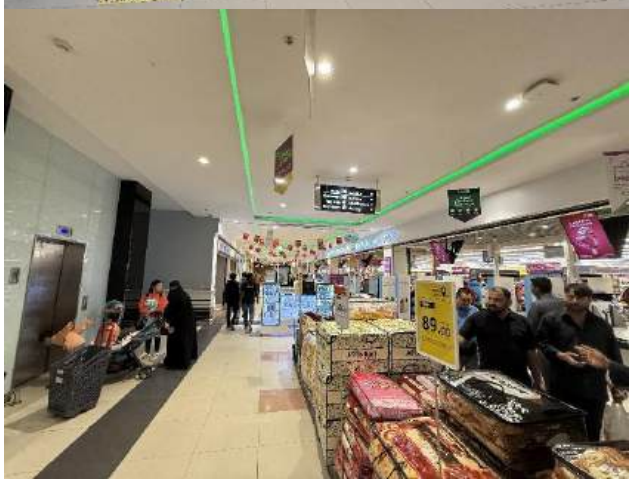
Appendix 1 – Photographs

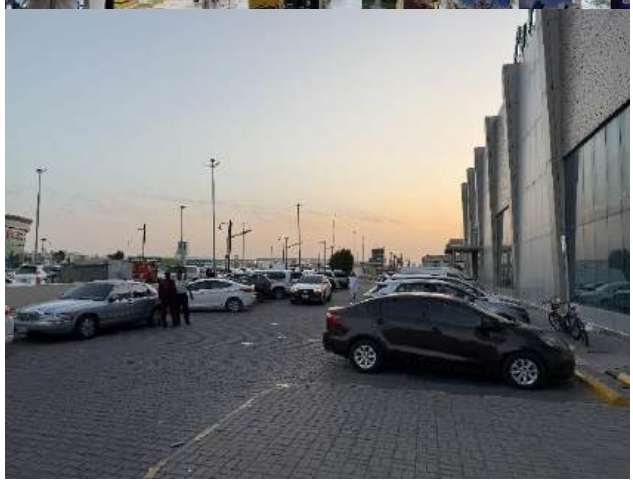












Lulu Hypermarket, Nahda, Riyadh

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Appendix 2 – Title Deed



صك مرهون

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

فإن قطعة الأرض ٥٤٨ و قطعة الأرض ٥٤٩ و قطعة الأرض ٥٥٠ و قطعة الأرض ٥٥١ و قطعة الأرض ٥٥٢ و قطعة الأرض ٥٥٣ من البلك رقم ٢ من المخطط رقم ١٣٥٣ / أ الواقع في حي النهضة بمدينة الرياض .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٥م بطول: (٩٧) سبعة و تسعون متر

جنوباً: شارع عرض ١٥م بطول: (٩٧) سبعة و تسعون متر

شرقاً: قطعة رقم ٥٥٤ و ٥٥٥ بطول: (١٠٠) مائة متر

غرباً: قطعة رقم ٥٤٦ و ٥٤٧ بطول: (١٠٠) مائة متر

ومساحتها: (٩٧٠٠) تسعةآلاف و سبعمائة متر مربعاً فقط والمقام عليها سوق تجاري

والمستند في الواقعها على الصك الصادر من كتابة العدل الاول بالرياض برقم ٩٧٠١٠٩٠٣٨٧٢٩ في ٢٤ / ٦ / ١٤٣٦ هـ قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨ / ١٤٣٥ هـ ، والعقار مرهون لصالح شركةكراجي المصرفية للاستثمار سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بموجب خطاب الرهن رقم ٤٠٠٠٠ في ١ / ٩ / ٢٠١٩ م والمقيد في هذه الإدارة برقم ٤١٩٠١١٠٠٢١ في ١٣ / ١ / ١٤٤١ هـ مقابل مبلغ وقدره ٧٨٢٢٧١٣٦ ثمانية و سبعون مليونا و مئتين و سبعة و عشر بن ألفا و مائة و ستة و ثلاثون ريال تسدد على أقساط شهرية عددها ١ قيمة كل قسط ٧٨٢٢٧١٣٦ ثمانية و سبعون مليونا و مئتين و سبعة و عشر بن ألفا و مائة و ستة و ثلاثون ريال تسدد على أقساط شهرية عددها ١ قيمة كل قسط ٧٩٠٣٣٩٠٩ تسعة و سبعون مليونا و ثلاثة و ثلاثون ألفا و تسعمائة و اثنين ريال تبدأ من ١٥٣٩/٧/٢ وتاريخ ٢٠١٩/٣/٢٣ والعقد مجاز من الهيئة الشرعية برقم ١٨٠٧٢ وتاريخ ١٤٣٩/٧/٢ وفي حالة عدم السداد فيتم بيع العقار بالقيمة التي تنتهي عندها الرهنات وامتيفاء الرهن منها وما نقص يرجع فيه عليه بعد اكتمال ما يلزم شرعا.

وعليه جرى التصديق تحريراً في ٢٧ / ١ / ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل

عبدالعزيز بن عبدالحميد بن عبدالعزيز الفليقه

سفحة ١ من ٢



صك مرهون

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

فإن قطعة الأرض ٥٤٢ و قطعة الأرض ٥٤٣ و قطعة الأرض ٥٤٤ و قطعة الأرض ٥٤٥ و قطعة الأرض ٥٤٦ و قطعة الأرض ٥٤٧ من البلك رقم ٢ من المخطط رقم ١٣٥٣ / أ الواقع في حي النهضة بمدينة الرياض .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٥م بطول: (٩٨) ثمانية و تسعون متر

جنوباً: شارع عرض ١٥م بطول: (٩٨) ثمانية و تسعون متر

شرقاً: قطعة رقم ٥٤٨ و ٥٤٩ بطول: (١٠٠) مائة متر

غرباً: عمر عرض ١٥م بطول: (١٠٠) مائة متر

ومساحتها: (٩٨٠٠) - فقط والمقام عليها سوق تجاري

والمستند في الواقعها على الصك الصادر من كتابة العدل الاول بالرياض برقم ٩١٠١٠٦٠٣٨٧٣٥ في ٢٤ / ٦ / ١٤٣٦ هـ قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨ / ١٤٣٥ هـ ، والعقار مرهون لصالح شركةكراجي المصرفية للاستثمار سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بموجب خطاب الرهن رقم ٤٠٠٠٣ في ٢٧ / ١ / ١٤٤١ هـ والمقيد في هذه الإدارة برقم ٤١٩٠١١٠٠٢١ في ١٣ / ١ / ١٤٤١ هـ مقابل مبلغ وقدره ٧٩٠٣٣٩٠٩ تسعة و سبعون مليونا و ثلاثة و ثلاثون ألفا و تسعمائة و اثنين ريال تسدد على أقساط شهرية عددها ١ قيمة كل قسط ٧٩٠٣٣٩٠٩ تسعة و سبعون مليونا و ثلاثة و ثلاثون ألفا و تسعمائة و اثنين ريال تبدأ من ١٥٣٩/٧/٢ وتاريخ ٢٠١٩/٣/٢٣ والعقد مجاز من الهيئة الشرعية برقم ١٨٠٧٢ وتاريخ ١٤٣٩/٧/٣ وفي حالة عدم السداد فيتم بيع العقار بالقيمة التي تنتهي عندها الرهنات وامتيفاء الرهن منها وما نقص يرجع فيه عليه بعد اكتمال ما يلزم شرعا.

وعليه جرى التصديق تحريراً في ٣٠ / ١ / ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل

عبدالعزيز بن عبدالحميد بن عبدالعزيز الفليقه

سفحة ١ من ٢

Lulu Hypermarket, Nahda, Riyadh

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue												
Potential Base Rent	17,211,858	17,488,348	17,488,348	17,488,348	19,777,953	18,429,479	18,854,716	19,326,101	19,809,236	20,304,467	20,812,079	206,990,935
Absorption & Turnover Vacancy	0	0	0	0	-2,458,293	-1,419,982	0	0	0	0	0	-3,878,275
Scheduled Base Rent	17,211,858	17,488,348	17,488,348	17,488,348	17,319,660	17,009,497	18,854,716	19,326,101	19,809,236	20,304,467	20,812,079	203,112,659
Total Rental Revenue	17,211,858	17,488,348	17,488,348	17,488,348	17,319,660	17,009,497	18,854,716	19,326,101	19,809,236	20,304,467	20,812,079	203,112,659
Total Tenant Revenue	17,211,858	17,488,348	17,488,348	17,488,348	17,319,660	17,009,497	18,854,716	19,326,101	19,809,236	20,304,467	20,812,079	203,112,659
Other Revenue												
Service Charge	0	0	0	0	1,117,903	2,293,350	2,545,527	2,609,165	2,674,394	2,741,254	2,809,786	16,791,379
Speciality Leasing & Branding	0	0	0	0	1,080,903	1,855,130	1,901,509	1,949,046	1,997,773	2,047,717	2,098,910	12,930,987
Total Other Revenue	0	0	0	0	2,198,805	4,148,480	4,447,036	4,558,212	4,672,167	4,788,971	4,908,695	29,722,366
Potential Gross Revenue	17,211,858	17,488,348	17,488,348	17,488,348	19,518,465	21,157,977	23,301,752	23,884,313	24,481,403	25,093,439	25,720,774	232,835,026
Vacancy & Credit Loss												
Vacancy Allowance	0	0	0	0	0	-154,551	-1,880,512	-1,927,526	-1,975,713	-2,025,105	-2,075,733	-10,039,140
Total Vacancy & Credit Loss	0	0	0	0	0	-154,551	-1,880,512	-1,927,526	-1,975,713	-2,025,105	-2,075,733	-10,039,140
Effective Gross Revenue	17,211,858	17,488,348	17,488,348	17,488,348	19,518,465	21,003,426	21,421,240	21,956,787	22,505,691	23,068,333	23,645,041	222,795,885
Operating Expenses												
OpEx	0	0	0	0	1,493,128	2,550,760	2,614,529	2,679,892	2,746,889	2,815,562	2,885,951	17,786,710
Total Operating Expenses	0	0	0	0	1,493,128	2,550,760	2,614,529	2,679,892	2,746,889	2,815,562	2,885,951	17,786,710
Net Operating Income	17,211,858	17,488,348	17,488,348	17,488,348	18,025,338	18,452,666	18,806,712	19,276,895	19,758,801	20,252,771	20,759,091	205,009,176
Cash Flow Before Debt Service	17,211,858	17,488,348	17,488,348	17,488,348	18,025,338	18,452,666	18,806,712	19,276,895	19,758,801	20,252,771	20,759,091	205,009,176
Cash Flow Available for Distribution	17,211,858	17,488,348	17,488,348	17,488,348	18,025,338	18,452,666	18,806,712	19,276,895	19,758,801	20,252,771	20,759,091	205,009,176

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Property Valuation.

Rama Plaza, Al Nahda District, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 55,765,000 Enter Market Value
Inspection Date:	1 December 2024	*Terminal Yield:*	8.00%
Use Type(s):	Office / Retail	*Discount rate:*	10.75%
Tenure:	Assumed Freehold (Mortgaged to Rajhi Development Ltd)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	15,600 sq m	**Market Rent pa:**	SAR 5,724,235
Gross Leasable Area (GLA):	8,529 sq m	*Market Rent per sq m:*	*SAR 746 pa*
Number of Tenants:	17	**Environmental**	Assumed uncontaminated
Current Occupancy:	80%	**Condition**	Poor
Stabilized Occupancy	90%		
Covenant of Tenant(s)	Mixed (multi-let)	**Zoning**	Commercial
Current Passing Rent:	SAR 3,677,234	**Annual OpEx SAR per sq m:**	SAR 70

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The property is strategically located on Prince Bandar Bin Abdulaziz Road with direct access to Metro Station 6G1. While the station is not yet operational, it holds potential for improved accessibility in the future. • It has a strong Weighted Average Unexpired Lease Term (WAULT) of 4.07 years, with Panda	• We certify that the building is in a dated condition and requires refurbishment. Its current state does not align with the more modern standards available in the market.

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Hypermarket leasing 36% of the Gross Leasable Area (GLA) under a contract that runs until November 2031. • The availability of ample surface parking adds significant convenience for both office and retail tenants, enhancing the property's appeal.	
Opportunities	**Threats**
• The property's direct access to the Metro station on Abdulrahman Al Nasir Street positions it to benefit significantly from increased foot traffic once the station becomes operational, despite the lack of an official opening date.	• By 2025, an estimated 1.26 million square meters of Grade A office space will be introduced to the market, potentially increasing competition and reducing demand for Grade B properties.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Rama Plaza, is situated in the Al Nahda district within Riyadh, Kingdom of Saudi Arabia.
- Rama Plaza benefits from direct access from Prince Bandar Bin Abdulaziz Road. The property has four frontages and one direct frontage onto a metro station located on Abdulrahman Al Nasir Street. The surrounding area consist of mainly if residential use.
- King Abdullah Financial District (KAFD) is located approximately 15 km west of the property, while King Khalid International Airport is situated around 23 km to the north.

Description

- The property is a retail plaza containing a mix of retail and office space spread over a ground and first floor.
- The property is comprised of twenty four offices, thirty-six retail units, with a total GLA of 8,529 sq m and a land area of 15,600 sq m.
- Most notably Panda Hypermarket occupies 3,106 sq m of the retail space.
- The condition quality of the subject property appears to be of average to poor standard, resembling a typical dated plaza.

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External facilities

- The property benefits from generous external surface parking.

Tenancy Overview

- The client has provided us with updated tenancy schedule for the Property showing that it is multi let with 17 tenants.
- This equates to a current total occupancy of 80%.
- The majority of this occupancy is made up by the anchor tenant, Panda Hypermarket, which has let 3,106 sq m, representing 36% of the total GLA and in place until November 2031.
- As of the date of valuation date the gross current passing rents is SAR 3,677,234, inclusive of service charge.
- The property has a weighted average unexpired lease term (WAULT) of 4.07 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 2: Summary of Tenure

Title Deed Details	
Title Deed No.	398514001976
Plot No(s).	2057,2058,2059,2060,2061,2062,2063,2064,2065,2066,2067,2068,2069,2070,2071,2072,2073,2074,2075 and 2076
Owner	Privileged Warehouse company 2
Tenure	Freehold– mortgaged to attached to Al Rajhi Development Company Ltd
Title Deed Date	03/08/1442 (17/03/2021)
Land Size (sq m)	15,600

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 3: Summary of Building Permit

Building Permit Details	
Permit Number	1431/261
Permit Date	09-01-1432 (16-12-2010)
Zoning	Commercial
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Retail (5,703 sq m) First Floor: Office (2,422 sq m) Electric Room: (20 sq m) Upper Annex: (1,162 sq m) Restaurant: (207 sq m)

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Building Permit Details	
	Boundary Walls: (308 sq m)

Source: Client

- We have been provided with a building completion certificate dated 09/01/1432, which confirms that the building has been constructed in line with the use described in the building permit.

Market Comparables

Table 4: Comparable Offices Rental Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
King Faisal District	Asking	55	865	• Due to the subject property's less desirable location and limited access, we applied a discount. • We factored in a premium for the subject property due to the proposed refurbishment and the anticipated access to the Metro.
Al Khaleej District	Asking	63	560	• Considering the subject property's location and access, which are less favourable, we have applied a discount. • A premium has been applied to the subject property in light of the proposed refurbishment and the potential Metro access.
Al Andalus District	Asking	55	815	• Given the subject property's superior access, a premium has been applied. • We have assigned a premium to the subject property, considering the planned refurbishment and the upcoming Metro accessibility. Furthermore, a premium was applied to account for size difference.
Subject Property	1-1-2024	203	325	• We have applied a premium based on the specifications and planned refurbishment, and an additional premium has been factored in to account for the size difference.
Subject Property	7-22-2023	120	350	• A premium has been allocated for the specifications and refurbishment, with an extra premium added to reflect the size variance.
Subject Property	01-01-2024	470	345	• In light of the specifications and refurbishment, we have applied a premium, and an additional premium has been included to account for the size discrepancy.
Subject Property	10-01-2023	98	350	• We have applied a premium for the high specifications and planned refurbishment.
Subject Property	01-01-2024	100	342	• Considering the specifications and refurbishment, a premium has been applied.

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Source: Knight Frank Research/ Client

Table 5: Comparable Retail Rental Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Khaleej District	Asking	120	750	• A premium was applied to the subject property due to its proximity to the metro and the proposed refurbishment. A quantum adjustment was also factored in.
Al Andalus District	Asking	240	771	• We have applied a premium to the subject property for its metro access and proposed refurbishment.
Al Andalus District	Asking	55	727	• The subject property received a premium consideration for metro access and planned refurbishment.
King Faisal District	Asking	62	887	• A premium was factored into the subject property for its metro access and planned refurbishment.
Al Nahdah District	Asking	180	1,000	• Due to the metro access and proposed refurbishment, a premium was applied to the subject property, with a quantum adjustment included as well.
Subject Property	20-10-2023	43	581	• We applied a premium to the subject property regarding metro access and the proposed refurbishment.
Subject Property	3-24-2024	120	917	• We applied a premium to the subject property regarding metro access and the proposed refurbishment. Quantum adjustment was also applied.

Source: Knight Frank Research/ Client

Table 6: Comparable Anchor Retail Rental Transactions

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Rawda District	Asking	337	1,098	• A premium was applied to the subject property for its superior metro access and refurbishment, as well as a premium for specifications. • While a quantum discount was implemented to consider size discrepancies.
Al Manar District	Asking	275	600	• A premium was applied to the subject property for its superior specifications, metro access, and refurbishment. • Additionally, a discount was applied to account for size differences through a quantum adjustment.

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Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Fayha District	Asking	246	610	• Due to the subject property's excellence in specifications, metro access, and refurbishment, a premium was applied. • To address the size differences, a quantum discount was also included.
Al Manar District	Asking	1,500	533	• We applied a premium to the subject property, acknowledging its upcoming metro access, and refurbishment. • A quantum discount was implemented to accommodate size variations.
Al Safa District	Asking	2,436	493	• A premium was granted to the subject property for its metro access, and refurbishment. • A quantum discount was also included to account for the differences in size.

Source: Knight Frank Research

Market Rent Rationale

- In forming our opinion of Market Rent for the retail units we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- We are of the opinion that the best market evidence can be obtained from recent lettings in the Property itself and as such have used recent transactions on the subject property to form our view of Market Rent as noted above. We have however also had regard to the market comparables and have in fact placed a greater weighting of reliance on the market comparables, given that once the Property is fully refurbished, it will be more in line with the rates achieved in the market than the recent lettings on the subject Property which have occurred before the refurbishment.
- We have assumed that these market rate will be achievable in 6 – 9 months once the majority of the refurbishment is completed (we have allowed a period of 9 months for the refurbishment).
- In our analysis of the comparables we have added a 7.5% premium to the subject property to allow for the proximity of the Metro station and have factored in a premium of between 2.5% to 5% to allow for the refurbishment. We are of the opinion that the refurbishment will have a greater impact on the leasing rates of the office units than the retail units.
- In conducting our rental analysis, we have concluded that a blended rate of ERV of SAR 935 per sq m would be applied across the retail units and a rate of SAR 705 per sq m would be applied across the office units, inclusive of service charge.
- We are therefore of the opinion that the Market Rent across the whole property would be based off a rent of SAR 746 per sq m pa.

Valuation Assumptions & Rationale

Table 7: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 8.00%

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Discount Rate	• 10.75%
ERV at 100% Occupancy	• SAR 5,723,424 pa
Stabilised Occupancy	• 90%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow, over a holding period of 10 years, capitalising the year 11 NOI with our designated capitalisation rate.
- We have factored in a stabilised occupancy of 90% which we think is achievable given the refurbishment works being put into the property.
- We have factored in a refurbishment period of 9 months from the date of valuation and have assumed that the vacant units will begin to lease after 6 months into this refurbishment period as refurbished units begin to become ready.
- We have applied an OpEx rate of SAR 70 per sq m across the GLA, which we delayed by 6 months assuming that the refurbishment costs will incorporate the OpEx for this initial period.
- We are of the opinion that the Fair Value would be based off a capitalisation rate of 8.00% and discount rate of 10.75%. We feel this adequately represents the income security and market risk profile, along with the additional risk of the significant CapEx expenditure.

Costs

- The Client has provided us with CapEx costs of SAR 4,930,000 for a total renovation of the Property. We have factored these costs into our valuation.
- We have not been provided with OpEx costs by the Client and as such have had to make our assumptions, assuming a rate of SAR 70 per sq m per annum across the GLA.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the properties, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 55,765,000

(Fifty Five Million, Seven Hundred and Sixty Five Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs













Rama Plaza, Al Nahda District, Riyadh

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Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ٣/٨/١٤٤٢ هـ
رقم الصك: ٣٩٨٥١٤٠٠١٩٧٦

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 2057 و قطعة الأرض رقم 2058 و قطعة الأرض رقم 2059 و قطعة الأرض رقم 2060 و قطعة الأرض رقم 2061 و قطعة الأرض رقم 2062 و قطعة الأرض رقم 2063 و قطعة الأرض رقم 2064 و قطعة الأرض رقم 2065 و قطعة الأرض رقم 2066 و قطعة الأرض رقم 2067 و قطعة الأرض رقم 2068 و قطعة الأرض رقم 2069 و قطعة الأرض رقم 2070 و قطعة الأرض رقم 2071 و قطعة الأرض رقم 2072 و قطعة الأرض رقم 2074 و قطعة الأرض رقم 2073 و قطعة الأرض رقم 2075 و قطعة الأرض رقم 2076 من المخطط رقم 1661 بحي الملك فيصل بمدينة الرياض وحدودها واطوالها :
شمالا: شارع عرض 40 م بطول 60 ستون متر
جنوبا: شارع عرض 20 م بطول 60 ستون متر
شرقا: شارع عرض 15 م بطول 260 مئتين و ستون متر
غربا: شارع عرض 30 م بطول 260 مئتين و ستون متر
ومساحتها 15600 خمسة عشر ألفا و ستمائة متر مربعاً بموجب الصك الصادر من كتابة العدل الاولى بالرياض برقم 910116032315 في 22 / 01 / 1437 قد أصبحت في ملك/ شركة المخازن المميزة الثانية بموجب سجل تجاري رقم 1010418411 والعقار مرهون لصالح / شركة الراجحي للتطوير المحدودة سجل تجاري 1010158249بموجب خطاب الرهن رقم 15176 في 4 / 8 /1442 هـ مقابل مبلغ وقدره 50037508 فقط خمسون مليوناً و سبعة و ثلاثون ألفاً و خمسمائة و ثمانية ريالات سعودية لا غير. تسدد على اقساط شهرية عددها 1 قيمة كل قسط 50037508 فقط خمسون مليوناً و سبعة و ثلاثون ألفاً و خمسمائة و ثمانية ريالات سعودية لا غير. تاريخ حلول القسط 14/06/1437 سبب الرهن : تصحيح رهن العقار بناء ع توجيهات موسسة النقد السعودي وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء مافي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً. وعليه جرى التصديق تحريراً في 1442 / 08 / 03 لاعتماده ،وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل , ويجب التحقق من بياناتها وسريانها عبر الخدمات الإلكترونية لوزارة العدل

صفحة رقم 1 من 1

Rama Plaza, Al Nahda District, Riyadh

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Appendix 3 – Cashflow Extract

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Nov-2025	Year 2 Nov-2026	Year 3 Nov-2027	Year 4 Nov-2028	Year 5 Nov-2029	Year 6 Nov-2030	Year 7 Nov-2031	Year 8 Nov-2032	Year 9 Nov-2033	Year 10 Nov-2034	Year 11 Nov-2035	Total
Rental Revenue												
Headline Rent	5,418,403	5,703,507	5,839,785	5,972,983	6,214,826	6,324,170	6,525,286	6,921,025	7,094,039	7,271,390	7,453,175	70,738,590
Void Loss	-1,120,034	-503,734	-11,288	0	0	0	0	0	0	0	0	-1,635,055
Passing Rent	4,298,369	5,199,773	5,828,497	5,972,983	6,214,826	6,324,170	6,525,286	6,921,025	7,094,039	7,271,390	7,453,175	69,103,535
Total Rental Revenue	4,298,369	5,199,773	5,828,497	5,972,983	6,214,826	6,324,170	6,525,286	6,921,025	7,094,039	7,271,390	7,453,175	69,103,535
Total Tenant Revenue	4,298,369	5,199,773	5,828,497	5,972,983	6,214,826	6,324,170	6,525,286	6,921,025	7,094,039	7,271,390	7,453,175	69,103,535
Potential Gross Revenue	4,298,369	5,199,773	5,828,497	5,972,983	6,214,826	6,324,170	6,525,286	6,921,025	7,094,039	7,271,390	7,453,175	69,103,535
Vacancy & Credit Loss												
Vacancy Allowance	-28,154	-135,366	-571,943	-594,663	-620,650	-631,772	-643,260	-690,097	-707,349	-725,032	-743,158	-6,091,445
Total Vacancy & Credit Loss	-28,154	-135,366	-571,943	-594,663	-620,650	-631,772	-643,260	-690,097	-707,349	-725,032	-743,158	-6,091,445
Effective Gross Revenue	4,270,215	5,064,407	5,256,554	5,378,320	5,594,176	5,692,398	5,882,026	6,230,928	6,386,691	6,546,358	6,710,017	63,012,090
Revenue Costs												
OpEx	298,515	611,956	627,255	642,936	659,009	675,485	692,372	709,681	727,423	745,609	764,249	7,154,489
Major Refurbishment	1,643,334	0	0	0	0	0	0	0	0	0	0	1,643,334
Total Revenue Costs	1,941,849	611,956	627,255	642,936	659,009	675,485	692,372	709,681	727,423	745,609	764,249	8,797,823
Net Operating Income	2,328,366	4,452,451	4,629,300	4,735,384	4,935,166	5,016,913	5,189,654	5,521,247	5,659,268	5,800,750	5,945,768	54,214,267
Cash Flow Before Debt Service	2,328,366	4,452,451	4,629,300	4,735,384	4,935,166	5,016,913	5,189,654	5,521,247	5,659,268	5,800,750	5,945,768	54,214,267
Cash Flow Available for Distribution	2,328,366	4,452,451	4,629,300	4,735,384	4,935,166	5,016,913	5,189,654	5,521,247	5,659,268	5,800,750	5,945,768	54,214,267

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Property Valuation.

Narjis Plaza, Al Narjis District, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 57,355,000
Inspection Date:	21 November 2024	*Terminal Yield:*	N/A
Use Type(s):	Retail	*Discount rate:*	11.00%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	9,000 sq m	**Market Rent pa:**	SAR 3,554,440
Gross Leasable Area (GLA):	5,061 sq m	*Market Rent per sq m:*	*SAR 702*
Number of Tenants:	One (master lease)	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	NA		
Covenant of Tenant(s)	Strong	**Zoning**	Commercial
Current Passing Rent:	SAR 4,492,800 (per Gregorian year)	**Annual OpEx SAR pa:**	None – NNN Lease

SWOT analysis

Table 1: SWOT Analysis

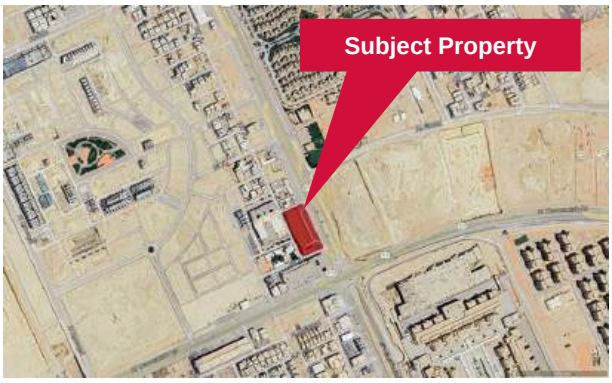
Strengths	Weaknesses
• The subject property is strategically situated in a highly desirable, well-established area known for its significant traffic flow.	• Retail buildings in the vicinity that have been renovated and upgraded tend to attract more customers and tenants, owing to their contemporary aesthetic and enhanced functionality.

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Opportunities	Threats
• The underlying land value exceeds the property's current income-generating potential, indicating a prime development opportunity to maximize its highest and best use. With a remaining WAULT of 0.68 years, the potential of this land can be explored in the near future.	• Newer retail developments in the area, such as modern plazas, may draw tenants and customers away from the subject property. • We believe the property is currently over-rented and will likely face a substantial decline in market rent once the master lease expires.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Narjis Plaza, is located in the Al Narjis district of Riyadh, Kingdom of Saudi Arabia.
- The property features four prominent frontages, including one along its eastern boundary on Uthman Ibn Affan Road, which provides direct access to the site. The surrounding area primarily consists of commercial properties, interspersed with residential developments. These thriving commercial zones likely include retail centers, local restaurants, and essential services catering to the diverse needs of residents and visitor.
- The King Abdullah Financial District (KAFD) is approximately 14 km southwest of the property, while King Khalid International Airport is around 20 km to the northeast.

Description

- The subject property consists of retail plaza located in the northern side of Riyadh, KSA.
- The construction quality of Al Narjis Plaza appears to be of a high standard, characteristic of a typical plaza. Notably, the property benefits from the presence of Al Tamimi Market, which serves as the anchor tenant and is the only supermarket in the surrounding area. Also, it is comprised of eight offices, eleven stores, and one drive-through.
- The subject property spans a land area of 9,000 sq m, with a building permit indicating a built-up area of 5,697.6 sq m. According to the Client's information, the gross leasable area is 5,061 sq m, according to the detailed area breakdown provided by the client.

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External facilities

- Surface parking in front of the Property, with frontage along Uthman Ibn Affad Road.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Al Fouzan Trading and General Contracting Company) under a triple net lease. This represents full occupancy of the Property.
- Below, we present the key lease information:

Table 2: Lease Overview

Al Narjis Plaza, Narjis District, Riyadh	
Lease Start Date	21/06/2015
Tenant	Al Fouzan Trading and General Contracting Company
Term	Ten (10) Hijri years (which expires in on the 3rd of March 2025 as per the Gregorian calendar).
Property Leased	The property, named 'Al Narjis Commercial Center,' and accompanying land plots are situated in Al Narjis District. The land plots, numbered 69 to 80 of block 2731, are associated with title deed number 410116032314, dated 22/1/1437 Hijri (04/11/2015). The total land area is 9,000 sq m according to the title deed.
Rental Contract Details	The whole Property is let on a master lease. The rental terms are as follows: • Years 1 – 5: SAR 4,160,000 p.a. • Years 5 – 10: SAR 4,492,800 p.a. After the first five years of the lease there is an escalation of 8%. The current passing rent is: SAR 4,492,800 (which equates to SAR 4,619,358 in Gregorian years).
Rent Payment Schedule	Semi-annual (based on Hijri year) in advance.
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

- As of the date of valuation date the gross current passing rent is SAR 4,492,800 per Gregorian year. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 0.18 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

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Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	918001000842
Plot No(s).	69,70,71,72,73,74,75,76,77,78,79,80 block 2737
Owner	Privileged Warehouse company 2
Tenure	Freehold Mortgaged to Al Rajhi Bank
Title Deed Date	Hijri and Gregorian Date: 1441/01/27 (26/09/2019)
Land Size (sq m)	9,000

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Building Permit Details	
Permit Number	1431/671
Permit Date	18/01/1431 (04/01/2010)
Zoning	Commercial
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Commercial (4,499 sq m) First Floor: Office (886 sq m) Upper Floor: (88.6 sq) Boundary walls: (234 sq m)

Source: Client

- We have been provided with a building completion certificate dated 26/08/1432, which confirms that the property has been constructed in accordance with the intended use specified in the permit.

Market Comparables

Table 5: Retail Comparables

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Narjis District	Asking	90	1,333	• We consider that the subject property to command a premium for accessibility.
Al Narjis District	Asking	398	1,000	• We consider that the subject property to command a premium for accessibility.
Al Nada District	Asking	373	912	• Our subject property and the comparable have the same attributes.
Al Nada District	Asking	515	800	• The subject property and the comparable share similar characteristics.
Al Narjis District	Asking	120	1,417	• We consider that the subject property to command a premium for accessibility.

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Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Subject Property	10/30/2023	71	845	• This is a transaction from the subject property, and we have made adjustments for quantum.
Subject Property	19/03/2023	32	1,000	• This is a transaction from the subject property, and we have made adjustments for quantum.
Subject Property	01/01/2023	32	800	• This is a transaction from the subject property, and we have made adjustments for quantum.

Source: Knight Frank Research

Table 6: Office Comparables

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Nada District	Asking	305	800	• The comparable has similar characteristics to the subject property.
Al Narjis District	Asking	60	833	• The comparable has similar characteristics to the subject property.
Al Narjis District	Asking	68	588	• The comparable has similar characteristics to the subject property.
Al Narjis District	Asking	60	860	• The comparable located in a superior location than the subject property, as such a discount was applied. • For accessibility, we consider that the subject property to command a discount.
Al Masif District	Asking	116	776	• The subject property located in a less desired area, as such a discount was applied.
Subject Property	01/04/2023	65	500	• This is a transaction from the subject property therefore we have only made adjustments for quantum.
Subject Property	01/04/2023	80	500	• This is a transaction from the subject property therefore we have only made adjustments for quantum.
Subject Property	01/09/2023	65	500	• This is a transaction from the subject property therefore we have only made adjustments for quantum.

Source: Knight Frank Research

Table 7: Drive-Through Comparable

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Narjis District	Asking	200	2,000	• Our subject property has superior access and a more desirable location than the comparable, therefore a premium was applied.

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Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Narjis District	Asking	40	4,500	• Our subject property boasts superior access and a more desirable location compared to the comparable, justifying the application of a premium.
Al Narjis District	Asking	200	2,500	• Our subject property has superior access and a more desirable location than the comparable, therefore a premium was applied.
Al Arid District	Asking	77	3,636	• Our subject property boasts superior access and a more desirable location compared to the comparable, justifying the application of a premium.
Al Narjis District	Asking	157	1,911	• Our subject property has superior access and a more desirable location than the comparable, therefore a premium was applied.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the buyer and seller, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We believe the best market evidence comes from recent lettings within the property itself and new listings in the vicinity. Therefore, we have used these transactions to inform our view of the Market Rent. We have assigned equivalent weight to the lettings from the subject property and also considered the wider market, equally incorporating this into our valuation.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 702 per sq m on the net leasable area, however, please note this does not come into effect into our valuation as we have factored in a reversion to land value upon master lease expiry as opposed to a reversion to Market Rent.

Land rationale

- Given that we are of the opinion that the land value supersedes the value of the income producing asset we have analysed the land market in close proximity to the subject property.
- Please see the comparable map below showing land comparables:

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Source: Knight Frank Research/ Google Earth

Table 8: Land Comparables

Comp.	Address	Type	Land Area (sq m)	Rate (SAR/sq m)	Comments/Comparison
1	Al Narjis District	Mixed use	900	12,000	• A location discount has been applied to account for the subject property's position in a less preferable area. Additionally, an accessibility discount was adopted to reflect this comparable's superior access. Lastly, a discount was included to adjust for the difference in size between the subject property and this comparable. • This comparable was sold on 7 October 2024 for SAR 10,800,000.
2	Al Narjis District	Mixed use	1,200	10,000	• A location discount has been applied, as this comparable is located in a more desirable area compared to the subject property. In terms of accessibility, a discount was applied due to the subject property's less convenient access. Additionally, a discount was included for quantum as the subject property is larger. • This comparable was transacted on 5 June 2024 for SAR 12,000,000.

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Comp.	Address	Type	Land Area (sq m)	Rate (SAR/sq m)	Comments/Comparison
3	Al Narjis District	Mixed use	1,095	7,100	• A location discount was applied to account for the subject property's less desirable location. Additionally, an accessibility premium was adopted to reflect our subject property superior access. Furthermore, a discount was applied to account for the difference in size between the subject property and this comparable. • This comparable was sold on 20 May 2024 for SAR 7,774,500.
4	Al Narjis District	Mixed use	898	7,513	• This comparable share similar location and accessibility attributes, hence no adjustments have been applied. However, a discount was applied to reflect the subject property's larger land area. • This comparable was transacted on 6 May 2024 for SAR 6,750,000.
5	Al Yasmeen District	Mixed use	4,810	10,001	• A location discount was applied to reflect the subject property's position in a less desirable area. In terms of accessibility, a discount was applied due to the subject property's less convenient access. Additional discount has also been applied for quantum to account for the differences in size. • This comparable was transacted on 11 June 2024 for SAR 48,105,000.

Source: Knight Frank Research

- In determining the value of the underlying land plot, we have considered the above comparables and made the necessary adjustments for location, accessibility, and size. Based on our assessment, we are of the opinion that the value of the underlying land is SAR 6,945 per sq m, resulting in a total land value of SAR 62,505,000 as of the valuation date.

Valuation Assumptions & Rationale

Table 9: Valuation Assumptions

Item	Assumption
Discount Rate	• 11.00%
ERV at 100% Occupancy	• SAR 3,554,440 p.a.
Growth Rate pa	• 2.50%
Land value as of Valuation Date	• SAR 62,505,000
Land Value upon expiry of master lease (growth applied)	• SAR 62,775,681
Fair Value of the Property	• SAR 57,355,000

Source: Knight Frank

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

- The asset is dated and based on our analysis, the rent being received under the head lease is overrented versus the current market. This means that the potential rental income will likely fall considerably if the head lease is renewed in March 2025, or the property is subsequently re-let to multiple tenants. However, the land values in this part of Riyadh have increased considerably in recent years and in this regard, having regard to the dated state and rental position, the land value is higher than the value as an operational asset. For this reason, we have cash flowed the remaining rental income under the head lease until expiry in March 2025 and then reverted to our opinion of land value in assessing the value of this asset.
- We have received the master lease agreement from the client and assessed the asset as an income generating asset. We have valued the property using a discounted cashflow. However, to account for the fact that the underlying land value supersedes the value of the income producing asset we have factored in a reversion to land value upon expiry of the lease in March 2025, net present valuing both the contracted value of the rent and the land value upon expiry of the lease.
- We have relied on the zoning classification of the subject property as Mixed-use for this valuation exercise. This zoning classification has guided our approach in sourcing comparable evidence to form our opinion of Market Value for the property. However, should this assumption prove inaccurate, we reserve the right to amend our valuation accordingly.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 57,355,000

(Fifty Seven Million, Three Hundred and Fifty Five Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs













Narjis Plaza, Al Narjis District, Riyadh

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

كاتب العدل المكلف بمؤسسة
النقد العربى السعودى

٩١٨٠٠١٠٠٠٨٤٢
الرقم : ٩١٨٠٠١٠٠٠٨٤٢
التاريخ : ٢٧ / ١ / ١٤٤١ هـ

صك مرهون

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

فإن قطعة الارض ٦٩ و قطعة الارض ٧٠ و قطعة الارض ٧١ و قطعة الارض ٧٢ و قطعة الارض ٧٣ و قطعة الارض ٧٤ و قطعة الارض ٧٥ و قطعة الارض ٧٦ و قطعة الارض ٧٧ و قطعة الارض ٧٨ و قطعة الارض ٧٩ و قطعة الارض ٨٠ من المخطط رقم ٢٧٣٧ الواقع في حي النرجس بمدينة الرياض ،

وحدودها وأطوالها كالتالي:

شمالاً: ممر عرض٨م بطول: (٦٠) ستون متر

جنوباً: شارع عرض١٥م بطول: (٦٠) ستون متر

شرقاً: شارع عرض٨٠م بطول: (١٥٠) مائة و خمسون متر

غرباً: شارع عرض١٥م بطول: (١٥٠) مائة و خمسون متر

ومساحتها : (٩٠٠٠) تسعةآلاف متر مربعاً فقط والمقام عليها صالات ومعارض

والمستند في اقراغها على الصك الصادر من كتابة العدل الاولى بالرياض برقم ٤١٠٠١١٦٠٣٢٣١٤ في ٢٢ / ١/ ١٤٣٧ هـ قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ ، والعقار مرهون لصالح شركةالراجحي المصرفية للاستثمار سجل تجاري ١٠١٠٠٠٠٠٩٦بموجب خطاب الرهن رقم ٠٠١٠٥ في ١ / ٩/ ٢٠١٩ م والمقيد في هذه الإدارة برقم ٤١٩٠١١٠٥٩ في ١٣ / ١/ ١٤٤١ هـ مقابل مبلغ وقدره ٤٥٧٤٨٥٧٩ خمسة و أربعون مليونا و سبعمائة و ثمانية و أربعون ألفا و خمسمائة و تسعة و سبعون ريال تسدد على أقساط شهرية عددها ١ قيمة كل قسط ٤٥٧٤٨٥٧٩ خمسة و أربعون مليونا و سبعمائة و ثمانية و أربعون ألفا و خمسمائة و تسعة و سبعون ريال ابتداء من ٢٠١٦/٣/٢٣ والعقد مجاز من الهيئة الشرعية برقم ١٨٠٧٢ وتاريخ ١٤٣٩/٧/٣ وفي حالة عدم السداد فيتم بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء الرهن منها وما نقص يرجع فيه عليه بعد اكمال ما يلزم شرعا. وعليه جرى التصديق تحريراً في ٢٧ / ١/ ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل
عبدالعزيز بن عبدالحميد بن عبدالعزيز الغليقه

والختم الرسمي
وزارة العدل
كتابة العدل الاولى بالرياض
كاتب العدل بكتب رقم (٣٣)

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

صفحة ١ من ٢

مصلحة مطابع الحكومة -٢٩٣١٥٩ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه) نموذج رقم (٠١٢-٠٣-٠١)

Narjis Plaza, Al Narjis District, Riyadh

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Appendix 3 – Cashflow Extract

Cash Flow Report

Narjes Plaza, Riyadh (Amounts in SAR)
Dec, 2024 through Mar, 2025
24/12/2024 17:58:16

For the Years Ending	Forecast Year 1 Dec-2024	Forecast Year 2 Mar-2025	Forecast Total
Rental Revenue			
Headline Rent	1,448,454	0	1,448,454
Void Loss	-268,233	0	-268,233
Passing Rent	1,180,221	0	1,180,221
Total Rental Revenue	1,180,221	0	1,180,221
Total Tenant Revenue	1,180,221	0	1,180,221
Potential Gross Revenue	1,180,221	0	1,180,221
Effective Gross Revenue	1,180,221	0	1,180,221
Net Operating Income	1,180,221	0	1,180,221
Cash Flow Before Debt Service	1,180,221	0	1,180,221
Cash Flow Available for Distribution	1,180,221	0	1,180,221

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Property Valuation.

Jarir Bookstore, Rabwah District, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 56,925,000
Inspection Date:	1 December 2024	*Terminal Yield:*	7.50%
Use Type(s):	Retail and Office	*Discount rate:*	10.00%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	4,953 sq m	**Market Rent pa:**	SAR 5,135,348
Gross Leasable Area (GLA):	8,183 sq m	*Market Rent per sq m:*	SAR 628 per sq m
Number of Tenants:	10	**Environmental**	Assumed uncontaminated
Current Occupancy:	82.8%	**Condition**	Good
Stabilized Occupancy	92.5%		
Covenant of Tenant(s)	Mixed	**Zoning**	Commercial
Current Passing Rent:	SAR 4,350,348	**Annual OpEx SAR per sq m:**	SAR 90

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The presence of office tenants within the building provides a readily available customer base for the retail spaces. • With Jarir Bookstores as the anchor tenant until 2043, the property benefits from a strong WAULT of approximately 9.71 years.	• The building's architecture and interior design may appear outdated, potentially diminishing its overall appeal and competitiveness in the market.

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Opportunities	Threats
• Investing in renovation and modernization initiatives can significantly enhance the building's aesthetics and functionality, boosting its competitiveness and attracting new tenants and customers.	• The retail and office space market is highly competitive, with numerous buildings offering similar amenities and attractive locations, posing a challenge in attracting and retaining tenants. • Demand for Grade B office space in Riyadh is slowing down as the supply of Grade A space is projected to increase by 2025.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Al Ahsa Square, is located in the Al Malaz district of Riyadh, Kingdom of Saudi Arabia.
- The property enjoys direct access via Al Ahsa Street and features three frontages. The surrounding area comprises both residential and commercial developments.
- The King Abdullah Financial District (KAFD) is approximately 13 km west of the property, while King Khalid International Airport is about 24 km to the east.

Description

- The construction quality of the subject property is of a good standard compared to other squares or plazas. Additionally, having Jarir Bookstore as an anchor tenant until 2043 enhances the property's attractiveness.
- The subject property consists of 2 showroom units, and 12 office units, comprising a total of 14 units.
- The building consists of three levels (GF+2,3).
- The subject property spans a land area of 4,953 square meters, with a building permit indicating a built-up area of 9,238 square meters. According to the Client, the gross leasable area is 8,183 square meters.

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

External facilities

- Surface parking in front of the Property, with frontage onto Al Ahsa Street.

Tenancy Overview

- We have been provided with lease information which shows that the property is multi-let. It has ten tenants occupying 12 number of units. As such, the Property is 82.8% occupied as of the date of valuation.
  50% of the rent passing is underpinned by Jarir Bookstores, which has a lease in place until 2043. We have not had sight of this lease however we have relied on the tenancy schedule provided by the Client.
- As of the date of valuation the gross current passing rent is SAR 4,350,348 p.a. As we have not been provided with any schedule of service charges, we assume that service charge is included in this rent.
- The Property has a weighted average unexpired lease term (WAULT) of 9.71 years. However, it should be noted that many of the office tenants are on 2 and 3 year leases all of which are due to expire before May 2026.

Tenure, Planning and Zoning

Please see a summary of the Property Tenure:

Table 2: Summary of Tenure

Title Deed Details	
Title Deed No.	418001000843
Plot No(s).	1,2,3,4 Block 315
Owner	Privileged Warehouse company 2
Tenure	Freehold Mortgaged to Al Rajhi Bank
Title Deed Date	Hijri and Gregorian Date: 1441/01/27 (26/09/2019)
Land Size (sq m)	4,953

Source: Client

We have been provided with the following building permits for the Property, which we summarise below:

Table 3: Summary of Building Permit

Building Permit Details	
Permit Number	497/1/2/27
Permit Date	1413/11/07 (29/04/1993)*
Zoning	Commercial
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Commercial (2,831 sq m) First Floor: Office (2,831 sq m)

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Building Permit Details	
	Second Floor: Offices (1,750 sq m) Third Floor: Offices (1,750 sq m)

Source: Client

** We believe that there is a typo on the building permit reflecting an old date. We believe that the correct date is 1433/11/07.*

- We have been provided with a building completion certificate dated 07/11/1413, which confirms that the building has been constructed in line with the use described in the building permit.

Market Comparables

Table 4: Retail Comparables

Address	Transaction (Date)	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
Al Sulimaniyah	Asking	225	1,564	• A premium has been applied to reflect the subject property's superior features compared to the comparable. Its location has warranted an additional premium due to its strategic positioning, along with a separate adjustment for its enhanced accessibility.
Al Olaya	Asking	260	2,019	• Given the subject property's overall superiority, premiums were applied for its distinctive specifications and prime location. Additionally, its favorable access warranted a separate premium.
Al Wurud	Asking	140	1,464	• Due to its notable attributes, the subject property received a premium for specifications. Separate adjustments were made for its well-connected location and superior access. A quantum discount has also been applied to account for the size difference with the comparable.
Al Malaz	Asking	155	1,633	• Premiums were applied to the subject property to reflect its favorable positioning, enhanced accessibility, and superior specifications. A quantum discount has been included to address the disparity in size between the subject and the comparable.
Al Malaz	Asking	175	1,693	• Reflecting its superior attributes, the subject property has been assigned premiums for its specifications, strategic location, and excellent access. To balance the valuation, a quantum discount was applied for its larger size relative to the comparable.

Source: Knight Frank Research

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Table 5: Office Comparables

Address	Transaction (Date)	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
Al Dhubbat	Asking	300	667	• When comparing the subject property to the comparable, a discount was necessary to reflect the superior location of the comparable. Accessibility differences were also addressed with an access-related discount.
Al Murabba	Asking	187	720	• The superior location of the comparable justified a location discount for the subject property, with its better access further warranting an additional reduction in valuation.
Al Olaya	Asking	130	846	• To account for the subject property's favorable aspects, a premium was applied. This included an adjustment for its advantageous location and another for its superior access.
Al Rawabi	Asking	130	950	• The subject property's valuation reflects a location discount due to its less desirable positioning. Similarly, its limited access was acknowledged with an additional reduction.
Al Olaya	Asking	145	750	• A location discount was necessary to account for the subject property's relative disadvantage compared to the comparable. Its restricted access was also factored in with another discount.
Al Sulimaniyah	Asking	90	933	• Reflecting its overall limitations, the subject property received a location discount for its less favorable positioning, alongside an access discount due to its inferior connectivity.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- Achieved rental rates in the Property itself usually serve as the best indicator of achievable market rent on the Property however, given that there were no new tenants on the Property within the past year, with all other lettings over a year ago. As such we have looked at the wider market to determine our market rent.
- To account for negotiation between the buyer and seller, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 628 per sq m on the GLA, inclusive of service charge.
- This blended rate can be broken down as follows; SAR 300 to 660 per sq m per annum on the office space (dependent on unit size), SAR 1,660 per sq m per on the showroom currently occupied by Al Rajhi Bank and SAR 642 per sq m per annum on the larger showroom currently occupied by Jarir Bookstores (although the ERV will not affect the 10 year cashflow as Jarir Bookstores is a tenant until 2043).

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Valuation Assumptions & Rationale

Table 6: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.50%
Discount Rate	• 10.00%
ERV at 100% Occupancy	• SAR 5,135,992
Stabilised Occupancy	• 92.50%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset, we have valued it on a discounted cashflow basis assuming a holding period of 10 years, in which we have capitalised the year 11 net operating income with our designated capitalisation rate.
- In our cashflow we adopted a terminal capitalisation rate of 7.50% which we feel reflects the strong WAULT, occupancy and a discount rate of 10.00% which we feel reflects investors risk appetite for such a property.
- We have factored in a stabilized occupancy of 92.50%, which we think is reasonable over a 10-year period given that multiple units have less than one year to expiry. The property occupancy has decreased since the past valuation, reflecting a current occupancy of 82.8%.

Costs

- We have not been provided with any CapEx costs relating to the building nor any schedule of OpEx costs. As such we have made our own assumptions on OpEx factoring in an annual cost of SAR 90 per sq m on the GLA.

Fair Value

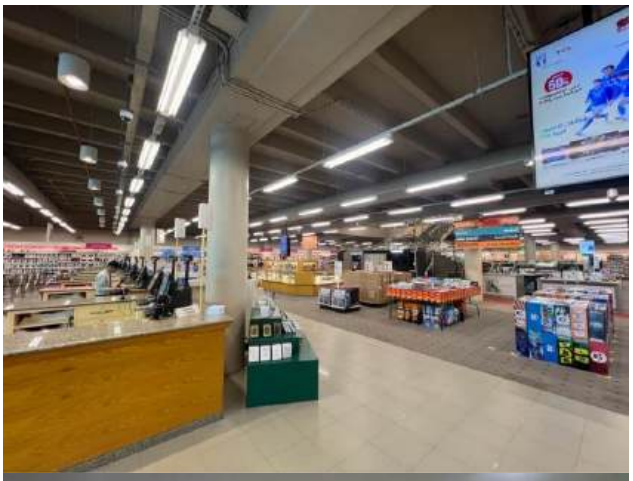
- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 56,925,000

(Fifty Six Million, Nine Hundred and Twenty Five Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Jarir Bookstore, Rabwah District, Riyadh

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

كاتب العدل المكلف بمؤسسة
النقد العربى السعودى

٤١٨٠٠١٠٠٠٨٤٣
الرقم : ٤١٨٠٠١٠٠٠٨٤٣
التاريخ : ٢٧ / ١ / ١٤٤١ هـ

صك مرهون

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

فإن قطعة الارض ١ و قطعة الارض ٢ و قطعة الارض ٣ و قصعة الارض ٤ من المخطط رقم ٣١٥ الواقع في حي الملز بمدينة الرياض

وحدودها وأطوالها كالتالي:

شمالاً: شارع مختلف العرض — بطول: (٧٦,٢) ستة و سبعون متر و عشرون سنتمتر

جنوباً: قطعة رقم ٥ و٦ — بطول: (٧٦,٢) ستة و سبعون متر و عشرون سنتمتر

شرقاً: شارع عرض ٢٠م — بطول: (٦٥) خمسة و ستون متر

غرباً: شارع عرض ٤٠م — بطول: (٦٥) خمسة و ستون متر

ومساحتها :(٤٩٥٣) أربعةالاف و تسعمائة و ثلاثة و خمسون متر مربعاً فقط

والمستند في اقواغها على الصك الصادر من كتابة العدل الاول بالرياض برقم ٧١٠١١٧٠٢٥٠٩٥ في ١٣ / ٦/ ١٤٣٥ هـ قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ ، والعقار مرهون لصالح شركة الراجحي المصرفية للإستثمار سجل تجاري ١٠٠٠٠٠٠٩٦بموجب خطاب الرهن رقم ٠٠١٠٢٠ في ١ / ٩/ ٢٠١٩ م والمقيد في هذه الإدارة برقم ٤١٩٠١٠٩١٤ في ١٣ / ١/ ١٤٤١ هـ مقابل مبلغ وقدره ٥٢٨٩٦٧٩٤ اثنين و خمسون مليونا و ثمانمائة و ستة و تسعون ألفا و سبعمائة و أربعة و تسعون ريال تسدد على أقساط شهرية عددها ١ قيمة كل قسط ٥٢٨٩٦٧٩٤ اثنين و خمسون مليونا و ثمانمائة و ستة و تسعون ألفا و سبعمائة و أربعة و تسعون ريال ابتداء من ٢٠١٦/٣/٢٣ والعقد مجاز من الهيئة الشرعية برقم ١٨٠٧٢ وتاريخ ١٤٣٩/٧/٣ وفي حالة عدم السداد فيتم بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء الرهن منها وما نقص يرجع فيه عليه بعد اكمال ما يلزم شرعا. وعليه جرى التصديق تحريراً في ٢٧ / ١/ ١٤٤١ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل

عبدالعزيز بن عبدالحميد بن عبدالعزيز العليقه

الختم الرسمي
وزارة العدل
كتابة العدل الأولى بالرياض
كاتب العدل مكتب رقم (٣٣)

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

صفحة ١ من ٢

مصلحة مطابع الحكومة -٢٩٢١٥٩ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه) نموذج رقم (٠١٢-٠٣٠-١)

Jarir Bookstore, Rabwah District, Riyadh

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 3 – Cashflow Extract

Cash Flow
Jarir Bookstores, Rabwah, Riyadh AH (Amounts in SAR)
Dec, 2024 through Nov, 2035
12/22/2024 5:26:58 PM

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Nov-2025	Year 2 Nov-2026	Year 3 Nov-2027	Year 4 Nov-2028	Year 5 Nov-2029	Year 6 Nov-2030	Year 7 Nov-2031	Year 8 Nov-2032	Year 9 Nov-2033	Year 10 Nov-2034	Year 11 Nov-2035	Total
Rental Revenue												
Potential Base Rent	5,216,815	5,381,511	5,489,250	5,593,597	5,699,895	5,808,191	5,918,535	6,030,979	6,145,576	6,262,380	6,381,444	63,928,173
Scheduled Base Rent	5,216,815	5,381,511	5,489,250	5,593,597	5,699,895	5,808,191	5,918,535	6,030,979	6,145,576	6,262,380	6,381,444	63,928,173
Total Rental Revenue	5,216,815	5,381,511	5,489,250	5,593,597	5,699,895	5,808,191	5,918,535	6,030,979	6,145,576	6,262,380	6,381,444	63,928,173
Total Tenant Revenue	5,216,815	5,381,511	5,489,250	5,593,597	5,699,895	5,808,191	5,918,535	6,030,979	6,145,576	6,262,380	6,381,444	63,928,173
Potential Gross Revenue	5,216,815	5,381,511	5,489,250	5,593,597	5,699,895	5,808,191	5,918,535	6,030,979	6,145,576	6,262,380	6,381,444	63,928,173
Vacancy & Credit Loss												
Vacancy Allowance	-85,834	-174,641	-224,086	-237,403	-243,338	-249,421	-255,657	-262,048	-268,599	-275,314	-282,197	-2,558,539
Total Vacancy & Credit Loss	-85,834	-174,641	-224,086	-237,403	-243,338	-249,421	-255,657	-262,048	-268,599	-275,314	-282,197	-2,558,539
Effective Gross Revenue	5,130,982	5,206,870	5,265,164	5,356,194	5,456,557	5,558,769	5,662,878	5,768,931	5,876,977	5,987,065	6,099,246	61,369,634
Operating Expenses												
OPEX	728,798	754,882	773,754	793,098	812,925	833,248	854,079	875,431	897,317	919,750	942,744	9,186,027
Total Operating Expenses	728,798	754,882	773,754	793,098	812,925	833,248	854,079	875,431	897,317	919,750	942,744	9,186,027
Net Operating Income	4,402,184	4,451,988	4,491,410	4,563,097	4,643,632	4,725,521	4,808,798	4,893,500	4,979,660	5,067,315	5,156,502	52,183,607
Cash Flow Before Debt Service	4,402,184	4,451,988	4,491,410	4,563,097	4,643,632	4,725,521	4,808,798	4,893,500	4,979,660	5,067,315	5,156,502	52,183,607
Cash Flow Available for Distribution	4,402,184	4,451,988	4,491,410	4,563,097	4,643,632	4,725,521	4,808,798	4,893,500	4,979,660	5,067,315	5,156,502	52,183,607

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Property Valuation.

Al Faris International School, Taawun, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 132,900,000
Inspection Date:	1 December 2024	*Terminal Yield:*	7.75%
Use Type(s):	Education	*Discount rate:*	10.25%
Tenure:	Freehold (Mortgaged)	*Inflation / Growth rate:*	2.50%
Site Area (sq m):	16,500 sq m	**Current Rent Passing pa:**	SAR 10,000,000
Built Up Area (BUA):	36,885 sq m	*Rent passing per sq m:*	*SAR 271 per sq m*
Number of Tenants:	1	**Environmental:**	Assumed Uncontaminated
Current Occupancy:	100%	**Condition:**	Good
Stabilized Occupancy	100%	**Zoning**	Education
Covenant of Tenant(s)	Reasonable		

SWOT analysis

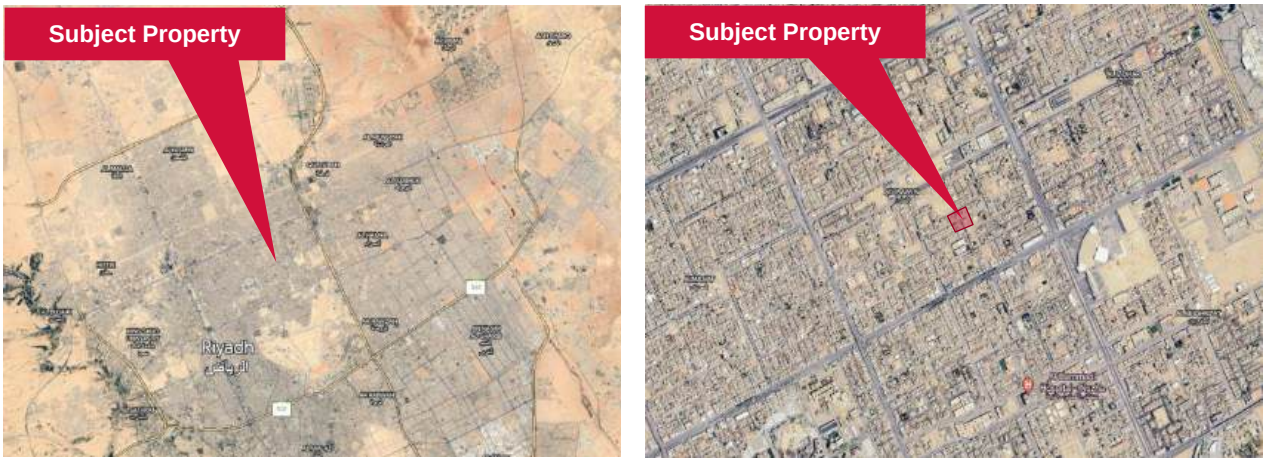
Table 1: SWOT Analysis

Strengths	Weaknesses
• Purpose built facility. • Good quality of facilities	• Lease term expiry is in 1.5 years' time, thereby meaning that there is a limited security of income.
Opportunities	**Threats**
• We anticipate an upwards reversion in rent upon expiry of the lease. • Location in growing residential neighbourhood in North Riyadh. Further development in the vicinity may stimulate demand.	• Increasing competition in the education sector

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• Good links to the major highways and a relatively short travel time to Downtown which could be used to draw students from schools that are showing signs of weakness and losing students.	

Location / Situation



Source: Google Earth / Knight Frank

- The Property is located in Riyadh, KSA. More specifically the Property is located in the Taawun district, in the northern part of Riyadh.
- The Taawun district comprises predominantly low rise residential buildings and large plots of undeveloped land. Al Nakheel Mall is situated some 1,400 metres to the east of the Property and the Riyadh International Exhibition Centre is approximately 4 km to the south.

Description

- The Property is operating as a K-12 boys school offering International Baccalaureate (IB) curriculum.
- The building is situated on a rectangular shaped plot with an area of 16,500 sqm. The building has a configuration of B+G+2 with total BUA of 36,885 sqm.
- Building's amenities include science labs, IT labs, sports facilities, swimming pool and shaded playgrounds.
- The school has frontages on four streets which have connectivity to major roads (Abu Bakr Siddique Road, Imam Saud bin Abdulaziz Road, Uthman bin Affan Road and Northern Ring Road).

Tenancy Overview

- We have been provided with lease information which shows that the Property is single-let to Al Faris International Schools under a triple net lease. This represents full occupancy of the Property. Below, we present the key lease information:

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Table 2: Lease Overview

Al Faris International School, Taawun, Riyadh	
Lease Start Date	29/7/1432 (1st July 2011)
Tenant	Al Faris International Schools
Term	Fifteen (15) Gregorian years
Property Leased	Land and buildings on which the school known as Al Faris International School is situated, located in Riyadh, Saudi Arabia
Rental Contract Details	SAR 10,000,000 per annum, no escalations
Rent Payment Date	Bi-annually in advance
Lease Renewal Provision	Upon mutual agreement
Type of Lease	Triple Net

Source: Client

- The Property has an unexpired lease term of 1.5 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Al Faris International School, Taawun, Riyadh	
Title Deed No.	398514001975
Plot No(s).	18-1822/S
Owner	Privileged Warehouse company 2
Tenure	Freehold (Mortgaged in favour of Al Rajhi Development Company Ltd.)
Title Deed Date	03/08/1442 (17/03/2021)
Land Size (sq m)	16,500

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Al Faris International School, Taawun, Riyadh	
Permit Number	1427/10552
Permit Date	06/02/1428
Zoning	Education Facility
Municipality License No.	N/A
Building Specifications	Basement: 10,330 sq m Ground Floor: 8,731 sq m

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	First & Second Floor: 8,887 sq m per floor Electrical Room: 50 sq m Boundary Wall: 508 m

Source: Client

- We have been provided with a building completion certificate dated 06/02/1428, which confirms that the building has been constructed in line with the use described in the building permit.

Valuation Considerations

- Our valuation has been carried out using the investment method via a discounted cash flow (DCF) approach. The cash flows considered have regard to the lease agreement in place.
- We have further considered the affordability of the lease payments under the agreement with respect to the estimated revenue generated by the school. In absence of detailed operational and financial performance metrics of the school, we have assumed the following when estimating the revenue:
  - The school has a capacity of 2,800 students as informed by the Client. Given that the school has been operational since 2011, it is assumed that it has reached an optimal capacity utilization of 85%.
  - The tuition fee charges applicable for the current academic year 2024/25 are as follows:

Table 5: Annual Tuition Fee 2024-24

Grade	SAR per Pupil
KG1	37,000
KG2	37,000
KG3	37,000
Grade 1	39,000
Grade 2	39,000
Grade 3	39,000
Grade 4	39,000
Grade 5	39,000
Grade 6	40,000
Grade 7	41,000
Grade 8	41,000
Grade 9	41,000
Grade 10	45,000
Grade 11	45,000
Grade 12	45,000
Average	**40,400**

Source: School webpage, School Administration

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- There has been no change to the tuition fees compared to the previous academic year.
- Moreover, the tuition fees have remained constant in recent years. We have assumed a nil increment in tuition fees for next academic year 2025-26 and an annual fee increment of 2.5% has been considered based on inflation thereafter.
- Based on the above, the school's estimated annual revenue works out to be SAR 96.2 million.

- We have considered an affordable rent equivalent to 12.0% of the estimated annual revenue of the school, which computes to SAR 11.5 million per annum. The annual rent as per the lease agreement is SAR 10 million (equivalent to 10.4% of estimated revenue) which is considered to be affordable.
- We also note that, that the Client has not informed us of any rental defaults.
- The remaining lease term is 1.5 years and we assume that the lease shall be renewed with the same tenant upon expiry. We further assume that the rent upon lease renewal shall be equivalent to the estimated affordable rent at that time i.e. SAR 11.8 million. Furthermore, we have assumed that the lease upon renewal shall be subject to an increase of 7.5% after every 5 years in-line with market norms.
- Operating costs: As per the lease agreement, the tenant is responsible for all operating expenses, maintenance and insurance costs of the Property. Accordingly, we have not considered any operating costs for the Property.

Yield rationale

- The table below shows transactions in which educational facilities have been acquired by REITs in last few years.
- We are of the opinion that the Market Value would be based off capitalisation rate(s) of 7.75%.

Table 6: Recent RIET Transactions in Education Sector

Asset	RIET	Location	Yield (%)	Date
University	Riyadh REIT	Riyadh	8.70%	2017
Private School	Taleem REIT	Riyadh	6.32%	2018
International School	Taleem REIT	Riyadh	4.87%	2018
Training Center	Derayah	Al Khobar	8.66%	2018
International School	Derayah	Direyah	8.50%	2018
University	Jadwa II	Direyah	8.00%	2018
International School	Jadwa II	Direyah	9.75%	2018
Private School	Taleem REIT	Direyah	6.47%	2020
Private School	Taleem REIT	Dammam	8.40%	2022
3 x Kindergartens	Taleem REIT	Riyadh	8.40%	2022

Source: Knight Frank Research

Valuation Assumptions

Table 7: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75%

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Item	Assumption
Discount Rate	• 10.25%
Passing Rent pa	• SAR 10,000,000

Source: Knight Frank Research

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the Property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 132,900,000

(One Hundred and Thirty-Two Million, Nine Hundred Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Al Faris International School, Taawun, Riyadh

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Appendix 2 – Title Deed



وثيقة تملك عقار

الرقم: 398514001975
التاريخ: 1442/8/3

البورصة العقارية Real Estate Market

وزارة العدل Ministry of Justice

البيانات الأساسية

رقم الوثيقة	398514001975	تاريخ الوثيقة	1442/8/3
المصدر	الموثقين بالرياض 7	الحالة	فعال
المساحة(م²)	16,500	القيود	مرهون
نوع العملية	نقل ملكية	قيمة الصفقة	
رقم الوثيقة السابقة	510124024851	تاريخ الوثيقة السابقة	1436/1/9

القيود

القيد	الجهة الراهنة	الرقم الوطني الموحد	قيمة الرهن
مرهون	شركة الراجحي للتطوير المحدودة شركة شخص واحد	7010997174	ر.س 87,923,049

الملاك

رقم الهوية	الاسم	الجنسية	نسبة التملك
7014451863	شركة المخازن المميزة الثانية	-	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار(م²)
لا يوجد	لا يوجد	16,500

الموقع	نموذج العقار
لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	المدينة
18	1822 / س	التعاون	الرياض

الحد	النوع	وصف الحد	الطول(م²)
شمالا	شارع	عرض 20م	150
جنوبا	شارع	عرض 20م	150
شرقا	شارع	عرض 20م	110
غربا	شارع	عرض 20م	110

صدرت هذة الوثيقة من البورصة العقارية. ويمكن التحقق من صحة هذة الوثيقة عبر الخدمات الالكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان.

الصفحة 1 من 1

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 3 – Cashflow Extract

Currency: SAR	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30	31-Dec-31	31-Dec-32	31-Dec-33	31-Dec-34
Periods Ending 31-Dec-20XX	***2025***	***2026***	***2027***	***2028***	***2029***	***2030***	***2031***	***2032***	***2033***	***2034***
Timeline	*1.0*	*1.5*								
Rent per Existing Lease Agreement	10,000,000	5,000,000								
Total Cash Flows based on Existing Lease Agreement	**10,000,000**	**5,000,000**								
Discount Factors @ 10.25%	*0.907*	*0.864*								
Discounted Cash Flows based on Existing Lease Agreement	**9,070,295**	**4,319,188**								
Timeline	*1.0*	*2.0*	*3.0*	*4.0*	*5.0*	*6.0*	*7.0*	*8.0*	*9.0*	*10.0*
Lease Renewal on Affordable Rent basis		5,913,348	11,826,696	11,826,696	11,826,696	11,826,696	12,270,197	12,713,698	12,713,698	12,713,698
Terminal Value based on Affordable Rent @ 7.75%										164,047,719
Total Cash Flows based on Lease Renewal on Affordable Rent		**5,913,348**	**11,826,696**	**11,826,696**	**11,826,696**	**11,826,696**	**12,270,197**	**12,713,698**	**12,713,698**	**176,761,417**
Discount Factors @ 10.25%		*0.823*	*0.746*	*0.677*	*0.614*	*0.557*	*0.505*	*0.458*	*0.416*	*0.377*
Discounted Cash Flows based on Lease Renewal on Affordable Rent		**4,864,926**	**8,825,263**	**8,004,773**	**7,260,565**	**6,585,547**	**6,197,283**	**5,824,292**	**5,282,804**	**66,619,519**

DCF - Existing Lease Agreement	13,389,483
DCF - Lease Renewal on Affordable Rent	119,464,973
Total Value	**132,854,455**
Total Value (Rounded Off)	**132,900,000**
Value per sqm of BUA	**3,603**

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Property Valuation.

Panda, Al Naseem District, Khamis Mushait

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 49,870,000Enter Market Value
Inspection Date:	23 November 2024	*Terminal Yield:*	N/A
Use Type(s):	Retail	*Discount rate:*	9.00%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	19,000 sq m	**Market Rent pa:**	SAR 3,563,299
Gross Leasable Area (GLA):	5,456 sq m	Market Rent per sq m:	SAR 653 per sq m
Number of Tenants:	One (Master lease)	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	100% (Single Let)		
Covenant of Tenant(s):	Strong	**Zoning**	Commercial
Current Passing Rent:	SAR 3,563,299	**Annual OpEx SAR per sq m:**	None – NNN Lease

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The subject property has a prime location in a well-established area with high traffic bypass. • The site benefits from excellent parking for customers.	• The building's architecture and interior design may appear dated, potentially affecting its overall appeal and competitiveness in the market.

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• The property has 4.42 years left remaining on the masterlease, with escalations, secured at above market rent. • Although we have not been provided with the tenant financials, we assume the tenant to be of a strong covenant.	• We feel the property is overrented and that there would be reversion to market upon the expiry of the lease.
Opportunities	**Threats**
• Investing in renovation and modernization initiatives can enhance the building's aesthetics, functionality, and competitiveness, attracting new customers. • The underlying land value appears to be higher than the income producing nature of the Property. As such there is development opportunity to explore the highest and best use of this land.	• Other developments in the area, including newer retails (supermarkets), may attract tenants and customers away from the subject property. • There is competing retail space directly opposite the subject property.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Panda, is situated in the Al Naseem district within Khamis Mushait, Kingdom of Saudi Arabia.
- Panda supermarket benefits from direct highway access via Prince Sultan Road. The property has four frontages, and the surrounding area consists of both residential and commercial uses.
- Aseer Mall is located approximately 21 km west of the property, while Abha International Airport is situated around 23 km to the northwest.

Description

- The construction quality of the subject property appears to be of average market standard.
- The subject property is a single standalone building occupied by Panda supermarket. The subject property has loading and unloading areas to the south.
- The subject property covers a land area of 19,000 sq m, with a building permit specifying a built-up area of 5,456 sq m, which we have interpreted as the GLA as instructed by the Client.

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Al Aziziya Panda United Company) under a triple net lease. This represents full occupancy of the Property. Whilst the dates of the lease are missing from the lease, the term and the escalations are stated. We have relied upon the tenancy schedule provided by the Client for the precise dates.
- Below, we present the key lease information:

Table 2: Lease Overview

Panda, Al Naseem District, Khamis Mushait	
Lease Start Date	1st June 2014 (as per the tenancy schedule provided)
Tenant	Al Aziziya Panda United Company
Term	Fifteen (15) Gregorian years
Property Leased	The total land area is 19,000 sqm with a retail box unit built on top of the land, with a total built up area of 5,456 sq m.
Rental Contract Details	The whole Property is let on a lease. The rental terms are as follows: • Years 1 – 5: SAR 2,748,831 p.a. (1st June 2014 – 31st May 2019) • Year 6 – 10: SAR 3,156,065 p.a. (1st June 2019 – 31st May 2024) • Year 11 – 15: SAR 3,563,299 p.a. (1st June 2024 – 31st May 2029)
Rent Payment Schedule	Quarterly in advance.
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

- As of the date of valuation date the gross current passing rent is SAR 3,563,299 pa. There are no associated costs or service charge for the duration of the lease as this is a triple net lease.
- The property has a weighted average unexpired lease term (WAULT) of 4.42 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	471708002889
Masterplan No(s).	1424/715/A/2
Owner	Privileged Warehouse company 2
Tenure	Freehold Mortgaged to Al Rajhi Bank
Title Deed Date	Hijri and Gregorian Date: 1437/03/12 (24/12/2015)
Land Size (sq m)	19,000

Source: Client

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- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Building Permit Details	
Permit Number	8/108/J3/1429
Permit Date	27/01/1429 (05/05/2008)
Zoning	Commercial
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: (5,456 sq m)

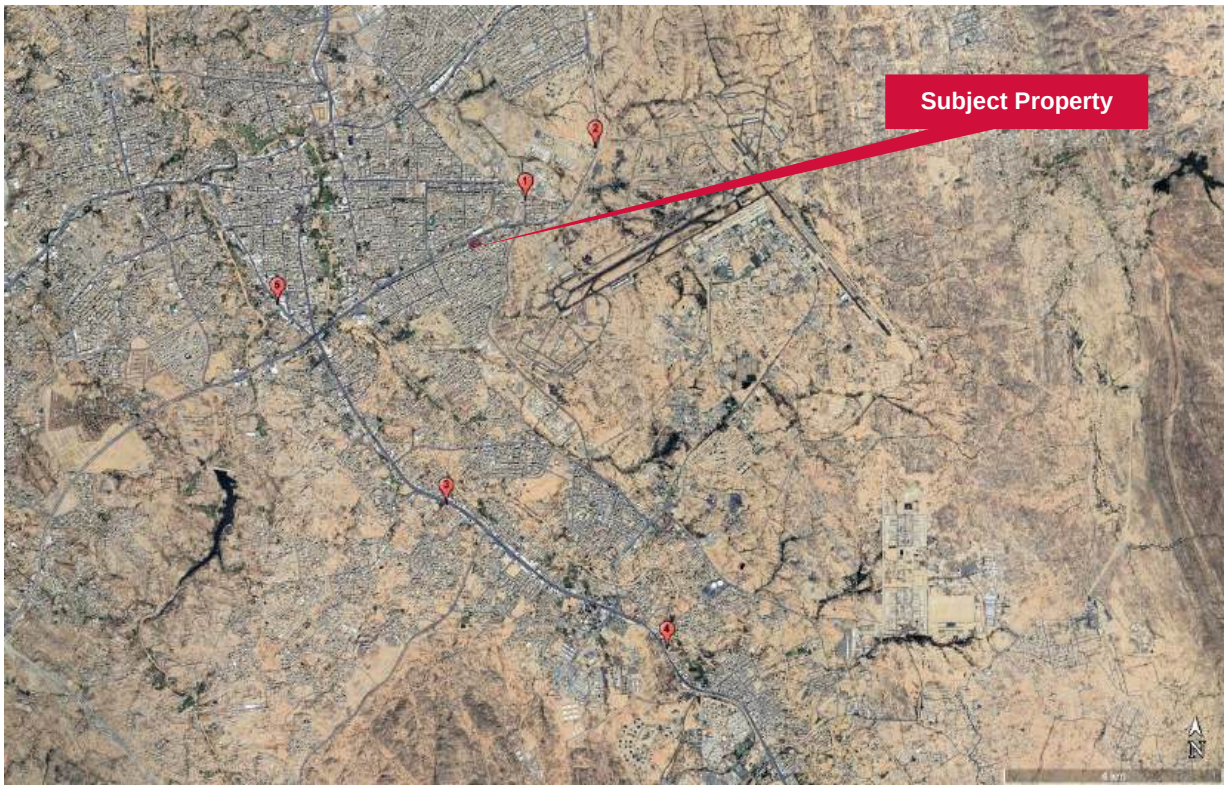
Source: Client

- We have been provided with a building completion certificate dated 07/11/1429, which confirms that the building has been constructed in line with the use described in the building permit.

Market Comparables

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- The map below illustrates the land comparables.



Source: Google Earth / Knight Frank

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Table 5: Retail Comparables

Address	Statues	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
al Mossa	Asking	400	423	• The comparable's location is less advantageous than that of the subject property, prompting the application of a location premium. The subject property also has enhanced accessibility, which has been factored in as an accessibility premium. To account for the smaller size of the comparable, a quantum discount was applied to reflect the disparity in scale. Additionally, adjustments were made to consider potential negotiation variability.
Al Turfah	Asking	360	781	• The comparable is located in a less favorable position than the subject property, warranting the application of a location premium. Due to the superior accessibility of the subject property, an additional premium was considered. Given the smaller size of the comparable, a quantum discount was applied to reflect the difference in scale. Additionally, a negotiation adjustment was factored in to account for potential variability in transaction terms.
Al Tahliyah	Active Lease	1,021	539	• The Comparable is currently an active lease. Its location is less advantageous compared to the subject property, justifying the application of a location premium. The subject property's superior accessibility has also been accounted for with an accessibility premium. Additionally, a quantum discount was applied to reflect the smaller size of the comparable.
Al Mossa	Active Lease	8,100	603	• This comparable is an active lease. Its location is less favorable compared to the subject property, warranting the application of a location premium. The subject property's superior accessibility has also been considered, resulting in an accessibility premium.
Al Sadd	Active Lease	2,866	495	• The comparable is less favorably located than the subject property, leading to the application of a location premium. The subject property's enhanced accessibility has also been factored in with an accessibility premium. Additionally, a quantum discount was applied to account for the smaller size of the comparable relative to the subject property.

Source: Knight Frank Research

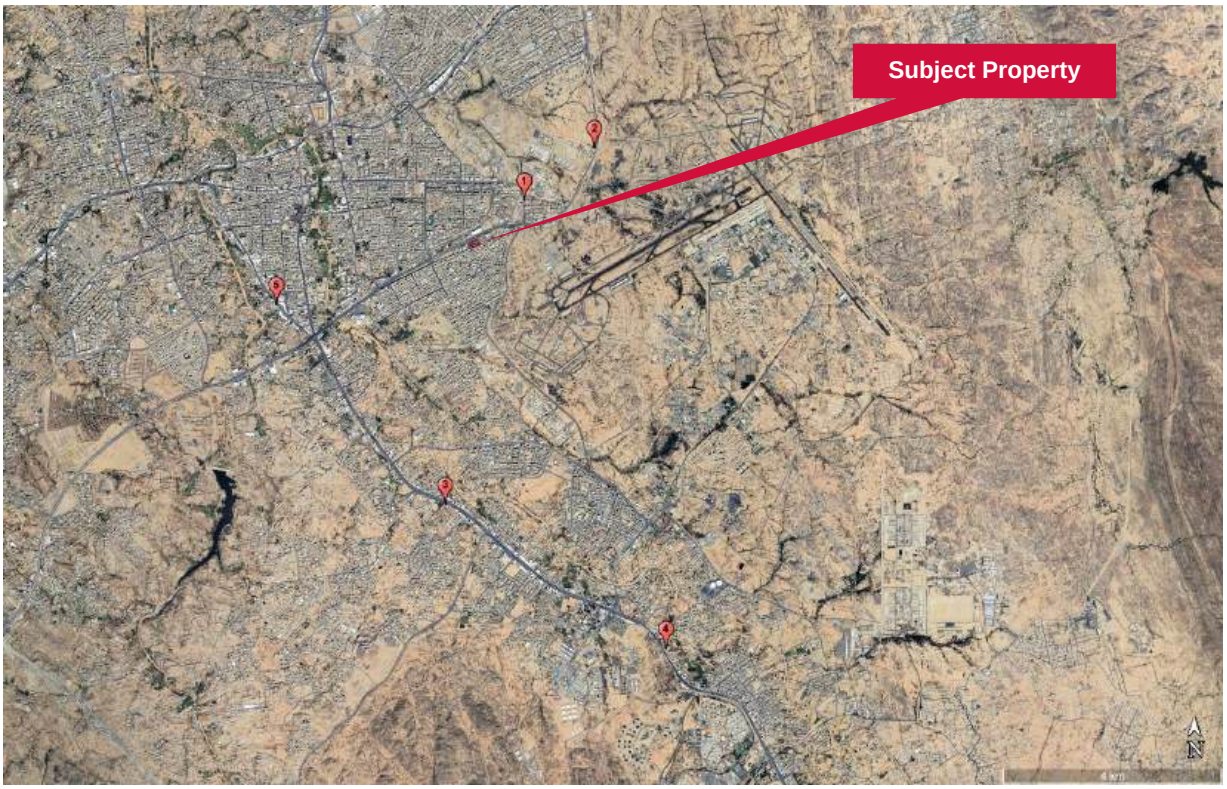
- In arriving at our opinion of Market Rent we have assumed that the blended rate achievable across the Property is SAR 570 per sq pa.

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- In arriving at our opinion of Market Rent we have assumed that the units within the Property would typically let for a term certain of 5 years on effective full repairing and insuring terms. We would anticipate an average letting void of 3 months upon lease expiry. Please note that this void period has not been factored into the valuation as we have assumed a reversion to land value upon expiry of the lease.

Land rationale

- Given that we are of the opinion that the land value supersedes the value of the income producing asset we have analysed the land market in close proximity to the subject property.
- The map below illustrates the land comparables.



Source: Google Earth / Knight Frank

Table 6: Land Comparables

Address	Type	Land Area (sq m)	Rate (SAR/psm)	Comments/Comparison
Al Mossa	Commercial	639	2,602	• This comparable was recently transacted on 2nd September 2024. It is considered inferior to the subject property in terms of location, warranting the application of a location premium. The subject property also benefits from superior accessibility, justifying an accessibility premium. Additionally, a quantum discount has been applied to account for the larger size of the subject property compared to the comparable.

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Address	Type	Land Area (sq m)	Rate (SAR/psm)	Comments/Comparison
Al Mossa	Commercial	1,500	3,038	• This comparable is an asking price and is considered inferior to the subject property in terms of location, warranting a location premium. Similarly, due to its less accessible area, an accessibility premium has been applied. A negotiation discount was also applied to reflect potential adjustments during buyer-seller discussions. Additionally, a quantum discount was considered to account for the difference in size between the comparable and the subject property.
Al Sadd	Commercial	2,626	2,445	• This comparable is currently listed and is considered inferior to the subject property in terms of location, warranting a location premium. Similarly, the subject property benefits from better accessibility, justifying an accessibility premium. A quantum discount has also been applied to account for the larger size of the subject property compared to the comparable.
Al Amarah	Commercial	2,476	2,403	• The comparable has an inferior location compared to the subject property, warranting the application of a location premium. Additionally, an accessibility premium has been applied to reflect the subject property's superior access. A quantum discount has also been applied to account for the smaller size of the comparable relative to the subject property.
Al Tasameh	Commercial	2,400	3,094	• The comparable is currently listed and has an inferior location compared to the subject property, warranting the application of a location premium. An accessibility premium has also been applied to reflect the subject property's superior access. A negotiation discount has been applied to account for potential adjustments during buyer-seller discussions. Additionally, a quantum discount has been applied to account for the smaller size of the comparable relative to the subject property.

Source: Knight Frank Research

- In assessing our opinion of the underlying land plot, we have taken into account the aforementioned comparables. We have applied discounts to the comparables to incorporate the impact of negotiation between sellers and potential buyers. Additionally, we have made other essential adjustments to account for the disparities in micro-location between the comparables and the property. Our assessment leads us to conclude that the Fair Value of the underlying property is SAR 2,715 per sq m, resulting in a total value of SAR 51,585,000.

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Valuation Assumptions & Rationale

Table 7: Valuation Assumptions

Item	Assumption
Discount Rate	• 9.00%
ERV at 100% Occupancy	• SAR 3,563,299 p.a.
Growth Rate pa	• 2.50%
Land value as of Valuation Date	• SAR 51,585,000
Land Value upon expiry of master lease (growth applied)	• SAR 57,529,046
Fair Value of the Property	• SAR 49,870,000

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow. However, to account for the fact that the underlying land value supersedes the value of the income producing asset we have factored in a reversion to land value upon expiry of the lease in May 2029, net present valuing both the contracted value of the rent and the land value upon expiry of the lease.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 49,870,000

(Forty Nine Million, Eight Hundred and Seventy Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs

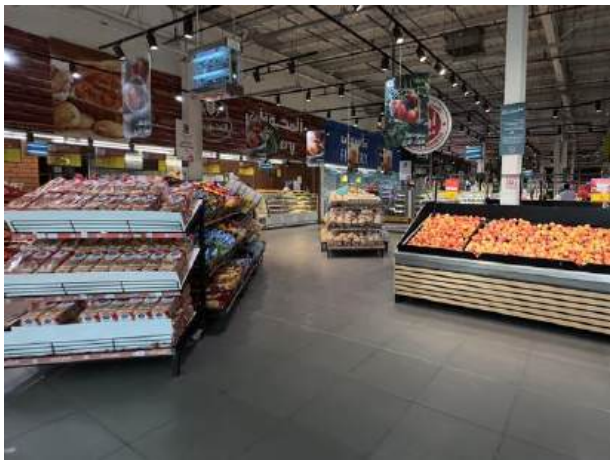












Panda, Al Naseem District, Khamis Mushait

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Appendix 2 – Title Deed



المملكة العربية السعودية
وزارة العدل
كتابة العدل الأولى بمحافظة خميس مشيط

بسم الله الرحمن الرحيم

الرقم : ٤٧١٧٠٨٠٠٢٨٨٩
التاريخ : ١٢ / ٣ / ١٤٣٧ هـ

صك

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

فإن الأرض الواقعة في حي ال مشيط بعد تنظيمها بموجب المخطط المعتمد برقم ٢/ع/٧١٥/١٤٢٤ وحدودها وأطوالها كالتالي:

شمالاً: طريق الخميس تندحة الرياض عرضه ٨٤م بطول: (٢٠٠) مئتين متر

جنوباً: شارع عرضه ٢٠م بطول: (٢٠٠) مئتين متر

شرقاً: شارع عرضه ٢٠م بطول: (١٠٠) مائة متر

غرباً: شارع عرضه ٢٧م بطول: (٩٠) تسعون متر

ومساحتها :(١٩٠٠٠) تسعة عشر ألف متر مربعاً فقط وبعد الاطلاع على خطاب مدير شعبة التراخيص البنكية بمؤسسة النقد العربي السعودي رقم ٣٧١٠٠٠٠٠٠٥٧٨في ٢ / ١ / ١٤٣٧ هـ والمقيد لدينا برقم ٣٧٩٥٥٢٢في ٧/ ١/ ١٤٣٧هـ والمتضمن الموافقة على نقل الملكيةللعقار المذكور من ملكية البنك العربي الى ملكية شركة المخازن المميزة الثانية .. .)

والمستند في افراغها على الصك الصادر من هذه الإدارة برقم ٣٧١٧٠٥٠٠١٥٢٢ في ٦ / ٧/ ١٤٣٥ هـ

قد انتقلت ملكيتها ل: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ ،، بثمن وقدره ٤٥٠٦٢٨٠٣ خمسة و أربعون مليونا و إثنان و ستون ألفا و ثمانمائة و ثلاثة ريال.

وعليه جرى التصديق تحريراً في ١٢ / ٣/ ١٤٣٧ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل

يحي بن ظافر بن يحي الشهري

الختم الرسمي:

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)

مصلحة مطابع الحكومة ـ ٣٥٢٥١٨

صفحة ١ من ١

Panda, Al Naseem District, Khamis Mushait

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 May-2030	Forecast Total
Rental Revenue							
Headline Rent	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Passing Rent	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Total Rental Revenue	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Total Tenant Revenue	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Potential Gross Revenue	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Effective Gross Revenue	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Net Operating Income	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Cash Flow Before Debt Service	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846
Cash Flow Available for Distribution	3,563,299	3,563,299	3,563,299	3,563,299	1,781,650	0	16,034,846

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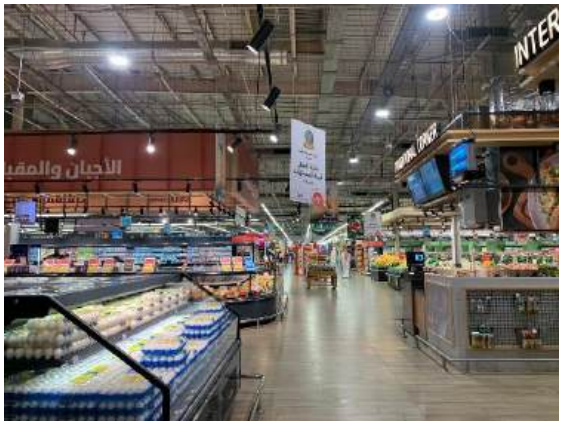
Property Valuation.

Panda, Al Marwa, Jeddah

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Source: Knight Frank

Valuation Summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 155,195,000
Inspection Date:	20 November 2024	*Terminal Yield:*	NA
Use Type(s):	Retail	*Discount rate:*	8.75%
Tenure:	Freehold	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	38,641 sq m	**Market Rent pa:**	SAR 11,665,000
Built Up Area (sq m)	15,247.72 sq m	*Market Rent per sq m:*	*SAR 765 per sq m*
Number of Tenants:	1	**Environmental**	Assumed Uncontaminated
Current Occupancy:	100%	**Condition**	Refurbished
Stabilized Occupancy	100% (Master Lease)		
Covenant of Tenant(s)	Strong	**Zoning**	Commercial
Current Passing Rent:	SAR 12,716,158 p.a.	**Annual OpEx SAR pa:**	None

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• Large physical footprint and ample parking space. • The subject property has a prime location in a well-established area with traffic bypass. • The remaining lease length is 3.92 years which poses a relatively secure income stream.	• Other retail buildings in the area that have undergone renovations and upgrades may attract more customers and tenants due to their modern appeal. • We suspect the building is overrented and therefore a reversion to a lower market rent may occur upon expiry of the master lease in 2028.

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Opportunities	Threats
• The underlying land value appears to be higher than the income producing nature of the Property. As such there is development opportunity to explore the highest and best use of this land. The remaining WAULT is 3.92 years and as such this land value is able to be soon explored.	• Other retail developments in the area, including newer plazas, may attract tenants and customers away from the subject property.

Location / Situation





Source: Google Earth / Knight Frank

- As can be seen from the map above, the subject property is located on Prince Mutaib Bin Abdulaziz Road within Al Marwa District in Jeddah City. Al Marwa is situated in the central part of Jeddah, Kingdom of Saudi Arabia. Al Marwa is a densely populated neighbourhood which consists of mainly residential apartments.
- The Property benefits from four road frontages, with Abi Habib Al Ansari Road to the north, and to Prince Mutaib Bin Abdulaziz Road to the east.
- King Abdulaziz International Airport is some 24 km to the north and Jeddah Waterfront is about 20 km to the west and Jeddah Islamic Seaport is approximately 21 km to the south and King Abdulaziz University is some 16 km to the south of the subject property.

Description

- The premises refers to a big box retail establishment occupied by Panda Hypermarket – Al Marwa, Jeddah. It was built using steel frame construction, featuring painted concrete walls on the inside and automatic glass doors for the main entrance and exit. There is considerable outdoor asphalt surface parking and there is a back yard with loading dock doors with roller shutter access.
- The subject property covers an area of 38,641 sq m, with a building permit specifying a built-up area of 15,247.72 sq m.

External facilities

- Surface parking in front of the Property, with frontage onto Prince Mutaib Bin Abdulaziz Road.

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Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Azizia Panda United Company) under a triple net lease. This represents full occupancy of the Property.
- Whilst the lease we have been provided with does not show the actual lease start and end dates, we have been provided with a tenancy schedule by the Client which shows the specific dates of the lease, which we have relied upon.
- Below, we present the key lease information:

Table 2: Lease Overview

Hyper Panda, Al Marwa, Jeddah	
Lease Start Date	1st December 2013 (as per the tenancy schedule provided)
Tenant	Azizia Panda United Company
Term	Fifteen (15) Gregorian years
Property Leased	The total land area of 38,641 sq m and the total built up area is 15,247.72 sq m. The Property consists mainly of a box retail unit occupied by Hype Panda and there are a number of smaller retail units sublet by the tenant.
Rental Contract Details	The whole Property is let on a Master Lease. The rental terms are as follows: • Years 1 – 5: SAR 9,809,608 p.a. (1st December 2014 – 30th November 2018) • Years 5 – 10: SAR 11,262,883 p.a. (1st December 2018 – 30th November 2023) • Years 10 – 15: 12,716,158 p.a. (1st December 2023 – 30th November 2028) Every five years the rent escalates. The current passing rent is: SAR 12,716,158 pa
Rent Payment Schedule	Quarterly in advance.
Lease Renewal Provision	The Lessee must notify the Lessor at least 6 months prior to expiry.
Type of Lease	Triple Net

Source: Client

- As of the date of valuation the gross current passing rent is SAR 12,716,158 pa. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 3.92 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	420205025490
Plot No(s).	1
Owner	Privileged Warehouse Company 2

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Title Deed Details	
Tenure	Freehold
Title Deed Date	Hijri and Gregorian Date: 1437/03/13 (24/12/2015)
Land Size (sq m)	38,641

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Buidling Permit Details	
Permit Number	23528
Permit Date	23/05/1429 (28/05/2008)
Zoning	Commercial – Retail Mall
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Retail (12,773.07 sq m), Showrooms (1,590) Mezzanine Floor: (884.65 sq m), Parking (5,612 sq m)

Source: Client

- We have been provided with a building completion certificate dated 24/8/1429, which confirms that the building has been constructed in line with use described in the building permit.

Market Comparables

Table 5: Retail Comparables

Comps.	Location	Type	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
C1	Al Rabwa	Transaction	2,200	1,091	• This comparable has a less desirable location than the subject property, therefore a premium was applied. In terms of accessibility, a further premium was applied to the comparable since it is located in a less accessible area. Additionally, we have applied a discount to the subject property to account for the difference in sizes.
C2	Al Faisaliah	Transaction	2,500	960	• This comparable is in a more desirable location than the subject property, therefore a discount was applied. The subject property has a better specification in terms of access, and as such we have applied a premium. A further discount was applied to account for the difference in sizes.

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Comps.	Location	Type	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
C3	Al Khaldiah	Transaction	6,000	833	• This comparable is in a more desirable location than the subject property, therefore a discount was applied. The subject property has a better specification in terms of access, and as such we have applied a premium. A further discount was applied to account for the difference in sizes.
C4	Al Zahra	Transaction	4,447	1,100	• This comparable is in a more desirable location than the subject property, therefore a discount was applied. The subject property has a better specification in terms of access, and as such we have applied a premium. A further discount was applied to account for the difference in sizes.
C5	Al Safa	Transaction	3,086	935	• The comparable is in a more desirable location than the subject property, therefore a discount was applied. The subject property has a better specification in terms of access, and as such we have applied a premium. A further discount was applied to account for the difference in sizes.

Source: Knight Frank Research

Market Rent rationale

- In arriving at our opinion of Market Rent we have assumed that the units within the Property would typically let for a term certain of 5 years on effective full repairing and insuring terms. We would anticipate an average letting void of 6 months upon lease expiry. Please note that this void period has not been factored into the valuation as we reverted to land value upon expiry of the lease.
- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 765 per sq m as on the gross leasable area.

Land rationale

- Given that we are of the opinion that the land value supersedes the terminal value of the income producing asset we have analysed the land market in close proximity to the subject property.
- Please see the comparable map below showing land comparables:

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Source: Google Earth / Knight Frank

Table 6: Land Comparables

Comps.	Location	Type	Land Area (sq. m)	Rate (SAR/sq. m)	Comments/Comparison
C1	Al Safa	Transaction	880	4,318	• This comparable is located at a more desirable location, therefore a discount was applied. In terms of accessibility, the subject property has better access attributes, as such a premium was applied. Given that the comparable is smaller than the subject, we have applied a discount to account for the differences in size.
C2	Al Samr	Transaction	4,321	4,629	• This comparable is located in a less sought-after location, therefore we have applied a premium to the subject property for location. Given that the comparable is less accessible than the subject property, therefore we have applied a premium. A discount was

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Comps.	Location	Type	Land Area (sq. m)	Rate (SAR/sq. m)	Comments/Comparison
					applied to account for the difference in sizes.
C3	Al Safa	Transaction	1,509	5,964	• This comparable is located in a less sought-after location, therefore we have applied a premium to the subject property for location. Given that the comparable is less accessible than the subject property, therefore we have applied a premium. A discount was applied to account for the difference in sizes.
C4	Al Safa	Transaction	3,641	5,350	• This comparable has a worse accessibility than the subject, therefore we have applied a premium. For accessibility, we consider the subject property to command a premium. Given that the comparable is smaller than the subject, we have applied a discount to account for the differences in size.
C5	Al Muhammadiyah	Transaction	1,415	6,504	• This comparable is in an undesirable location compared to the subject property and have applied a premium. A further premium was applied in terms of accessibility. We have applied a discount to the subject property to account for size differences.

Source: Knight Frank Research

- In deriving our opinion of the underlying land plot, we have considered the afore mentioned comparables. We have applied discounts to the comparables to incorporate the impact of negotiation between sellers and potential buyers. Additionally, we have made other essential adjustments to account for quantum differences between the comparables and the subject property. Our assessment leads us to conclude that the value of the underlying land is SAR 3,765 per sq m, resulting in a total land value of SAR 145,485,000 as of the date of valuation.

Valuation Assumptions & Rationale

Table 7: Valuation Assumptions

Item	Assumption
Discount Rate	• 8.75%
ERV at 100% Occupancy	• SAR 11,665,000
Growth Rate pa	• 2.50%

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Item	Assumption
Land value as of Valuation Date	• SAR 145,483,365
Land Value upon expiry of master lease (growth applied)	• SAR 160,256,312
Fair Value	• SAR 155,195,000

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow. However, to account for the fact that the underlying land value supersedes the value of the income producing asset we have factored in a reversion to land value upon expiry of the lease in November 2028, net present valuing both the contracted value of the rent and the land value upon expiry of the lease.
- We have not factored in any costs given that this is has been let on a Triple Net Lease and as such all costs are borne by the tenant for the duration of the lease term.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 155,195,000

(One Hundred and Fifty Five Million, One Hundred and Ninety Five Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs









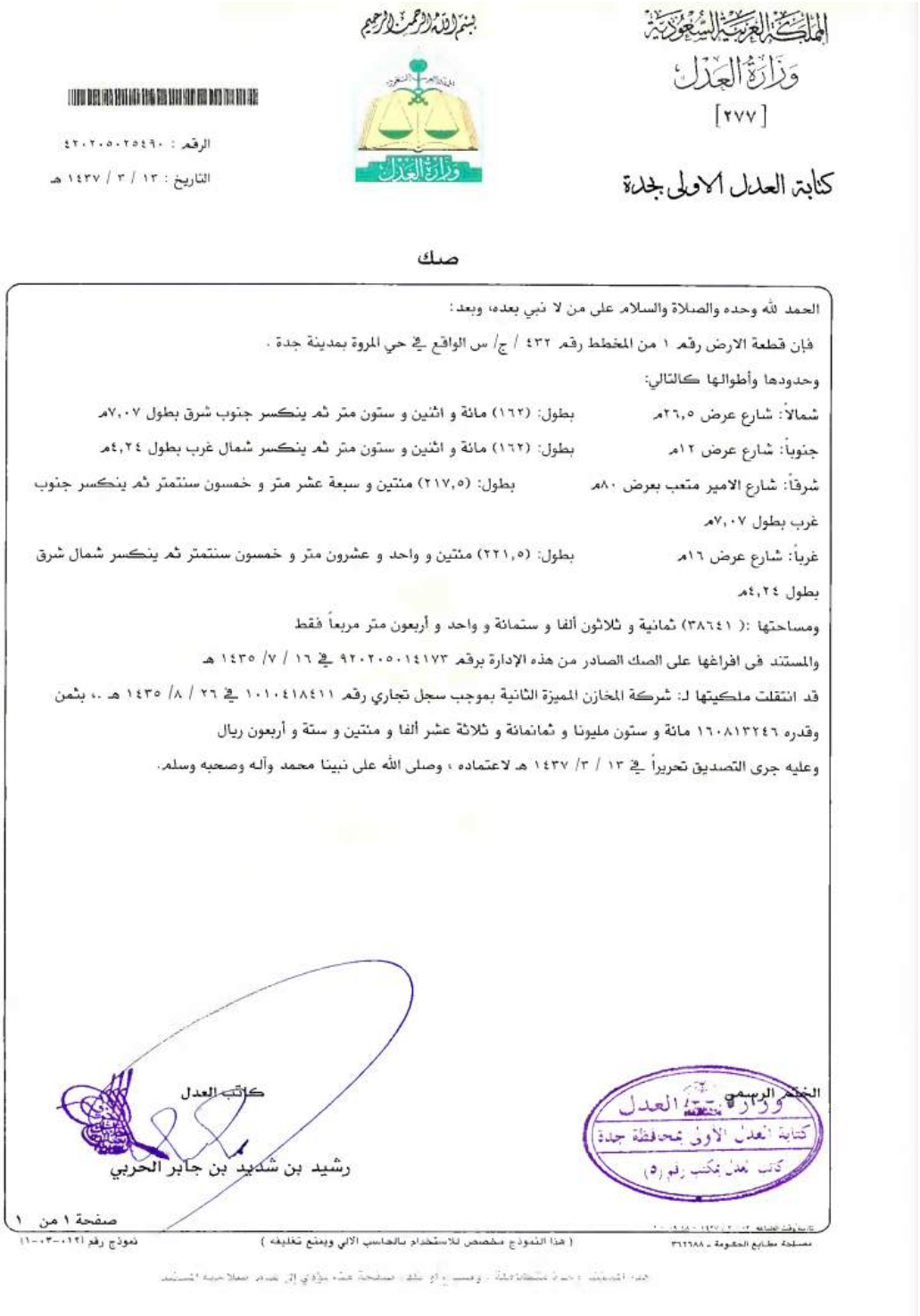




Panda, Al Marwa, Jeddah

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Appendix 2 – Title Deed



المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل الاولى بجدة

بسم الله الرحمن الرحيم

الرقم : ٤٢٠٢٠٥٠٢٥٤٩٠
التاريخ : ١٣ / ٣ / ١٤٣٧ هـ

صك

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

فإن قطعة الارض رقم ١ من المخطط رقم ٤٣٢ / ج/ س الواقع في حي المروة بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢٦,٥م بطول: (١٦٢) مائة و اثنين و ستون متر ثم ينكسر جنوب شرق بطول ٧,٠٧م

جنوباً: شارع عرض ١٢م بطول: (١٦٢) مائة و اثنين و ستون متر ثم ينكسر شمال غرب بطول ٤,٢٤م

شرقاً: شارع الامير متعب بعرض ٨٠م بطول: (٢١٧,٥) مئتين و سبعة عشر متر و خمسون سنتمتر ثم ينكسر جنوب غرب بطول ٧,٠٧م

غرباً: شارع عرض ١٦م بطول: (٢٢١,٥) مئتين و واحد و عشرون متر و خمسون سنتمتر ثم ينكسر شمال شرق بطول ٤,٢٤م

ومساحتها :(٣٨٦٤١) ثمانية و ثلاثون ألفا و ستمائة و واحد و أربعون متر مربعاً فقط

والمستند في افراغها على الصك الصادر من هذه الإدارة برقم ٩٢٠٢٠٥٠١٤١٧٣ في ١٦ / ٧/ ١٤٣٥ هـ

قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ ،، بثمن وقدره ١٦٠٨١٣٢٤٦ مائة و ستون مليونا و ثمانمائة و ثلاثة عشر ألفا و مئتين و ستة و أربعون ريال

وعليه جرى التصديق تحريراً في ١٣ / ٣/ ١٤٣٧ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل
رشيد بن شديد بن جابر الحربي

الختم الرسمي
وزارة العدل
كتابة العدل الأولى بمحافظة جدة
كاتب عدل بمكتب رقم (٥)

صفحة ١ من ١

نموذج رقم (٠٤٢-٠٣-١)

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)

مصلحة مطابع الحكومة - ٣٦٢٦٨٨

Panda, Al Marwa, Jeddah

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Total
Rental Revenue						
Headline Rent	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Passing Rent	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Total Rental Revenue	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Total Tenant Revenue	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Potential Gross Revenue	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Effective Gross Revenue	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Net Operating Income	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Cash Flow Before Debt Service	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632
Cash Flow Available for Distribution	12,716,158	12,716,158	12,716,158	12,716,158	0	50,864,632

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Property Valuation.

Panda, Al Rawdah, Jeddah

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 53,120,000
Inspection Date:	20 November 2024	*Terminal Yield:*	NA
Use Type(s):	Retail	*Discount rate:*	8.75%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	9,929.79 sq m	**Market Rent pa:**	SAR 3,090,000
Gross Leasable Area (GLA):	3,250.40 sq m	*Market Rent per sq m:*	*SAR per 950 sq m*
Number of Tenants:	1	**Environmental:**	Assumed Uncontaminated
Current Occupancy:	100%	**Condition:**	Refurbished
Stabilized Occupancy:	100% (Single Let)		
Covenant of Tenant(s):	Strong	**Zoning:**	Commercial
Current Passing Rent:	SAR 3,133,893	**Annual OpEx SAR pa:**	None – NNN Lease

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The subject property has a good location in a well-established residential area. • The Property benefits from a strong WAULT of 4.42 years providing investors with a relatively good period of fixed income.	• Other retail buildings in the area that have undergone renovations and upgrades may attract more customers and tenants due to their modern appeal. • The property is overrented in our opinion and therefore once the lease expires the Property may witness a downwards reversion in Market Rent.

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Opportunities	Threats
• The underlying land value appears to be higher than the income producing nature of the Property. As such there is development opportunity to explore the highest and best use of this land.	• Other retail developments in the area, including newer plazas, may attract tenants and customers away from the subject property.

Location / Situation





Source: Google Earth / Knight Frank

- As can be seen from the map above, the subject property is located on Qassem Zeinah Street within Al Rawda District in Jeddah City. Al Rawda is situated in the central part of Jeddah, Kingdom of Saudi Arabia. Al Rawda is a densely populated neighbourhood which consists mainly of residential apartments in the area. The surrounding area is mostly dominated by residential use.
- The property benefits from four road frontage; to the south lies Qassem Zeinah Street, to the north lies Muhammad Maghrabi Street, to the east lies Ahmad Al Turki street, and to the west lies Ibrahim Foudah Street.
- King Abdulaziz International Airports sits some 22 km to the north, Jeddah Waterfront is about 10 km to the west, Jeddah Islamic Seaport is approximately 14 km to the south and King Abdulaziz University is some 15 km to the south of the subject property.

Description

- The premises consists mainly of a big box retail establishment used as a Panda supermarket. It was built using steel frame constructions, featuring painted concrete walls on the inside and automatic glass doors for the main entrance and exit.
- As for outdoor parking, there are 157 available parking spaces. The back yard is surfaced in asphalt and contains loading dock doors with roller shutter access.
- The subject property covers an area of 9,929.79 sq m, with a building permit specifying a built-up area of 3,250.40 sq m.

External facilities

- Surface parking in front of the Property, with frontage onto Qassem Zeinah Street.

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Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Azizia Panda United Company) under a triple net lease for a period of 15 years. This represents full occupancy of the Property.
- Whilst we have not been provided with the lease with dates included, we have had sight of tenancy schedule provided by the Client showing the specific lease start dates.
- Below, we present the key lease information:

Table 2: Lease Overview

Panda, Al Rawdah, Jeddah	
Lease Start Date	1st June 2013
Tenant	Azizia Panda United Company
Term	Fifteen (15) Gregorian years
Property Leased	A land area consisting of approximately 9,930 sq m with a retail box unit measuring circa 3,250 sq m.
Rental Contract Details	The whole Property is let on a lease. The rental terms are as follows: • Years 1 – 5: SAR 2,417,575 (1st June 2014 – 31st May 2019) • Years 6 - 10: 2,775,734 (1st June 2019 – 31st May 2024) • Years 10 – 15: 3,133,893 (1st June 2024 – 31st May 2029) The passing rent is understood to have been escalated by 12.90%, effective from June 2024.
Rent Payment Schedule	Quarterly in advance.
Lease Renewal Provision	At least 6 months prior to expiry.
Type of Lease	Triple Net

Source: Client

- As of the date of valuation date the gross current passing rents is SAR 3,133,893. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 4.42 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	720206030558
Plot No(s).	24/23
Owner	Privileged Warehouse company 2
Tenure	Freehold (Mortgaged to Al Rajhi Bank)

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Title Deed Details	
Title Deed Date	Hijri and Gregorian Date: 1441/04/18 (15/12/2019)
Land Size (sq m)	9,929.79

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Building Permit Details	
Permit Number	1425 004221
Permit Date	10/11/1425 (22/12/2004)
Zoning	Commercial – Retail Mall
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Retail (3,110.90 sq m), Parking (2,355 sq m) Mezzanine Floor: (139.50 sq m)

Source: Client

- We have been provided with a building completion certificate dated 11/10/1427, which confirms that the building has been constructed in line with use described in the building permit.

Market Comparables

Table 5: Retail Comparables

Comps.	Location	Type	Floor Area (sq. m)	Rent pa (per sq. m)	Comments/Comparison
C1	Al Rabwa	Transaction	2,200	1,091	• The subject property is located in a more desirable location than the comparable, therefore we applied a discount. In terms of accessibility, a discount was applied since the subject property is located in a less accessible area. A further discount was applied to account for the difference in sizes.
C2	Al Zahra	Transaction	4,447	1,100	• The subject property is in a favourable area compared to the comparable, therefore a premium was applied. No adjustments were applied on accessibility. We have factored in the differences in sizes; therefore a discount was applied.

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Comps.	Location	Type	Floor Area (sq. m)	Rent pa (per sq. m)	Comments/Comparison
C3	Al Faisaliah	Transaction	2,500	960	• The subject property is located in a desirable area compared to the comparable, therefore we applied a premium. Additionally, we have applied a discount to the subject property since it is smaller. We have also applied a discount since it is in a less accessible area.
C4	Al Rawdah	Transaction	3,086	935	• The subject property is located in a more desirable location; therefore we have applied a premium for the location. No adjustments were applied on accessibility. Additionally, we have applied a discount to account for the difference in sizes.
C5	Al Rawdah	Transaction	2,555	822	• The subject property is considered superior to the comparable in terms of location and as such, we have applied a premium. No adjustments were applied on accessibility. We have also applied a discount to account for the differences in size.

Source: Knight Frank Research

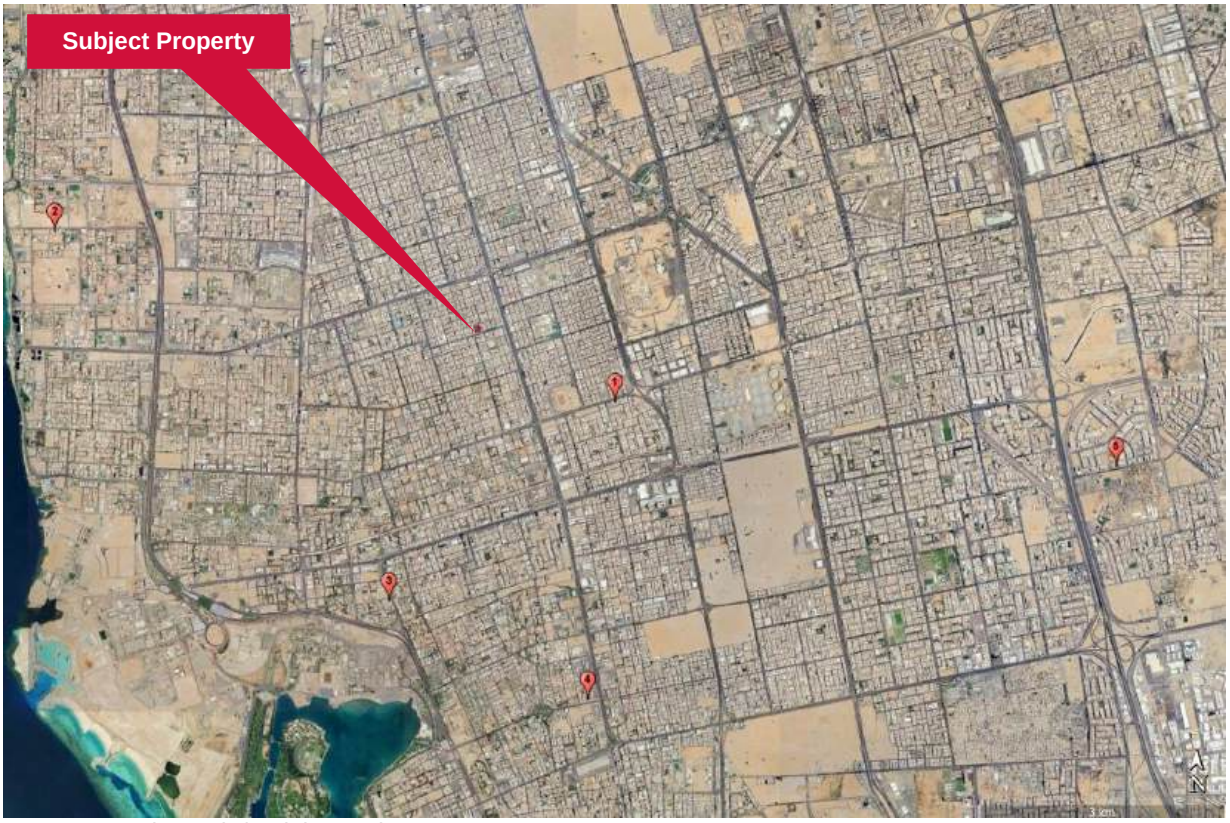
Market Rent rationale

- In arriving at our opinion of Market Rent we have assumed that the units within the Property would typically let for a term certain of 5 years on effective full repairing and insuring terms. We would anticipate an average letting void of 6 months upon lease expiry. Please note that this void period has not been factored into the valuation as we reverted to land value upon expiry of the lease.
- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 950 per sq m as on the gross leasable area.

Land Rationale

- Given that we are of the opinion that the land value supersedes the value of the income producing asset we have analysed the land market in close proximity to the subject property.
- Please see the comparable map below showing land comparables:

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Source: Google Earth / Knight Frank

Table 6: Land Comparables

Comps.	Location	Type	Land Area (sq. m)	Rate (SAR/sq. m)	Comments/Comparison
C1	Al Faisaliyah	Transaction	3,200	8,000	• The subject property is located in a more desirable location, therefore a premium was applied. In terms of accessibility, the comparable has better access attributes therefore a discount was applied. A further discount was applied to account for the differences in size.
C2	Al Shatea	Transaction	2,009	7,466	• The comparable is located in a less sought-after location, therefore we have applied a premium to the subject property for location. No adjustments were applied on accessibility. Given that the comparable is smaller than the subject, we have applied a discount to account for the differences in size.
C3	Al Andalus	Transaction	5,496	4,003	• The comparable is located in a less sought-after location, therefore we have applied a premium to the subject property for location. We have also

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Comps.	Location	Type	Land Area (sq. m)	Rate (SAR/sq. m)	Comments/Comparison
					applied an accessibility discount to the subject property. A further discount was applied to account for the differences in size.
C4	Al Hamra	Transaction	2,142	7,283	• The subject property is located in a more desirable area; therefore, a premium was applied. No adjustments were applied on accessibility. Given that the comparable is smaller than the subject, we have applied a discount to account for the differences in size.
C5	Al Waha	Transaction	1,193	5,201	• The subject property is located in a more desirable area; therefore, a premium was applied. No adjustments were applied on accessibility. Given that the comparable is smaller than the subject, we have applied a discount to account for the differences in size.

Source: Knight Frank Research

- In deriving our opinion of value for the underlying land plot, we have taken into account the aforementioned comparables. We have applied discounts to the comparables to incorporate the impact of negotiation between sellers and potential buyers. Additionally, we have made other essential adjustments to account for quantum differences between the comparables and the Property. Based on this analysis, the value of the underlying land is estimated at SAR 5,780 per sq m, resulting in a total land value of SAR 57,389,620 as of the date of valuation.

Valuation Assumptions & Rationale

Table 7: Valuation Assumptions

Item	Assumption
Discount Rate	• 8.75%
ERV at 100% Occupancy	• SAR 3,090,000 pa
Growth Rate pa	• 2.50%
Land value as of Valuation Date	• SAR 57,389,620
Land Value upon expiry of master lease (growth applied)	• SAR 64,002,522
Fair Value	• SAR 53,120,000

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow. However, to account for the fact that the underlying land value supersedes the value of the income producing asset we have factored in a reversion to land value upon expiry of the lease in May 2029, net present valuing both the contracted value of the rent and the land value upon expiry of the lease.

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 53,120,000

(Fifty Three Million, One Hundred and Twenty Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Panda, Al Rawdah, Jeddah

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل الاولى بجدة

الرقم : ٧٢٠٢٠٦٠٣٠٥٥٨
التاريخ : ١٨ / ٤ / ١٤٤١ هـ

صك رهن وتملك عقار

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

فإن قطعة الارض رقم ٢٣ / ٢٤ الواقع في حي الروضة / ٣ بمدينة جدة . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٢م بطول: (٩٤) يبدا من الغرب للشرق بطول أربعة و تسعون متر ثم ينكسر بشطفه للجنوب الشرقي بطول ٤,٢٤م

جنوباً: شارع عرض ٢٥م بطول: (٩٠) يبدا من الشرق للغرب بطول تسعون متر ثم ينكسر بشطفه للشمال الغربي بطول ٧,٠٧م

شرقاً: شارع عرض ١٢م بطول: (٩١,٧٢) يبدا من الشمال للجنوب بطول واحد و تسعون متر و اثنين و سبعون سنتمتر ثم ينكسر بشطفه للجنوب الغربي بطول ٧,٠٧م

غرباً: شارع عرض ١٢م بطول: (٩١,٥٦) يبدا من الجنوب للشمال بطول واحد و تسعون متر و ستة و خمسون سنتمتر ثم ينكسر بشطفه للشمال الشرقي بطول ٤,٢٥م

ومساحتها : (٩,٩٢٩,٧٩) تسعةالاف و تسعمائة و تسعة و عشرون متر مربعاً و تسعة و سبعون سنتمتراً مربعاً فقط

المملوكة لـ/ شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ بالصك الصادر من هذه الإدارة برقم ٢٢٠٢٠٥٠٢٥٤٨٩ في ١٣ / ٣/ ١٤٣٧ هـ .قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركةالراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ وتنتهي في ٢٩ / ٥/ ١٤٤٣ هـ ضمانا لوفائه بـ/ ٣٩٠٨٥٥٠٠ ريال على ان يتم سداد المديونية دفعة واحدة بنهاية مدة المديونية بتاريخ ٢٣ /٩ / ٢٠٢٥ م بمبلغ ٣٩٠٨٥٥٠٠ ريال وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ماله في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٨ / ٤/ ١٤٤١ هـ

وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل
عقاب بن عايض بن سفير العتيبي

وزارة العدل
كتابة العدل الاولى بمحافظة جدة

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

صفحة ١ من ٢

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)

نموذج رقم (١٢-٠٠٣-١)

مطابع الحكومة - ٢٨٣٠٢٢

Panda, Al Rawdah, Jeddah

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 May-2030	Forecast Total
Rental Revenue							
Headline Rent	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Passing Rent	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Total Rental Revenue	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Total Tenant Revenue	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Potential Gross Revenue	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Effective Gross Revenue	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Net Operating Income	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Cash Flow Before Debt Service	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519
Cash Flow Available for Distribution	3,133,893	3,133,893	3,133,893	3,133,893	1,566,947	0	14,102,519

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Property Valuation.

Panda, Madain Al-Fahad, Jeddah

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 38,380,000
Inspection Date:	20 November 2024	*Terminal Yield:*	7.50%
Use Type(s):	Retail	*Discount rate:*	10.0%
Tenure:	Assumed Freehold (2 plots; one is mortgaged, and one is fully owned.	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	11,873.92 sq m	**Market Rent pa:**	SAR 3,130,000
Gross Leasable Area (GLA):	3,838 sq m	*Market Rent per sq m:*	*SAR 815 per sq m*
Number of Tenants:	1	**Environmental:**	Assumed uncontaminated
Current Occupancy:	100%	**Condition:**	Good
Stabilized Occupancy:	100%		
Covenant of Tenant(s):	Strong	**Zoning:**	Commercial
Current Passing Rent:	SAR 3,278,813	**Annual OpEx SAR per sq m:**	SAR 10 (on void)

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• Benefits from good access on Madain Al Fahad Street. • The lease has 3.92 years remaining, with a 12.90% escalation achieved in September 2024, bringing the rent to levels expected to be in line with or slightly above the market.	• It is located far from the prime centre of Jeddah and must compete with another Panda store 2.7km to its northeast and 2.3 km to its east.

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Opportunities	Threats
• We are of the opinion that the Property is overrented and therefore there is the asset management opportunity to regear the current lease for a longer term certain to avoid reversion to market rent and a void period.	• Other retail developments in the area, including newer plazas, may attract tenants and customers away from the subject property. • Limited retail rental growth in Jeddah over the last 12 months. • Approximately 500,000 sq m of retail space to enter the Jeddah market by 2025 adding competitive pressure to the subject property.

Location / Situation





Source: Google Earth / Knight Frank

- As can be seen from the map above, the subject property is located on Madain Al Fahad Street within the Madain Al-Fahad District of Jeddah.
- Madain Al-Fahad is situated in the south part of Jeddah, Kingdom of Saudi Arabia. Madain Al-Fahad District used to be densely populated neighbourhood until it was razed as part of the Jeddah redevelopment plan and now appears to be a sparsely populated neighbourhood consisting mainly of residential apartments and vacant land. The surrounding area is mostly dominated by residential apartments, except for a gas station directly to the south of the Property and Okaz middle school 170 metres to its east.
- The subject property benefits from a 52 metres frontage on Madain Al Fahad Street on its western boundary.
- The subject property is bordered by Ashab Al Risalah street to the south, Muhammad Mandur street to the east.
- Jeddah Islamic Seaport is approximately 8 km away and King Abdulaziz University is some 4.5 km to the north of the subject property.

Description

- The premises refers to a one-floor retail establishment recognized as Panda Hypermarket - Madain Al Fahad, Jeddah. It was built using steel frame constructions, featuring painted concrete walls on the inside and automatic glass doors for the main entrance and exit. The back yard is surfaced in asphalt and there is loading dock door with a roller shutter.

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- The subject property covers a land area of 11,873.92 sq m, with a building permit specifying a built-up area of 3,838.6 sq m, which we have treated as the GLA. We have relied on this information provided by the Client.

External facilities

- Surface parking in front of the Property with approximately 180 car parking spaces with frontage onto Madain Al Fahad Street.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to Azizia Panda United Company under a Triple Net lease. This represents full occupancy of the Property.
- Below, we present the key lease information:

Table 2: Lease Overview

Panda, Madian Al-Fahd, Jeddah	
Lease Start Date	04/09/2014 (as provided in tenancy schedule)
Tenant	Azizia Panda United Company
Term	Fifteen (15) Gregorian years
Property Leased	Two plots of land with the building(s) that shown on the premises plan.
Rental Contract Details	The whole Property is let on a lease. The rental terms are as follows: • Years 1 – 5: SAR 2,529,370 (4th September 2014 – 3rd September 2019) • Years 6 - 10: 2,904,091 (4th September 2019 – 3rd September 2024) • Years 10 – 15: 3,278,813 (4th September – 3rd September 2029) The passing rent is understood to have been escalated by 12.90%, effective from September 2024.
Rent Payment Schedule	Quarterly in advance.
Lease Renewal Provision	Notice must be provided at least 6 months prior to expiry.
Type of Lease	Triple Net

Source: Client

- As of the date of valuation date the gross current passing rents is SAR 3,278,813. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 3.92 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Title Deed Details		
Title Deed No.	220211031329	320224003715
Plot No(s).	N/A	N/A

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Title Deed Details		
Owner	Privileged Warehouse company 2	Privileged Warehouse company 2
Tenure	Freehold Mortgaged to Al Rajhi Bank	Freehold
Title Deed Date	Hijri and Gregorian Date: 1441/04/18 (15/12/2019)	Hijri and Gregorian Date: 1437/03/24 (04/01/2016)
Land Size (sq m)	2,873,92	9,000

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Building Permit Details	
Permit Number	1426 000226
Permit Date	11/02/1426 (22/03/2005)
Zoning	Commercial – Retail Mall
Civil Defence Permit	Not stated
Building Specifications	Ground Floor Retail: 3,838 sq m Parking: 5,165 sq m

Source: Client

- We have been provided with a building completion certificate dated 1427/9/22, which confirms that the building has been constructed in line with use described in the building permit.

Comparable Considerations

Table 5: Retail Comparables

Comps.	Location	Type	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
C1	Al Jamiah	Transaction	3,076	850	• The subject property is located in a more accessible area; therefore a premium was applied. No adjustments were applied on location. Additionally, we have applied a discount to the subject property since it is smaller.
C2	Al Sulaimaniyah	Transaction	1,000	1,000	• The subject property is in a favourable area compared to the comparable, therefore a premium was applied. a further premium was applied on accessibility. We have applied a discount to the subject property since it is smaller.
C3	AlMadain AlFahad	Asking	800	875	• The subject property is in a favourable area compared to the comparable, therefore a premium was applied. a further premium was applied on

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Comps.	Location	Type	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
					accessibility. We have applied a discount to the subject property since it is smaller. A discount was applied for negotiation between the buyer and the seller. Since it is an asking price, we have applied a discount to factor the negotiation between the buyer and the seller.
C4	Mishrifah	Asking	900	1,106	• The subject property is in a favourable area compared to the comparable, therefore a premium was applied. a further premium was applied on accessibility. We have applied a discount to the subject property since it is smaller. A discount was applied for negotiation between the buyer and the seller. Since it is an asking price, we have applied a discount to factor the negotiation between the buyer and the seller.
C5	Al Sherifah	Asking	423	946	• The subject property is in a favourable area compared to the comparable, therefore a premium was applied. a further premium was applied on accessibility. We have applied a discount to the subject property since it is smaller. A discount was applied for negotiation between the buyer and the seller. Since it is an asking price, we have applied a discount to factor the negotiation between the buyer and the seller.

Source: Knight Frank Research

Market Rent rationale

- In arriving at our opinion of Market Rent we have assumed that the units within the Property would typically let for a term certain of 5 years on effective full repairing and insuring terms. We would anticipate an average letting void of 3 months upon lease expiry.
- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 815 per sq m as on the gross leasable area.

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Valuation Assumptions & Rationale

Table 6: Valuation Assumptions

Item	Assumption
Capitalisation Rate	• 7.50%
Discount Rate	• 10.00%
ERV at 100% Occupancy	• SAR 3,130,000 per annum
Stabilised Occupancy	• 100%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow, over a holding period of 10 years, capitalising the year 11 NOI with our designated capitalisation rate.
- Upon expiry of the lease, we have assumed a 3 month void period in which the current tenant will vacate and be replaced by a new tenant at market rent. We have assumed the new tenant will take occupy the Property in its entirety on a 10 year lease term.
- We have factored in annual OpEx costs of SAR 10 per sq m on the GLA during this void period, however we have not factored in any further costs as we assume the tenant will take this space on a triple net lease as per the current tenant.
- We used a discount rate of 10.00% which we feel best represents investor sentiment and the risk profile of the subject property.
- We are of the opinion that the Fair Value would be based off a capitalisation rate of 7.50%.

Costs

- We have not factored any costs into our valuation for the duration on the initial lease as the Property is let on a Triple Net agreement and therefore any costs regarding the Property are borne by the tenant as stipulated in the lease.
- Upon the expiry of the lease and for the Property's void period we have applied OpEx of SAR 10 per sq m on the GLA.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 38,380,000

(Thirty Eight Million, Three Hundred and Eighty Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Panda, Madain Al-Fahad, Jeddah

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 2 – Title Deed



صك رهن وتملك عقار

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

فإن الأرض وبناء رقم بدون الواقع في حي مدائن الفهد بمدينة جدة، وحدودها وأطوالها كالتالي:

شمالاً: أرض العين العزيزيه عليها أنقاض الشيخ أبراهيم العنقري — بطول: (٤٦) ستة و أربعون متر بدءاً من الشرق للغرب ثم ينحنى بشطفه ناحيه الشمال الغربي ٤,٢٤ م

جنوباً: شارع مختلف من الشرق ٢٠,٥٠ م ومن الغرب ٢٠,٤٠ م حسب الطبيعه ثم شرطه نقط — بطول: (٤٦)

شرقاً: أرض العين لسمو الأميره لطيفه بنت عبدالعزيز — بطول: (١٢٥) مائة و خمسة و عشرون متر

غرباً: شارع مدائن الفهد عرض ٥٢ م — بطول: (١١٣,٣) مائة و ثلاثة عشر متر و ثلاثون سنتمتر

ومساحتها: (٢,٨٧٣,٩٢) ألفان و ثمانمائة و ثلاثة و سبعون متر مربعاً و إثنين و تسعون سنتمتراً مربعاً فقط

المملوكة لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٨١١ في ٢٩ / ٨ / ١٤٣٥ هـ بالصك الصادر من هذه الإدارة برقم ٩٢٠٢٢٤٠٠٣٧١٣ في ٢٤ / ٣ / ١٤٣٧ هـ. لله تكر رهنها وما أقيم أو سيقام عليها من بناء لصالح شركة راجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ وتنتهي في ٢٩ / ٨ / ١٤٤٣ هـ ضمانا لوفاء بأ ٩٨٩٢٠١٣ تسعة مليون وثمان مائة واثنين وستين الف وثلاث عشر ريال على ان يتم سداد المديونية دفعة واحدة بنهاية مدة المديونية بتاريخ ٢٣ / ٩ / ٢٠٢٥ م ٩٨٦٢٠١٣ ريال وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد الحصول مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٨ / ٤ / ١٤٤١ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

نائب العدل

علي بن ضيف الله بن نائب الزهراني



صك

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

فإن قطعة الأرض رقم بدون الواقع في حي مدائن الفهد بمدينة جدة:

وحدودها وأطوالها كالتالي:

شمالاً: جار إبراهيم العنقري — بطول: (١٠٠) مائة متر

جنوباً: شارع عرض ١٢ م يفصلها عن أرض العين — بطول: (٥) خمسة متر

شرقاً: شارع عرض ١٢ م يفصلها عن أرض مخططة لمحمد عمران — بطول: (١١٥) مائة و خمسة عشر متر

غرباً: شارع عرض ١٥ م يفصلها عن الأرض الأميرية — بطول: (١٢٥) مائة و خمسة و عشرون متر

ومساحتها: (٩٠٠٠) تسعةآلاف متر مربعاً فقط

والمستند في اقراعها على الصك الصادر من هذه الإدارة برقم ٣٧٠٢١٠٠٠٨١٠٧ في ٩ / ١١ / ١٤٣٠ هـ

قد انتقلت ملكيتها لـ: شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٨١١ في ٢٩ / ٨ / ١٤٣٥ هـ بثمن وقدره ٣١٤٦٥٥٨٢ واحد و ثلاثون مليونا و أربعمائة و خمسة و ستون ألفا و خمسمائة و إثنين و ثمانون ريال

وعليه جرى التصديق تحريراً في ٢٤ / ٣ / ١٤٣٧ هـ لاعتماده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل

علي بن مهدي بن محسن [illegible]

Panda, Madain Al-Fahad, Jeddah

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 3 – Cashflow Extract

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Nov-2025	Year 2 Nov-2026	Year 3 Nov-2027	Year 4 Nov-2028	Year 5 Nov-2029	Year 6 Nov-2030	Year 7 Nov-2031	Year 8 Nov-2032	Year 9 Nov-2033	Year 10 Nov-2034	Year 11 Nov-2035	Total
Rental Revenue												
Headline Rent	3,278,813	3,278,813	3,278,813	3,278,813	3,293,827	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	37,643,145
Void Loss	0	0	0	0	-834,717	0	0	0	0	0	0	-834,717
Passing Rent	3,278,813	3,278,813	3,278,813	3,278,813	2,459,110	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,808,427
Total Rental Revenue	3,278,813	3,278,813	3,278,813	3,278,813	2,459,110	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,808,427
Total Tenant Revenue	3,278,813	3,278,813	3,278,813	3,278,813	2,459,110	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,808,427
Potential Gross Revenue	3,278,813	3,278,813	3,278,813	3,278,813	2,459,110	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,808,427
Effective Gross Revenue	3,278,813	3,278,813	3,278,813	3,278,813	2,459,110	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,808,427
Revenue Costs												
OpEx	0	0	0	0	10,591	0	0	0	0	0	0	10,591
Total Revenue Costs	0	0	0	0	10,591	0	0	0	0	0	0	10,591
Net Operating Income	3,278,813	3,278,813	3,278,813	3,278,813	2,448,519	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,797,836
Cash Flow Before Debt Service	3,278,813	3,278,813	3,278,813	3,278,813	2,448,519	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,797,836
Cash Flow Available for Distribution	3,278,813	3,278,813	3,278,813	3,278,813	2,448,519	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	3,539,011	36,797,836

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Property Valuation.

Al Andalus Center, Ruwais, Jeddah

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 143,815,000
Inspection Date:	20 November 2024	*Terminal Yield:*	8.75%
Use Type(s):	Office and Retail	*Discount rate:*	11.25%
Tenure:	Freehold	*Inflation / Growth rate:*	2.5%
Land Area (sq m):	9,565 sq m	**Market Rent pa:**	SAR 17,903,796
Gross Leasable Area (GLA):	19,737 sq m	*Market Rent per sq m:*	*SAR 907 per sq m*
Number of Tenants:	37	**Environmental**	Assumed uncontaminated
Current Occupancy:	49%	**Condition**	Good
Stabilized Occupancy	90%		
Covenant of Tenant(s)	Mixed	**Zoning**	Commercial
Current Passing Rent:	SAR 7,528,093	**Annual OpEx SAR per sq m:**	SAR 100

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The subject property has a strong location on Al Andalus Branch Road approximately 2.2km from Jeddah's CBD. • The property is multi-let on short term leases and therefore this provides a good hedge against inflation with leases renewing at market rates.	• The building's architecture and interior design may appear dated, potentially affecting its overall appeal and competitiveness in the market. • The Property has a WAULT of 1.18 years, which lessens its appeals to investors looking for secure fixed long-term income. • The occupancy rate is relatively low at 49%.

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Opportunities	Threats
• The increasing demand for office space presents opportunities for expansion and attracting new clients. • Government led initiatives are seeking to bolster commercial activity in Jeddah such as the transformation of Jeddah Projects Management Office into Jeddah Development Authority. • Limited office supply will reach the market by 2025 in Jeddah. • Asset management opportunities to increase occupancy such as refurbishment and a marketing campaign.	• Other developments in the area, including newer office buildings, may attract tenants and customers away from the subject property. • The new office space due to appear in the market by 2025 will be Grade A space and therefore there will be more quality stock for tenants to choose from.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Al Andalus Centre, is situated in the Al Ruwais district within Jeddah, Kingdom of Saudi Arabia.
- It sits approximately 2.2km from Jeddah's CBD area and Medinah Road.
- Al Andalus Tower benefits from direct access on Al Andalus Branch Road and benefits from four separate road frontages.
- The surrounding area consists of both residential and commercial uses.
- Dr. Soliman Fakeeh Hospital located approximately 1 km north of the property, with the International Medical Center Hospital 730 metres to the east.
- There are hotels near the Property such as Mira Waterfront Hotel located 730 metres to the south and Narcissus Al Hamra Hotel located 1.2 km to the south.
- King Abdulaziz International Airport is situated around 19.8 km to the north.

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Description

- The construction quality of the subject property appears to be of good standard, resembling a typical grade B office building.
- The subject property is comprised of 9 floors, including a basement, ground floor (with mezzanine) plus a further 7 floors.
- The subject property covers a land area of 9,565 sq m, with a building permit specifying a built-up area of 33,426 sq m. The Client has provided us with a breakdown of the gross leasable area, which amounts to 19,743 sq m.

Tenancy Overview

- As of the valuation date, we understand that the subject property, which is a multi-tenanted building, is experiencing an occupancy rate of 49%.
- As of the date of valuation, the gross current passing rents is SAR 7,528,093 as per the tenancy schedule provided by the Client. This rent is inclusive of service charge.
- The Property has a weighted average unexpired lease term (WAULT) of 1.18 years.

Tenure, Planning and Zoning

- A summary of the Property's tenure details is provided below:

Table 2: Summary of Tenure

Title Deed Details	
Title Deed No.	320204046689
Plot No(s).	48, 49, 53, 54
Owner	Gulf Fund Company for Real Estate and Development
Tenure	Freehold
Title Deed Date	Hijri: 1442/02/10 (Gregorian: 28/09/2020)
Land Size (sq m)	9,565

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 3: Summary of Building Permit

Al Andalus Center, Ruwais, Jeddah	
Permit Number	1420-001358
Permit Date	19/06/1420 (09/29/1999)
Zoning	Commercial – Office Spaces & Retail
Civil Defence Permit	Not stated
Building Specifications	Basement: Parking (5,110 sq m)

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Al Andalus Center, Ruwais, Jeddah	
	Ground Floor: Retail and Parking (3,099 sq m) Mezzanine: Offices and other (4,367 sq m) First Floor: Office and other (4,527 sq m). Second & Third Floor (2,201 sq m). Restaurant: (314 sq m). Five Typical Office Floors: Office (11,006 sq m).

Source: Client

- We have not been provided with a building completion certificate and have therefore relied upon the building permit deed provided by the Client as being correct.

Market Comparables

Table 4: Market Retail Comparables

Address	Status	Floor Area (sq m)	Rent pa (per sq m)	Comments/Comparison
Al Ruwais District	Transaction	120	1,083	• The subject property and the comparable have the same attributes, albeit we consider the subject site to have better access and as such we have factored in a premium. A discount was applied to account for the difference in size.
Al Khaldiyah District	Transaction	530	1,150	• The comparable has a better location and as such a discount was taken into account. In terms of accessibility, no adjustments have been applied. A further discount was applied to account for the difference in size.
Al Rawdah District	Transaction	660	1,864	• The comparable has a better location and as such a discount was taken into account. In terms of accessibility, premium was applied as the subject property has better accessibility. A further discount was applied to account for the difference in size.

Source: Knight Frank Research

Table 5: Market Comparable Grade B Offices

Address	Size	Quoting SAR per sq m pa
Al Hamra District	160	791
Al Khaldiyah District	390	1,000
Al Khaldiyah District	290	1,000
Al Rawdah District	449	802

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Address	Size	Quoting SAR per sq m pa
Al Hamra District	240	700

Source: Knight Frank Research

- The table below shows recent lettings in the Property itself:

Table 6: Office Comparables from the Subject Property

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)
Subject Property	March 2024	106	759
Subject Property	January 2024	179	825
Subject Property	March 2024	105	700
Subject Property	June 2024	123	1,021
Subject Property	March 2024	179	700
Subject Property	April 2024	232	750

Source: Knight Frank Research

Table 7: Retail Comparables from the Subject Property

Address	Transaction (Date)	Floor Area (sq. m)	Rent SAR pa (per sq. m.)
Subject Property	July 2024	415	927
Subject Property	November 2024	106	665

Source: Knight Frank Research

Market Rent Rationale

- We are of the opinion that the best market evidence can be obtained from recent lettings in the Property itself and as such have used recent transactions on the subject property to form our view of Market Rent for the offices and the retail space.
- Since there are only two recent retail lettings in the property itself, we have had regards to comparables in the market and have put weight on both market comparable and subject site recent lettings.
- In arriving at our opinion of Market Rent across the Property we have assumed that the units within the Property would typically let at a blended rate of SAR 907 per sq m per annum, inclusive of service charge.
- This rate can be broken down as a blended rate of SAR 587 per sq m on the office space and SAR 1,073 per sq m per annum on the retail space.

Valuation Assumptions & Rationale

Table 8: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 8.75%
Discount Rate	• 11.25%
ERV at 100% Occupancy	• SAR 17,903,796 p.a.
Stabilised Occupancy	• 90%
Growth Rate	• 2.50%

Source: Knight Frank Research

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- Given that this is an income producing asset we have valued the property using a discounted cashflow, over a holding period of 10 years, capitalising the year 11 NOI with our designated capitalisation rate.
- We have factored in a stabilised occupancy of 90%.
- We have used a terminal capitalisation rate of 8.75%, which we feel reflects the income and market risk profile.
- We used a discount rate of 11.25% which we feel best represents investor sentiment for the Property.

Costs

- We have not been provided with any CapEx expenditure for the Property and have not assumed these costs in the cashflow, nor have we been provided with an OpEx schedule.
- We have assumed an OpEx cost of SAR 100 per sq m across the GLA Property (as provided by the Client) to account for ordinary maintenance and day to day operating of the building.
- We have factored in letting costs of 1.0% on lease renewals to account for an extra marketing initiative to boost occupancy.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the properties, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 143,815,000

(One Hundred and Forty Three Million, Eight Hundred and Fifteen Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs













Al Andalus Center, Ruwais, Jeddah

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Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ١٠/٢/١٤٤٢ هـ
رقم الصك: ٣٢٠٢٠٤٠٤٦٦٨٩

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الارض 48 و قطعة الارض 49 و قطعة الارض 53 و قطعة الارض 54 الواقع في حي الرويس بمدينة جدة .
وحدودها واطوالها كالتالي:
شمالاً: شارع عرض 34.60م بطول: (75) خمسة و سبعون متر
جنوباً: شارع عرض 12م بطول: (91) واحد و تسعون متر
شرقاً: شارع عرض 12م بطول: (5) خمسة متر يبدا من الشمال بشكل قوس ثم يتجه جنوبا بطول 93م ثم شطفه بطول 4.24م
غرباً: شارع عرض 80م بطول: (23) ثلاثة و عشرون متر يبدا الشمال بشكل قوس ثم يتجه جنوبا بطول 79م شطفه بطول 7م
ومساحتها :(9,565.85) تسعةالاف و خمسمائة و خمسة و ستون متر مربعاً و خمسة و ثمانون سنتمتراً مربعاً فقط
وذلك بموجب الصك الصادر من هذه الإدارة برقم 461 وجلد 3 / 1 في 17 / 2 / 1396 هـ
هي في ملك / شركة صندوق الخليج للتطوير والاستثمار العقاري بموجب سجل تجاري رقم 1010893165 في 22 / 11 / 1438 هـ وتنتهي في 22 / 11 / 1463 هـ .. وعليه جرى التصديق
تحريراً في 10 / 2 / 1442 هـ لاعتماده ،وصلى الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل , ويجب التحقق من بياناتها ومدتها عبر الخدمات الإلكترونية لوزارة العدل

مصلحة مطابع الحكومة -٢٤٢١٥٩

(هذا النموذج مخصص للاستخدام بالحاسب الآلي وطبع إلكترونيا)

نموذج رقم (١٢-٠٣-٠٠)

صفحة رقم 1 من 1

Al Andalus Center, Ruwais, Jeddah

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Appendix 4 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue												
Potential Base Rent	16,370,514	18,113,046	18,504,253	19,039,112	19,525,901	20,012,338	20,507,593	21,020,346	21,545,790	22,084,434	22,636,545	219,359,872
Absorption & Turnover Vacancy	-6,260,250	-2,427,926	-705	0	0	0	0	0	0	0	0	-8,688,882
Scheduled Base Rent	10,110,264	15,685,120	18,503,547	19,039,112	19,525,901	20,012,338	20,507,593	21,020,346	21,545,790	22,084,434	22,636,545	210,670,990
Total Rental Revenue	10,110,264	15,685,120	18,503,547	19,039,112	19,525,901	20,012,338	20,507,593	21,020,346	21,545,790	22,084,434	22,636,545	210,670,990
Total Tenant Revenue	10,110,264	15,685,120	18,503,547	19,039,112	19,525,901	20,012,338	20,507,593	21,020,346	21,545,790	22,084,434	22,636,545	210,670,990
Potential Gross Revenue	10,110,264	15,685,120	18,503,547	19,039,112	19,525,901	20,012,338	20,507,593	21,020,346	21,545,790	22,084,434	22,636,545	210,670,990
Vacancy & Credit Loss												
Vacancy Allowance	-51,935	-757,236	-2,770,459	-2,852,331	-2,924,310	-2,997,875	-3,071,827	-3,148,632	-3,227,338	-3,308,022	-3,390,723	-28,500,690
Total Vacancy & Credit Loss	-51,935	-757,236	-2,770,459	-2,852,331	-2,924,310	-2,997,875	-3,071,827	-3,148,632	-3,227,338	-3,308,022	-3,390,723	-28,500,690
Effective Gross Revenue	10,058,328	14,927,884	15,733,088	16,186,780	16,601,591	17,014,463	17,435,765	17,871,714	18,318,451	18,776,412	19,245,823	182,170,300
Operating Expenses												
Opex	987,150	2,023,658	2,074,249	2,126,105	2,179,258	2,233,739	2,289,583	2,346,822	2,405,493	2,465,630	2,527,271	23,658,958
Refurbishment Works	1,166,700	0	0	0	0	0	0	0	0	0	0	1,166,700
Total Operating Expenses	2,153,850	2,023,658	2,074,249	2,126,105	2,179,258	2,233,739	2,289,583	2,346,822	2,405,493	2,465,630	2,527,271	24,825,658
Net Operating Income	7,904,478	12,904,226	13,658,840	14,060,675	14,422,333	14,780,724	15,146,183	15,524,891	15,912,958	16,310,782	16,718,552	157,344,643
Leasing Costs												
Leasing Commissions	66,267	123,496	175,754	181,683	197,401	202,493	207,529	212,770	218,062	223,514	229,074	2,038,043
Total Leasing Costs	66,267	123,496	175,754	181,683	197,401	202,493	207,529	212,770	218,062	223,514	229,074	2,038,043
Total Leasing & Capital Costs	66,267	123,496	175,754	181,683	197,401	202,493	207,529	212,770	218,062	223,514	229,074	2,038,043
Cash Flow Before Debt Service	7,838,211	12,780,730	13,483,086	13,878,992	14,224,932	14,578,232	14,938,653	15,312,122	15,694,896	16,087,268	16,489,478	155,306,600
Cash Flow Available for Distribution	7,838,211	12,780,730	13,483,086	13,878,992	14,224,932	14,578,232	14,938,653	15,312,122	15,694,896	16,087,268	16,489,478	155,306,600

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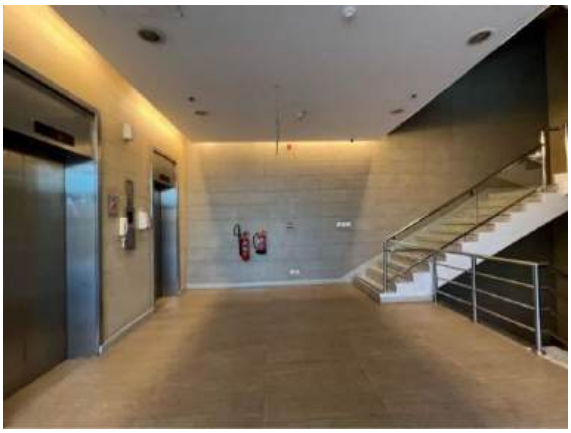
Property Valuation.

Blue Tower, Al Yarmouk District, Khobar

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 143,610,000
Inspection Date:	23 November 2024	*Terminal Yield:*	8.75%
Use Type(s):	Office and Retail	*Discount rate:*	11.25%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	5,464 sq m	**Market Rent pa:**	SAR 16,456,756
Gross Leasable Area (GLA):	20,484 sq m	*Market Rent per sq m:*	*SAR 803 per sq m*
Number of Tenants:	One (master lease)	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	90%		
Covenant of Tenant(s)	Mixed	**Zoning**	Commercial
Current Passing Rent:	SAR 12,331,513	**Annual OpEx SAR per sq:**	110 SAR (upon expiry of master lease)

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The master lease has been renewed on a triple net basis for a further five years from the 11th of March 2023, with an escalation in the third year. Therefore, the property benefits from a WAULT of 3.2 years. • The subject property has a prime location in central Khobar, sitting approximately 1.2 km from both Le Meridien and Intercontinental Hotel and the road on which the Property (King Faisal	• The building's architecture and interior design may appear dated and would be categorised as Grade B space. This would potentially affect its overall appeal and competitiveness in the market.

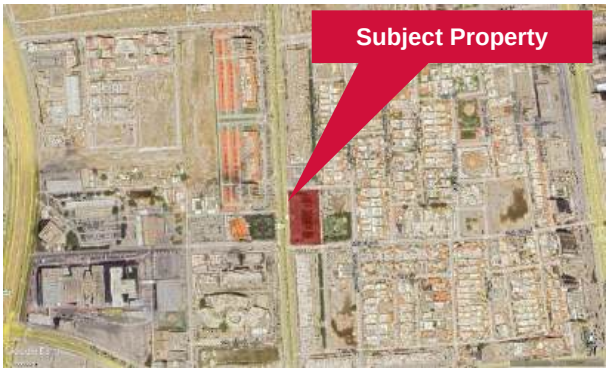
This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Road) sits benefits from an array of cafés and restaurants such as Lucca Steak House.	

Opportunities	Threats
• The building could benefit from a refurbishment bringing it in line with Grade A standard and thereby bolstering rents. • The increasing demand for office space presents opportunities for expansion and attracting new clients.	• Other developments in the area, including newer office buildings, may attract tenants and customers away from the subject property. • The Property is Grade B and with 200,000 sq m of Grade A office space set to be delivered in Eastern Province by 2025, there is the threat that tenant demand will seek more quality space.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Blue Tower, is situated in the Al Yarmouk district within Khobar, Kingdom of Saudi Arabia.
- Blue Tower benefits from direct access via King Faisal Road, a main road in Khobar boasting businesses, a range of cafés and restaurants such as Luccas Steak House. The property has four frontages, and the surrounding area consists of both residential and commercial uses.
- Half Moon Beach is located approximately 54 km south of the property, while King Fahad International Airport is situated around 57 km to the northwest. Le Meridian and Intercontinental Hotels both sit approximately 1.2 km south of the Property.

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Description

- The construction quality of the subject property appears to be of good standard, resembling a typical grade B office building.
- The subject property is comprised of 9 floors, 2 basements and Mezzanine Floor.
- The subject property covers a land area of 5,464 sq m, with a building permit specifying a built-up area of 33,592 sq m. The Client has provided us with a breakdown of the gross leasable area, which amounts to 20,484 sq m.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to Nofodh Real Estate Investment Co. under a triple net lease. This represents full occupancy of the Property.
- Below, we present the key lease information:

Table 2: Lease Overview

Blue Tower, Al Yarmouk District Khober	
Lease Start Date	11/03/2023
Tenant	Nofodh Real Estate Invesment Co.
Term	Five (5) Gregorian years
Property Leased	The property, named 'Blue Tower and accompanying land plots are situated in Al Yarmouk District. The land plots, numbered 40-41-42 of block 5/2, are associated with title deed number 430203012523, dated 14/04/1441 Hijri (12/12/2019). The total land area is 5,464 sqm according to the title deed.
Rental Contract Details	The whole Property is let on a master lease. The rental terms are as follows: • Years 1 – 2: SAR 12,331,513 p.a. (11th March 2023 – 10th March 2025) • Years 3 - 5: SAR 13,194,719 p.a. (11th March 2025 – 10th March 2028) After the first two years of the lease there is an escalation of 7%. The current passing is SAR 12,331,513 pa.
Rent Payment Schedule	Quarterly in advance.
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

- As of the date of valuation the gross current passing rent is SAR 12,331,513 pa. This is due to escalate by 7% in the third year. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 3.2 years.

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Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	430203012523
Plot No(s).	40-41-42 block 5/2
Owner	Privileged Warehouse company 2
Tenure	Freehold - Mortgaged to Al Rajhi Bank
Title Deed Date	Hijri and Gregorian Date: 1441/04/14 (12/12/2019)
Land Size (sq m)	5,464

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Building Permit Details	
Permit Number	428/10461
Permit Date	08/08/1432 (10/07/2011)
Zoning	Commercial – Office Spaces & Retail
Civil Defence Permit	Not stated
Building Specifications	Basement parking: 11,000 sq m Ground Floor: Retail, Services & Mezzanine: 4,111 sq m First & Second Floor: 2,937 sq m Floors 3-8: 14,812.7 sq m Floor 9: 400 sq m

Source: Client

- We have been provided with a building completion certificate dated 24/09/1433, which confirms that the building has been constructed in line with the use described in the building permit.

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Market Comparables

Table 5: Retail Comparables

Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
Yarmouk District	Asking	207	1,400	• The comparable is similar to the subject property, but it has a better location than the subject property, so we have made adjustments for location, and also, we have applied a discount to the subject property since it is larger. And also, we have applied a discount for negotiation.
Yarmouk District	Asking	192	1,349	• The comparable is similar to the subject property, but it has a better location than the subject property, so we have made adjustments for location, and also, we have applied a discount to the subject property since it is larger. And also, we have applied a discount for negotiation.
Bandriyah District	Transaction	100	1,500	• The comparable is located in close proximity to the subject property and so we have not made any adjustments for location, and access. We have applied a discount to the subject property since it is larger.
Bandriyah District	Transaction	321	1,402	• The subject property and the comparable share similar characteristics.
Bandriyah District	Transaction	163	1,522	• The comparable is located in close proximity to the subject property and so we have not made any adjustments for location, and access. We have applied a discount to the subject property since it is larger.

Source: Knight Frank Research

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- Regarding the office space in the Property, we have been provided with a tenancy schedule from December 2022 showing lettings within the last 6 months in the Property (exclusive of service charge):
- We have also had regard to wider market to form our opinion of market rent:

Table 6: Grade B Office Comparables from the Market

Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
South of Al Rakah District	Asking	225	667	• The comparable is similar to the subject property, but it has a worst location than the subject property, so we have made adjustments for location, and also, we have applied a discount access and negotiation. we have applied a premium to the subject property since it is smaller.
Al kurnaish District	Asking	200	750	• The comparable is similar to the subject property, but it has a better location than the subject property, so we have made adjustments for location, and also, we have applied a premium to the subject property since it is smaller. And also, we have applied a discount for negotiation.
Bandriyah District	Transaction	232	625	• The comparable is located in close proximity to the subject property and so we have not made any adjustments for location, and access. We have applied a premium to account for the differences in size.
Yarmouk District	Transaction	322	639	• The comparable is located in close proximity to the subject property and so we have not made any adjustments for location, and access. We have applied a premium to account for the differences in size.
Al Bustan District	Transaction	186	682	• The comparable is located in close proximity to the subject property and so we have not made any adjustments for location, and access. We have applied a premium to account for the differences in size.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.

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- In arriving at our opinion of Market Rent for the office units, we relied on the market comparables. We have applied a rate of 655 per sq m across most the offices space.
- In arriving at our opinion of Market Rent for the showroom's units, we relied on the market comparables. We have applied a rate of 1,315 per sq m across the showroom space.

Valuation Assumptions & Rationale

Table 7: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 8.75%
Discount Rate	• 11.25%
ERV at 100% Occupancy	• SAR 16,456,756 pa
Stabilised Occupancy	• 90%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow, over a holding period of 10 years, capitalising the year 11 NOI with our designated capitalisation rate.
- Upon expiry of the master lease, we have taken the view that 50% of the sublessors will vacate the property at the same time, given that no sublease is permitted to extend beyond the period of the master lease. We have assumed that the remaining 50% of tenants will renew their leases at market rent.
- We have then factored in an absorption period stabilising the occupancy at 90%.
- Upon master lease expiry we have accounted for OpEx at an annual rate of SAR 110 per sq m and a service charge of 10% of tenant revenue (similar to the payments made by the current sublessees).
- We used a discount rate of 11.25% which we feel best represents investor sentiment and the risk profile of the subject property.
- We are of the opinion that the Fair Value would be based off capitalisation rate(s) of 8.75%.

Costs

- Given that the current tenant has leased the Property on a Triple Net basis, we have not assumed any operating costs for the duration of the lease. However, upon lease expiry we have assumed an OpEx annual cost of SAR 110 per sq m across the GLA provided to us by the Client. We have assumed no CapEx cost upon lease expiry as the tenant is obliged to maintain the Property and return it in the condition presented to it.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 143,610,000

(One Hundred and Forty Three Million, Six Hundred and Ten Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs

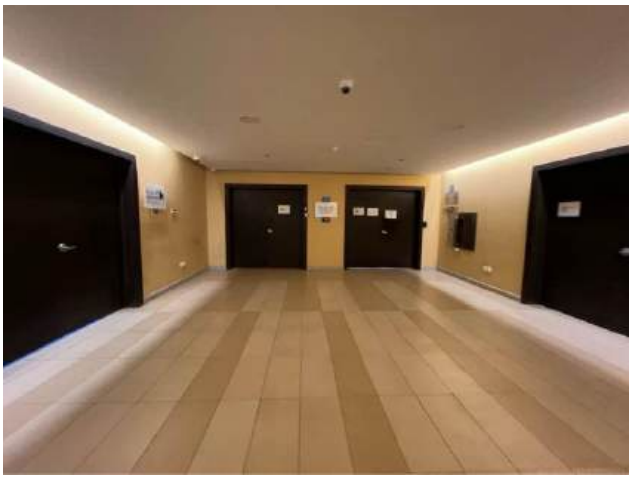












Blue Tower, Al Yarmouk District, Khobar

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Appendix 2 – Title Deed



بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل بالخبر

الرقم : ٤٣٠٢٠٣٠١٢٥٢٣
التاريخ : ١٤ / ٤ / ١٤٤١ هـ

صك رهن وتملك عقار

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

فإن قطعة الارض ٤٠ و قطعة الارض ٤١ و قطعة الارض ٤٢ من المخطط رقم ٥ / ٢ الواقع في حي اليرموك بمدينة الخبر . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢٠ متر — بطول: (٥٥) خمسة و خمسون متر

جنوباً: شارع عرض ٢٠ متر — بطول: (٥٥) خمسة و خمسون متر

شرقاً: نافذ عرض ٨ متر ومواقف — بطول: (١٠٠) مائة متر

غرباً: شارع الخبر الدمام البحرى عرض ٢٢ متر — بطول: (١٠٠) مائة متر

ومساحتها : (٥٤٦٤) خمسةالاف و أربعمائة و أربعة و ستون متر مربعاً فقط توجد شطفه الشمالى الغربى ٦ ٠ ٦ متر وتوجد شطفه بالركن الجنوبى الغربى ٦ ٠ ٦ متر

المملوكة لـ/ شركة المخازن المميزة الثانية بموجب سجل تجاري رقم ١٠١٠٤١٨٤١١ في ٢٦ / ٨/ ١٤٣٥ هـ بالصك الصادر من هذه الإدارة برقم ٤٣٠٢٠٥٠١٥٦٠١ في ٢٣ / ٦/ ١٤٣٩ هـ .قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركةالراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ وتنتهي في ٢٩ / ٥/ ١٤٤٣ هـ ضمانا لوفائه بـ/ ٢٢٣٨٦٧٦٨٤ ريال على ان يتم سداد المديونية دفعة واحدة بنهاية مدة المديونية بتاريخ ٢٣ / ٩ / ٢٠٢٥ م بمبلغ ٢٢٣٨٦٧٦٨٤ ريال وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ماله في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٤ / ٤/ ١٤٤١ هـ

وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل

وزارة العدل
كتابة العدل بمحافظة الخبر
كاتب العدل بالخبر

كاتب العدل
ماجد بن عادل بن احمد المريخي

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

Blue Tower, Al Yarmouk District, Khobar

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Appendix 3 – Cashflow Extract

For the Years Ending	Suite	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue													
Potential Base Rent		12,978,917	13,194,719	13,194,719	16,354,274	18,023,482	18,350,173	18,758,047	19,477,258	19,882,434	20,299,261	20,754,594	191,267,877
Absorption & Turnover Vacancy		0	0	0	-5,069,707	-3,353,465	-142,673	0	0	0	0	0	-8,565,845
Scheduled Base Rent		12,978,917	13,194,719	13,194,719	11,284,566	14,670,017	18,207,500	18,758,047	19,477,258	19,882,434	20,299,261	20,754,594	182,702,032
Total Rental Revenue		12,978,917	13,194,719	13,194,719	11,284,566	14,670,017	18,207,500	18,758,047	19,477,258	19,882,434	20,299,261	20,754,594	182,702,032
Total Tenant Revenue		12,978,917	13,194,719	13,194,719	11,284,566	14,670,017	18,207,500	18,758,047	19,477,258	19,882,434	20,299,261	20,754,594	182,702,032
Other Revenue													
Service Charge		0	0	0	1,055,364	2,028,918	2,529,839	2,613,068	2,678,394	2,745,354	2,813,988	2,884,338	19,349,262
Total Other Revenue		0	0	0	1,055,364	2,028,918	2,529,839	2,613,068	2,678,394	2,745,354	2,813,988	2,884,338	19,349,262
Potential Gross Revenue		12,978,917	13,194,719	13,194,719	12,339,930	16,698,935	20,737,339	21,371,115	22,155,652	22,627,788	23,113,249	23,638,932	202,051,294
Vacancy & Credit Loss													
Vacancy Allowance		0	0	0	0	-960,653	-4,032,066	-4,274,223	-4,428,591	-4,524,240	-4,621,255	-4,726,356	-27,567,384
Total Vacancy & Credit Loss		0	0	0	0	-960,653	-4,032,066	-4,274,223	-4,428,591	-4,524,240	-4,621,255	-4,726,356	-27,567,384
Effective Gross Revenue		12,978,917	13,194,719	13,194,719	12,339,930	15,738,282	16,705,273	17,096,892	17,727,061	18,103,548	18,491,994	18,912,576	174,483,910
Operating Expenses													
OpEx		0	0	0	1,589,199	2,261,050	2,317,577	2,375,516	2,434,904	2,495,776	2,558,171	2,622,125	18,654,318
Total Operating Expenses		0	0	0	1,589,199	2,261,050	2,317,577	2,375,516	2,434,904	2,495,776	2,558,171	2,622,125	18,654,318
Net Operating Income		12,978,917	13,194,719	13,194,719	10,750,731	13,477,232	14,387,697	14,721,376	15,292,157	15,607,771	15,933,823	16,290,451	155,829,592
Cash Flow Before Debt Service		12,978,917	13,194,719	13,194,719	10,750,731	13,477,232	14,387,697	14,721,376	15,292,157	15,607,771	15,933,823	16,290,451	155,829,592
Cash Flow Available for Distribution		12,978,917	13,194,719	13,194,719	10,750,731	13,477,232	14,387,697	14,721,376	15,292,157	15,607,771	15,933,823	16,290,451	155,829,592

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Property Valuation.

Louloua Warehouses, Al Masani District, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 159,505,000
Inspection Date:	24 November 2024	*Terminal Yield:*	8.25%
Use Type(s):	Warehouse	*Discount rate:*	10.75%
Tenure:	Assumed Freehold (3 freehold title deeds and 8 title deeds Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	94,908.60 sq m	**Market Rent pa:**	SAR 16,954,834
Gross Leasable Area (GLA):	79,010 sq m	*Market Rent per sq m:*	*SAR 215 per sq m*
Number of Tenants:	One (Master lease)	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	92.50%		
Covenant of Tenant(s)	Mixed	**Zoning**	Industrial
Current Passing Rent:	SAR 13,616,639	**Annual OpEx SAR per sq m:**	SAR 15

SWOT analysis

Table 1: SWOT Analysis

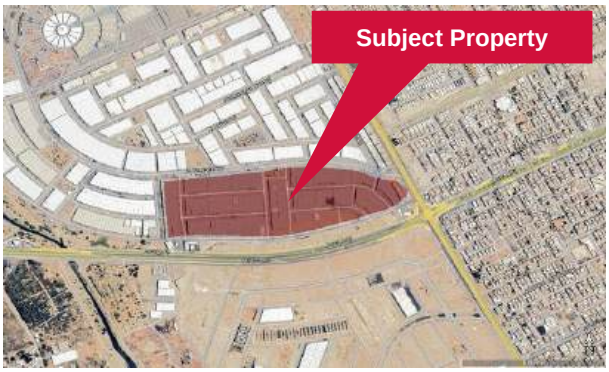
Strengths	Weaknesses
• The warehouse derives significant advantages from its proximity to industrial facilities and a well-developed infrastructure network in the surrounding area, which substantially enhances its operational efficiency and capabilities. • The warehouses are strategically situated, ensuring seamless access to transportation networks and	• The warehouses may face challenges in meeting specialized storage needs or unique customer demands, potentially limiting their flexibility and adaptability to diverse requirements. • As the warehouses age, they may require ongoing maintenance and periodic repairs to maintain optimal functionality and prevent deterioration.

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key distribution centres, which optimizes logistics and supply chain efficiency. • The property boasts a relatively robust WAULT (Weighted Average Unexpired Lease Term) of 3.18 years, with an anticipated upward adjustment to align with current market rental rates.	• Given the substantial size of this asset, the pool of potential investors may be relatively limited, potentially constraining investment opportunities and market interest.
Opportunities	**Threats**
• The increasing demand for warehouse and storage facilities presents promising opportunities for expansion and the potential to attract a broader spectrum of clients. • Overall, the demand for industrial space is robust, with Riyadh experiencing a significant increase in lease rates—approximately 20% over the past 12 months as of the end of Q3 2023. This trend suggests potential for upward reversionary adjustments upon the expiry of the master lease.	• The presence of other warehouse providers in the area may present challenges in attracting and retaining clients, as increased competition could affect market share and customer loyalty.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Al Louloua Warehouses, is situated in Al Masani district within Riyadh, Kingdom of Saudi Arabia.
- Al Louloua Warehouses benefits from two main road frontages which are Arafat Road and Al Hair Road. The subject property surrounding area consists of industrial warehouses.
- The Riyadh Dry Port is located approximately 13.2 km northeast of the property, while King Khalid International Airport is situated around 53 km to the north.

Description

- The subject property comprises 119 warehouses with different sizes, 74 residential units featuring one-bedroom layouts, and 18 retail stores with frontage along Al Hair Road.
- The construction quality of the subject property is basic and may benefit from further improvements to meet the latest standards and regulations set for newly constructed warehouses.

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- The subject property covers a land area of 94,904.60 sq m, and the GLA of the Property amounts to 79,010 sq m as per information provided by the Client.

External facilities

- The warehouses provide ample parking facilities, with a total of 236 parking spaces and 119 loading bays available. This equates to one loading bay per warehouse, ensuring convenient access for loading and unloading operations.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Rawaj Real Estate Company) under a triple net lease. This represents full occupancy of the Property.
- Below, we present the key lease information:

Table 2: Lease Overview

Louloua Warehouses, Al Masani district, Riyadh	
Lease Start Date	06/03/2023
Tenant	Rawaj Real Estate Company
Term	Five (5) Gregorian years
Property Leased	The property, known as 'Al Louloua Warehouses,' is located in Al Masani. It comprises a logistics compound that includes a diverse range of warehouses with varying areas. Additionally, the property features residential units and retail stores.
Rental Contract Details	The whole Property is let on a master lease. The rental terms are as follows: • Years 1 – 5: SAR 13,616,639 p.a. We have noted that there is no escalation in the lease agreement.
Rent Payment Schedule	Quarterly.
Lease Renewal Provision	N/A
Type of Lease	Triple Net

Source: Client

- As of the date of valuation the gross current passing rent is SAR 13,616,639. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 3.18 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

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Table 3: Summary of Tenure Mortgaged (1/2)

Al Louloua Warehouses, Al Masani district, Riyadh						
Title Deed No.	317805000162	317803000174	317817000112	317815000171	417816000168	317821000166
Plot No(s).	3055, 3057, 3059	3117, 3119, 3121, 3123	2960, 2962	3085, 3086, 3087, 3088, 3089, 3090, 3091, 3092	3061	3120, 3122, 3124
Owner	Privileged Warehouse company 2					
Tenure	Freehold Mortgaged to Al Rajhi Bank					
Title Deed Date	1441/3/6	1441/2/23	1441/2/24	1441/2/24	1441/3/21	1441/3/21
Land Size (sq m)	3,267.5	6,773.42	1,962.02	9,932.02	1,038.35	5024.96

Source: Client

Table 4: Summary of Tenure Freehold (2/2)

Al Louloua Warehouses, Al Masani district, Riyadh			
Title Deed No.	810120045121	410115053582	210107049290
Plot No(s).	3093-3116	3065-3084	3034-3051
Owner	Privileged Warehouse company 2		
Title Deed Date	1439/6/18	1439/6/18	1439/6/18
Land Size (sq m)	29,993.66	20,266.68	16,650

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 5: Summary of Building Permit (1/2)

	Al Louloua Warehouses, Al Masani district, Riyadh				
Permit Number	1426/8846	1425/5364	1424/9595	1424/5793	1432/16357
Permit Date	1430/07/04	1425/07/15	1424/11/28	1424/07/11	1432/08/30
Zoning	Industrial	Industrial	Industrial	Industrial	Industrial
Civil Defence Permit	Not stated	Not provided	Not provided	Not provided	Not provided
Building Specifications	Ground Floor: Commercial (2,244 sq m), Offices	Ground Floor: (19,125 sq m)	Ground Floor: (14,040 sq m)/ Electrical Room (10 sq m)	Ground Floor: (627 sq m)	Ground Floor: (726 sq m)

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	Al Louloua Warehouses, Al Masani district, Riyadh				
	(1,049 sq m), First Floor: Offices (2,874 sq m)/ Electrical Room (20 sq m)				

Source: Client

Table 6: Summary of Building Permit (2/2)

Al Louloua Warehouses, Al Masani district, Riyadh				
Permit Number	1425/470	1425/474	1425/476	1426/2513
Permit Date	1425/01/15	1425/01/15	1425/01/15	1426/03/15
Zoning	Industrial	Industrial	Industrial	Industrial
Civil Defence Permit	Not stated	Not provided	Not provided	Not provided
Building Specifications	Ground Floor: (17,374 sq m)/ Electrical Room (10 sq m)	Ground Floor: (7,215 sq m)	Ground Floor: (20,872 sq m)/ Electrical Room (10 sq m)	Ground Floor: (5,588 sq m)

- We note that the Property contains residential units which have not been allowed for in the building permits. We have not had sight of a municipality license to confirm if the master lessee has obtained the relevant approvals for this usage, however we have assumed for the purpose of the valuation that the residential usage complies with regulations given its prolonged use as such.

Valuation Considerations

Table 7: Warehouse Comparables

Address	Status	Built-Up Area (BUA) sq m	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Azizyah District	Transaction	640	203	• The subject property has less desirable location compared to the comparable, therefore a discount was applied. • Our subject property has a more convenient access compared to the comparable, as such we applied a premium.
Al Azizyah District	Transaction	750	240	• Our subject property has a more convenient access compared to the comparable, as such we applied a premium. • The subject property has less desirable location compared to the comparable, as such a discount has been applied.
Al Azizyah District	Transaction	640	219	• The subject property is situated in a less favourable location compared to the

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Address	Status	Built-Up Area (BUA) sq m	Rent SAR pa (per sq. m.)	Comments/Comparison
				comparable properties, prompting the application of a discount.
Al Azizyah District	Asking	1,500	230	• The subject property is located in a less desirable area relative to comparable, leading to a discount.
Al Azizyah District	Asking	1,260	260	• The subject property is situated in a less desirable location compared to comparable, hence a discount has been applied.

Source: Knight Frank Research

Table 8: Residential Units Comparables

Address	Status	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Al Mansourah District	Asking	150	280	• The subject property is located in a less desirable area; therefore a discount was applied. • The subject property has a better access than the comparable, hence a premium was applied.
Al Mansourah District	Asking	150	333	• The subject property is located in an inferior location, so a discount was applied.
Al Manfuhah District	Transaction	16	375	• The subject property is located in a less desirable area than the comparable, hence a discount was applied.
Al Manfuhah District	Transaction	25	360	• The comparable is located in a superior location than the subject property, therefore a discount was applied.
Al Yamamah District	Transaction	12	500	• The subject property is located in an inferior location, so a discount was applied.

Source: Knight Frank Research

Table 9: Retail Comparable

Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
Ad Dar Al Baida District	Transaction	41	439	• Our subject property has a less desirable location than the comparable, therefore a discount was applied. • The comparable has a better access than the Subject property, hence a discount was applied.

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Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments/Comparison
Ad Dar Al Baida District	Transaction	38	395	• The comparable is located in a superior location than the subject property, therefore a discount was applied. • The comparable benefits from superior accessibility compared to the subject property, justifying the application of a discount.
Ad Dar Al Baida District	Transaction	48	333	• The comparable has a better location and access, and as such discount was taken into account. • The subject property has a better access than the comparable, hence a premium was applied.
Al Dar Al Baida District	Transaction	34	735	• The comparable benefits from a superior location and better access, necessitating the application of a discount to the subject property.
Al Dar Al Baida District	Transaction	48	438	• The comparable benefits from a superior location and better access, necessitating a discount for the subject property to account for these adjustments.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- In forming our opinion of market rent we have relied mainly upon market comparable.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We have determined a base rental rate for all the warehouses and made adjustments based on their sizes to calculate a rate per sq m for each warehouse.
- We have taken into consideration a company discount for the residential units and applied it through our adjustments.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 215 per sq m on the GLA.

Valuation Assumptions & Rationale

Table 10: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 8.25%
Discount Rate	• 10.75%
ERV at 100% Occupancy	• SAR 16,954,834 p.a.
Stabilised Occupancy	• 92.50%
Growth Rate	• 2.50%

Source: Knight Frank

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- As this is an incoming producing asset, we have modelled this Property on a discounted cashflow basis over a holding period of 10 years, capitalising our year 11 NOI with our designated capitalisation rate.
- Upon expiry of the master lease, we have assumed that 50% of the subtenants will vacate and 50% will renew at market rent. We have then factored in an absorption period culminating in a stabilised occupancy of 92.50%.

Costs

- We have not been provided with any costs by the Client as the tenant is on a Triple Net Lease, we have not factored any costs into our valuation for the duration of the master lease. Upon lease expiry we have a assumed an OpEx cost of approximately SAR 15 per sq m pa upon the GLA.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 159,505,000

(One Hundred and Fifty Nine Million, Five Hundred and Five Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Louloua Warehouses, Al Masani District, Riyadh

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Appendix 2 – Title Deed











Louloua Warehouses, Al Masani District, Riyadh

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue												
Headline Rent	13,616,639	13,616,639	13,616,639	17,001,198	18,658,389	19,087,344	19,526,086	20,012,578	20,512,885	21,025,707	21,551,350	198,225,455
Void Loss	0	0	0	-5,789,732	-5,343,093	-2,275,464	-66,680	0	0	0	0	-13,474,970
Passing Rent	13,616,639	13,616,639	13,616,639	11,211,466	13,315,296	16,811,880	19,459,406	20,012,578	20,512,885	21,025,707	21,551,350	184,750,485
Total Rental Revenue	13,616,639	13,616,639	13,616,639	11,211,466	13,315,296	16,811,880	19,459,406	20,012,578	20,512,885	21,025,707	21,551,350	184,750,485
Total Tenant Revenue	13,616,639	13,616,639	13,616,639	11,211,466	13,315,296	16,811,880	19,459,406	20,012,578	20,512,885	21,025,707	21,551,350	184,750,485
Potential Gross Revenue	13,616,639	13,616,639	13,616,639	11,211,466	13,315,296	16,811,880	19,459,406	20,012,578	20,512,885	21,025,707	21,551,350	184,750,485
Vacancy & Credit Loss												
Vacancy Allowance	0	0	0	0	0	-244,848	-1,885,606	-2,000,927	-2,050,949	-2,102,223	-2,154,779	-10,439,331
Total Vacancy & Credit Loss	0	0	0	0	0	-244,848	-1,885,606	-2,000,927	-2,050,949	-2,102,223	-2,154,779	-10,439,331
Effective Gross Revenue	13,616,639	13,616,639	13,616,639	11,211,466	13,315,296	16,567,033	17,573,800	18,011,651	18,461,936	18,923,484	19,396,571	174,311,154
Revenue Costs												
Total OpEx	0	0	0	946,444	1,317,077	1,350,004	1,383,754	1,418,348	1,453,807	1,490,152	1,527,406	10,886,993
Total Revenue Costs	0	0	0	946,444	1,317,077	1,350,004	1,383,754	1,418,348	1,453,807	1,490,152	1,527,406	10,886,993
Net Operating Income	13,616,639	13,616,639	13,616,639	10,265,021	11,998,218	15,217,028	16,190,046	16,593,303	17,008,129	17,433,332	17,869,166	163,424,161
Letting Costs												
Letting & Legal Fees	0	0	0	467,373	606,016	751,299	800,823	820,844	841,365	862,399	883,959	6,034,078
Total Letting Costs	0	0	0	467,373	606,016	751,299	800,823	820,844	841,365	862,399	883,959	6,034,078
Total Leasing & Capital Costs	0	0	0	467,373	606,016	751,299	800,823	820,844	841,365	862,399	883,959	6,034,078
Cash Flow Before Debt Service	13,616,639	13,616,639	13,616,639	9,797,648	11,392,202	14,465,729	15,389,223	15,772,459	16,166,764	16,570,933	16,985,207	157,390,083
Cash Flow Available for Distribution	13,616,639	13,616,639	13,616,639	9,797,648	11,392,202	14,465,729	15,389,223	15,772,459	16,166,764	16,570,933	16,985,207	157,390,083

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Property Valuation.

Lulu Central Warehouse, Misfaah District, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 61,070,000
Inspection Date:	20 November 2024	*Terminal Yield:*	7.50%
Use Type(s):	Warehouse	*Discount rate:*	10.00%
Tenure:	Assumed Freehold (Mortgaged to Al Rajhi Bank)	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	23,716.29 sq m	**Market Rent pa:**	SAR 5,220,000
Gross Leasable Area (GLA):	16,500 sq m	*Market Rent per sq m:*	*SAR 220 per sq m*
Number of Tenants:	One (master lease)	**Environmental:**	Assumed uncontaminated
Current Occupancy:	100%	**Condition:**	Good
Stabilized Occupancy:	100%		
Covenant of Tenant(s):	Strong	**Zoning:**	Industrial
Current Passing Rent:	SAR 4,250,400	**Annual OpEx SAR per sq m:**	SAR 10 (on void only)

SWOT analysis

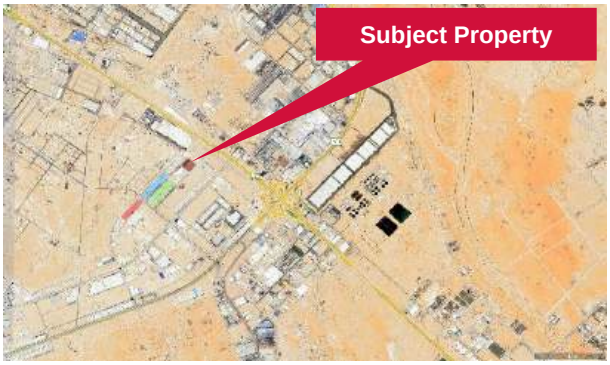
Table 1: SWOT Analysis

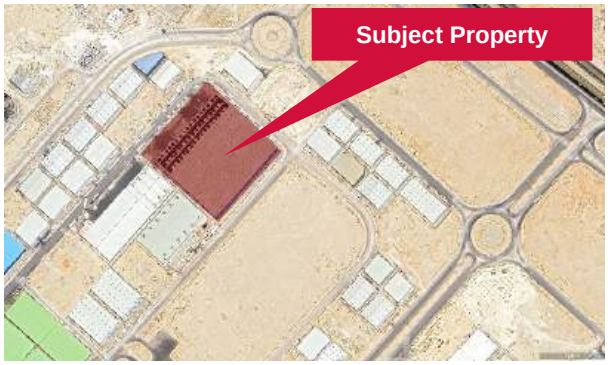
Strengths	Weaknesses
• The surrounding area's extensive industrial facilities and infrastructure significantly bolster the operational capabilities of the warehouse. • situated within Industrial Gate City, a premier industrial park, this property is optimally positioned to leverage its advantageous location. • It uniquely combines dry warehouse space, cold storage, and office areas, featuring 22 loading	• Industrial areas often lack easy access to amenities like retail stores or restaurants, which can affect the convenience and overall satisfaction of employees and visitors. • Additionally, the property's specific configuration, tailored for food distribution with specialized

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doors. This blend makes it an ideal solution for food distributors seeking a versatile and well-equipped facility for their diverse logistical needs.	facilities, narrows its appeal, resulting in a niche tenant base.
Opportunities	**Threats**
• The growing demand for warehouse and storage facilities creates significant opportunities for expansion and the attraction of new clients. • In Riyadh, the high demand for industrial space indicates potential for rental reversion to higher market rates upon lease expiry, enhancing revenue prospects.	• The presence of other warehouses and industrial facilities in the area may lead to intense competition for clients and market share, making it challenging to maintain a competitive edge. • Additionally, the property is single let, which means that its income security is entirely dependent on one tenant, posing a potential risk if the tenant vacates or defaults.

Location





Source: Google Earth / Knight Frank

- The subject property, known as Lulu Central Warehouse, is situated in the Industrial Gate City industrial park within Riyadh, Kingdom of Saudi Arabia.
- Lulu Central Warehouse benefits from close proximity to Al Kharj Road. The property has three frontages, and the surrounding area consists of warehouses.
- It sits in a largely industrial area within Riyadh, with Kaden Logistics Park approximately 2km to its east.
- The Riyadh Dry Port is located approximately 29.4 km north of the property, while King Khalid International Airport is situated around 65 km to the north.

Description

- The construction of the subject property demonstrates a high standard of quality, compared to other warehouses.
- The warehouse is mainly a mix of dry storage areas, cold storage areas and office areas. It includes five freezers, five chillers, and a food preparation area.
- The subject property covers a land area of 23,716.29 sq m, and the BUA of the building amounts to amounts to 16,500 sq m as per information provided by the Client.

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External facilities

- Parking and Loading Facilities: The warehouse provides ample parking with a total of 20 parking spaces and 22 loading bays.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Lulu Saudi Hypermarkets LLC) under a triple net lease. This represents full occupancy of the Property.
- Below, we present the key lease information:

Table 2: Lease Overview

Lulu Central Warehouse, Misfaah District, Riyadh	
Lease Start Date	16/12/2016 (rental payments started on 15/04/2017)
Tenant	Lulu Saudi Hypermarkets LLC (Guaranteed by EMKE Group LLC)
Term	Fifteen (15) Gregorian years with initial rent free period of 6 months, whereupon the rental payments start.
Property Leased	The subject property, known as 'Lulu Central Warehouse,' and the accompanying land plots, are situated in the Industrial Gate City, specifically in the Al Misfaah district. The subject property consists of six title deeds and one building permit. It encompasses various areas, including storage, a food preparation area, five chillers, and five freezers.
Rental Contract Details	The whole Property is let on a masterlease. The rental terms are as follows: • Years 1 – 5: SAR 3,795,000 p.a. (15th April 2017 – 14th April 2022) • Years 5 – 10: SAR 4,250,400 p.a. (15th April 2022 – 14th April 2027) • Years 10 – 15: SAR 4,760,415 p.a. (15th April 2027 – 14th April 2032) Every five years the lease escalates by circa. 12%. The current passing is: SAR 4,250,400 pa.
Rent Payment Schedule	Semi-annually in advance.
Lease Renewal Provision	"If the tenant decides to exercise its option to renew this lease the tenant shall give not less than 12 months prior notice to the landlord and, in the event such option is exercised the lease term shall be extended by a further 5 years."
Type of Lease	Triple Net

Source: Client

- As of the date of valuation date the gross current passing rents is SAR 4,250,400. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 7.29 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

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Table 3: Summary of Tenure

Lulu Central Warehouse, Misfaah District, Riyadh						
Title Deed No.	317803000175	617803000176	317817000113	917820000530	317820000529	217822000183
Plot No(s).	687	689	691	690	688	686
Owner	Privileged Warehouse company 2					
Tenure	Freehold Mortgaged to Al Rajhi Bank					
Title Deed Date	Hijri and Gregorian Date: 1441/02/23 (22/10/2019)	Hijri and Gregorian Date: 1441/02/23 (22/10/2019)	Hijri and Gregorian Date: 1441/02/24 (24/10/2019)	Hijri and Gregorian Date: 1441/02/24 (24/10/2019)	Hijri and Gregorian Date: 1441/02/24 (24/10/2019)	Hijri and Gregorian Date: 1441/03/21 (20/10/2019)
Land Size (sq m)	3,876.685	3,999.86	3,999.86	3,995.5	3,995.35	3,849.035

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Lulu Central Warehouse, Misfaah District, Riyadh	
Permit Number	2/1/84
Permit Date	1437/01/08 (21/10/2015)
Zoning	Industrial
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Commercial (16,500 sq m)

Source: Client

- We have not been provided with a building completion certificate, although we have been provided the operating license dated 11/1/1438 from Saudi Industrial Property Authority (MODON).

Market Comparables

Table 5: Industrial Comparables

Address	Status	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Industrial Gate City	Transaction	8,000	275	• The subject property has superior location compared to the comparable, as such a premium was applied. • We consider the subject property to have better specifications, hence a premium was applied.

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Address	Status	Floor Area (sq. m)	Rent SAR pa (per sq. m.)	Comments/Comparison
Industrial Gate City	Transaction	3,962	252	• The subject property has a less desired access and location relative to the comparable, hence a discount has been applied. • Additionally, we regard the subject property as having higher specifications, which we consider as a premium.
Industrial Gate City	Transaction	28,857	220	• The subject property has a less desired access and location compared to the comparable, warranting the application of a discount. • Additionally, it has higher specifications than the comparable, as such premium was considered.
Industrial Gate City	Asking	2,400	250	• The subject property has a more desired access relative to the comparable, hence a premium has been applied. • Additionally, we regard the subject property as having higher specifications, which we consider as a premium.
Industrial Gate City	Asking	5,000	200	• Our subject property is located in a more desired area than the comparable, therefore a premium was applied. • The subject property has less desired access than the comparable, therefore a discount was applied.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- To account for the negotiation between the landlord and tenant, we have applied a discount to all of the asking comparables which are quoted as asking prices.
- We have assumed that upon expiry of the lease, the tenant vacates, and the property incurs a void period of 3 months, before re-letting on a 5 year term, we have then assumed that the property is let in its entirety as opposed to subdivided into smaller units. Our reasoning here is that the various components of the property complement each other, and the Property is likely to be occupied in its entirety by a food distributor.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 220 per sq m on the land area.

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Valuation Assumptions & Rationale

Table 6: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.50%
Discount Rate	• 10.00%
ERV at 100% Occupancy	• SAR 5,220,000
Stabilised Occupancy	• 100%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset we have valued this via the income method using a discounted cashflow over 10 year holding period, capitalising our year 11 NOI with the designated capitalisation rate.
- Whilst we have not been provided with the financials of the tenant, we have not been informed of any default to date as such assume it is of a strong covenant especially as the tenant is guaranteed by EMKE Group LLC.
- We have also taken into consideration the remaining lease term of 7.29 years with escalations due in 2027.
- We have adopted a discount rate of 10.00% which we feel represents the current risk appetite for investors, regarding such a property.
- We are of the opinion that the Fair Value would be based off a capitalisation rate of 7.50%.

Costs

- We have not been provided with any costs by the Client as the tenant is on a Triple Net Lease, we have not factored any costs into our valuation for the duration of the lease. Upon lease expiry we have a assumed an OpEx costs of SAR 10 per sq m pa upon the GLA during the void period (lasting 3 months). Once the Property is re-let, we have assumed it will be on another Triple Net Lease, with no further costs incurred by the landlord.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 61,070,000

(Sixty One Million, Seventy Thousand Saudi Arabian Riyals)

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 1 – Photographs













Lulu Central Warehouse, Misfaah District, Riyadh

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Appendix 2 – Title Deed













Lulu Central Warehouse, Misfaah District, Riyadh

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue												
Potential Base Rent	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	5,665,405	6,201,992	6,201,992	6,201,992	56,552,319
Absorption & Turnover Vacancy	0	0	0	0	0	0	0	-1,309,309	0	0	0	-1,309,309
Scheduled Base Rent	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,356,095	6,201,992	6,201,992	6,201,992	55,243,009
Total Rental Revenue	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,356,095	6,201,992	6,201,992	6,201,992	55,243,009
Total Tenant Revenue	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,356,095	6,201,992	6,201,992	6,201,992	55,243,009
Potential Gross Revenue	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,356,095	6,201,992	6,201,992	6,201,992	55,243,009
Effective Gross Revenue	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,356,095	6,201,992	6,201,992	6,201,992	55,243,009
Operating Expenses												
OpEx	0	0	0	0	0	0	0	48,805	0	0	0	48,805
Total Operating Expenses	0	0	0	0	0	0	0	48,805	0	0	0	48,805
Net Operating Income	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,307,291	6,201,992	6,201,992	6,201,992	55,194,205
Cash Flow Before Debt Service	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,307,291	6,201,992	6,201,992	6,201,992	55,194,205
Cash Flow Available for Distribution	4,250,400	4,250,400	4,738,479	4,760,415	4,760,415	4,760,415	4,760,415	4,307,291	6,201,992	6,201,992	6,201,992	55,194,205

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Property Valuation.

Oasis Mall, Al Khuzama, Al Kharj

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Source: Knight Frank

Valuation Summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 102,675,000
Inspection Date:	29 November 2024	*Terminal Yield:*	9.00%
Use Type(s):	Retail	*Discount rate:*	11.50%
Tenure:	Freehold	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	16,719 sq m	**Market Rent pa:**	SAR 9,994,000
Net Leasable Area (NLA):	13,314 sq m	*Market Rent per sq m:*	*SAR 751 per sq m*
Number of Tenants:	Two	**Environmental:**	Assumed uncontaminated
Current Occupancy:	100%	**Condition:**	Good
Stabilized Occupancy:	90%		
Covenant of Tenant(s):	Mixed	**Zoning:**	Commercial
Current Passing Rent:	SAR 8,370,000	**Annual OpEx SAR per sq m:**	90 SAR (upon expiry of master lease)

SWOT Analysis

Table 1: SWOT Analysis

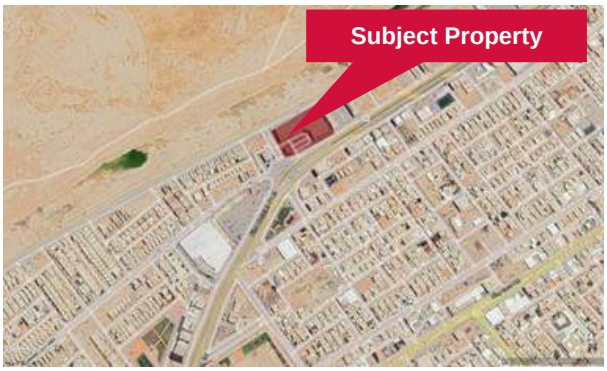
Strengths	Weaknesses
• The subject property has a prime location in Al Khuzama district, sitting approximately 7.6 km from Prince Sattam bin Abdulaziz University, while Al Kharj Tower is situated around 6 km to the northeast and Benefits from good access on King Abdullah Road. • It has considerable surface parking space which adds convenience for visitors.	• The building's architecture and interior design may appear dated, potentially affecting its overall appeal and competitiveness in the market.

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Opportunities	Threats
• Investing in renovation and modernization initiatives can enhance the building's aesthetics, functionality, and competitiveness, attracting new tenants and customers.	• The retail market may be highly competitive, with other plazas offering similar amenities and attractive locations, posing a challenge to attract and retain tenants.

Location / Situation





Source: Google Earth / Knight Frank

- The subject property, known as Oasis Mall, is situated in the Al Khuzama district within Al Kharj, Kingdom of Saudi Arabia.
- Oasis Mall benefits from direct access via King Abdullah Road. The Property has three frontages, and the surrounding area consists of both residential and commercial uses.
- Prince Sattam bin Abdulaziz University is located approximately 7.6 km to the north of the property, while Al Kharj Tower is situated around 6 km to the northeast.

Description

- The construction quality of the subject property appears to be of an average standard.
- The subject property is comprised of a G+ 1 retail mall constructed on a 16,719 sq m land plot and a drive thru retail unit which also sits on the land.
- The subject property covers a land area of 16,719 sq m, with a building permit specifying a built-up area of 17,060.92 sq m. The Client has provided us with a breakdown of the Property which provides a total gross leasable area, which amounts to 17,814 sq m (the mall GLA is 17,434 sq m and the retail drive-through measures a GLA of 380 sq m).
- Once the common areas and food court seating is deducted, we are left with a net leasable area of 13,314 sq m across the whole Property (mall and drive thru).
- We have relied on the tenancy schedule breakdowns provided by the Client as opposed to the building permits, as instructed by the Client. We have not been instructed to measure the Property and would recommend this area is verified by specialists. If we become aware of new areas, we reserve the right to amend our valuation.

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Tenancy Overview

- We have been provided with two lease agreements which shows that the Property is let on two leases.
- The major lease is to Landmark Arabia Ltd. This is a master lease covering the entirety of the mall.
- The second lease is to Herfy Food Services Company covering a standalone drive through structure standing separately to the mall.

Table 2: Landmark Arabia ltd Lease Overview

Oasis Mall, Al Khuzama, Al Kharj	
Lease Start Date	28/05/2015
Previous Lessor	Qetaf Real Estate Development and Investments
Current Lessor	Privileged Warehouse Company 2, We have received a letter stating that the lease has been transferred from Qetaf Real Estate Development and Investments to Privileged Warehouse company 2.
Lessee	Landmark Arabia Ltd.
Term	Eighteen (18) Gregorian years with a binding Period of 10 years from 28/05/2015 till 27/05/2025 and a further optional period, with a lessee renewal option only of 8 years from 28/5/2025 until 27/05/2033.
Rental Contract Details	The mall is let on a master lease. The rental terms are as follows: • Years 1 – 5: SAR 6,800,000 per annum (28th May 2015 - 27th May 2020) • Years 6 - 10: SAR 7,820,000 per annum (28th May 2020 - 27th May 2025) • Year 11 – 18: SAR 9,350,000 per annum. (28th May 2025 - 27th May 2033)
Rent Payment Schedule	Bi-annually in advance.
Lease Renewal Provision	Lessee option only to renew at expiry of binding term.
Type of Lease	Lessee bares all operating expenses including government taxes and fee and insurance of the internal area/shops/FF in addition to day-to-day maintenance. Lessor bares all the cost of building insurance and structural maintenance.

Source: Client

Table 3: Herfy food Services Lease Overview

Oasis Mall, Al Khuzama, Al Kharj	
Lease Start Date	01/01/1436 H (25/10/2014 G)
Previous Lessor	Qetaf Real Estate Development and Investments
Current Lessor	Privileged Warehouse Company 2, We have received a letter stating that the lease has been transferred from Qetaf Real Estate Development and Investments to Privileged Warehouse company 2.
Lessee	Herfy Food Services Co.
Term	Nineteen (19) Hijri years.

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Oasis Mall, Al Khuzama, Al Kharj	
Rental Contract Details	• Years 1 – 5: SAR 450,000 per annum (25th October 2014 – 30th August 2019) • Years 6 - 10: SAR 500,000 per annum (31st August 2019 – 6th July 2024) • Year 11 – 19: SAR 550,000 per annum (7th July 2024 – 1st April 2033)
Rent Payment Schedule	Annually in advance.
Lease Renewal Provision	Renewal upon agreement of both parties.
Type of Lease	Lessee bares all operating expenses including government taxes and fee and insurance of the internal area/shops/FF in addition to day-to-day maintenance. Lessor bares all the cost of building insurance and structural maintenance.

Source: Client

- As of the date of valuation the gross current passing rent is SAR 8,320,000 pa. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 4: Summary of Tenure

Title Deed Details			
Title Deed No.	493383000666	393383000667	993383000668
Plot No(s).	Plot 152, Block 12, Masterplan 1456	Plot 153, Block 12, Masterplan 1456	Plot 154, Block 12, Masterplan 1456
Owner	Privileged Warehouse Company 2	Privileged Warehouse Company 2	Privileged Warehouse Company 2
Tenure	Freehold	Freehold	Freehold
Title Deed Date	07-07-1443 H	07-07-1443 H	07-07-1443 H
Land Size (sq m)	4,903.13	5,116.63	6,699.85

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 5: Summary of Building Permit

Building Permit Details	
Permit Number	1434/652
Permit Date	07/08/1434 H
Zoning	Commercial – Retail
Civil Defence Permit	Not stated
Building Specifications	Ground Floor: Retail: 9,062.88 sq m

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Building Permit Details	
	First Floor: Retail: 7,998.04 sq m Boundary Wall: 96 sq m

Source: Client

- We have been provided with a building completion certificate dated 24/10/1436, which confirms that the building has been constructed in line with the use described in the building permit.

Market Comparables

Retail Rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- The map below illustrates the Retail comparable.



Source: Google Earth / Knight Frank

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Table 6: Retail Comparables

Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments / Comparison
Khurnata District	Active Lease	112	986	• The comparable, currently an active lease, shares similar characteristics with the subject property in size and location, leading to no premium being applied. However, adjustments for quantum were factored in, alongside a specifications premium for the subject property's higher quality.
Khurnata District	Active Lease	189	646	• No premium was applied as the subject property and the comparable, which is an active lease, share comparable attributes in size and location. Quantum adjustments were made, and a specifications premium was included to reflect the subject property's superior quality.
Al Burj District	Active Lease	140	825	• As the comparable is an active lease with similar size and location attributes to the subject property, no premium was necessary. Quantum differences were adjusted for, and a specifications premium was added to highlight the subject property's superior quality.
Khurnata District	Active Lease	200	1,000	• Since the comparable is currently an active lease and closely matches the subject property in size and location, no premium was applied. Adjustments for quantum were included, and a specifications premium reflected the superior standards of the subject property.
Al Burj District	Active Lease	100	750	• The comparable, which is an active lease, aligns closely with the subject property in size and location, justifying the absence of any premium. Quantum adjustments were incorporated, along with a specifications premium to recognize the subject property's higher quality.

Source: Knight Frank Research

Drive-Thru Rationale

- In forming our opinion of market rent for the drive thru we have adjusted our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- Upon reviewing the Al Kharj market supply, there are limited transactions or asking prices for drive-thru assets. Therefore, we have incorporated comparables from Riyadh and adjusted accordingly.
- The map below illustrates the Drive-Thru comparable.

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Source: Google Earth / Knight Frank

Table 7: Drive Through Comparable

Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments / Comparison
North of Riyadh	Asking	175	2,000	• The comparable is listed as an asking price, and a negotiation discount was applied to account for adjustments during discussions. A location discount reflects the comparable's more favorable location, while an accessibility premium highlights the subject property's better access. A quantum discount addresses the size difference between the two properties.
North of Riyadh	Asking	273	1,832	• Listed as an asking price, the comparable has been adjusted with a negotiation discount to account for potential buyer-seller negotiations. A location discount acknowledges its superior positioning, while the subject property's favorable access warranted an accessibility premium.
East of Riyadh	Asking	220	1,500	• This comparable, being an asking price, includes a negotiation discount for potential transaction variability. A location discount was factored in due to the comparable's advantageous location, with an accessibility

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Address	Status	Floor Area (sq. m)	Rent pa (per sq. m.)	Comments / Comparison
				premium added for the subject property's better connectivity. A quantum discount was also applied to reflect the size difference.
East of Riyadh	Asking	100	1,300	• As an asking price, the comparable was adjusted with a negotiation discount. Its superior location warranted a location discount, while the subject property's favorable access was reflected with an accessibility premium. Additionally, a quantum discount accounted for the differing sizes of the properties.
East of Riyadh	Asking	230	1,391	• The comparable, located in the south of Riyadh, benefits from a more desirable location, leading to a location discount. An accessibility premium was applied to account for the subject property's better access, with a quantum discount reflecting the size difference.

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent we have made adjustments to our estimated rental value (ERV) based on key drivers of value, such as location, access, specification and quantum.
- We are of the opinion that the Market Rent equates to a blended rate of SAR 751 per sq m for the retail across the net leasable area of the Property. This can be broken down as SAR 1,320 per sq m on the drive thru unit and the SAR 734 per sq m on the mall.

Valuation Assumptions & Rationale

Table 8: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 9.00%
Discount Rate	• 11.50%
ERV at 100% Occupancy	• SAR 9,994,000 pa
Stabilised Occupancy	• 90%
Growth Rate	• 2.50%

Source: Knight Frank

- Given that this is an income producing asset we have valued the property using a discounted cashflow, over a holding period of 10 years, capitalising the year 11 NOI with our designated capitalisation rate.
- Upon expiry of the master lease, we have taken the view that 30% of the sublessors will vacate the property at the same time, given that no sublease is permitted to extend beyond the period of the master lease. We have assumed that the remaining 70% of tenants will renew their leases at market rent.
- We have then factored in an absorption period stabilising the occupancy at 90%.

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- We used a discount rate of 11.50% which we feel best represents investor sentiment and the risk profile of the subject property.
- We are of the opinion that the Market Value would be based off capitalisation rate of 9.00%.

Costs

- For the duration of the master lease, we have assumed that the minimal operational costs to be borne by the landlord (insurance and structural repairs, should they occur) are captured in the discount rate.
- However, upon expiry of the master lease on the mall we have assumed that an Opex cost of SAR 90 per sq m across the GLA of the mall will be incurred. However, given that this is a mall, we would also assume that the landlord receives service charge, which we have factored in as SAR 100 per sq m of occupied space.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 102,675,000

(One Hundred and Two Million, Six Hundred and Seventy Five Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs









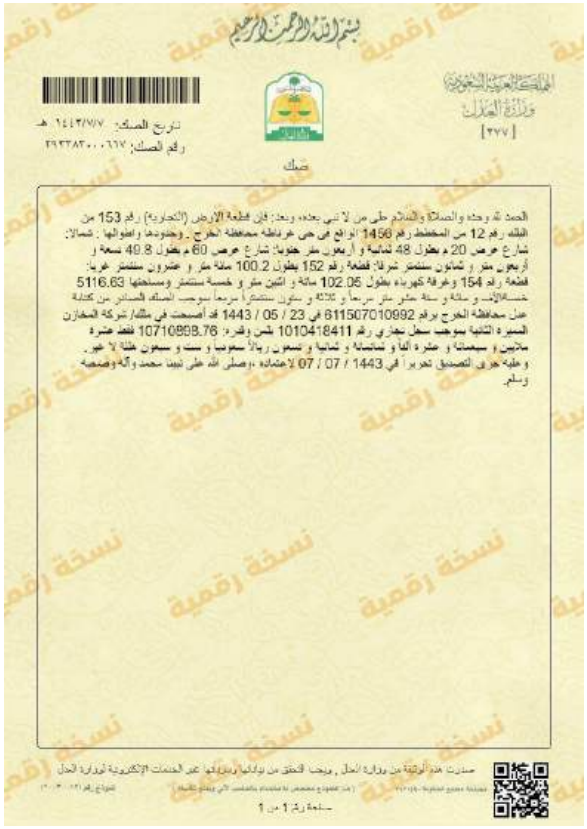


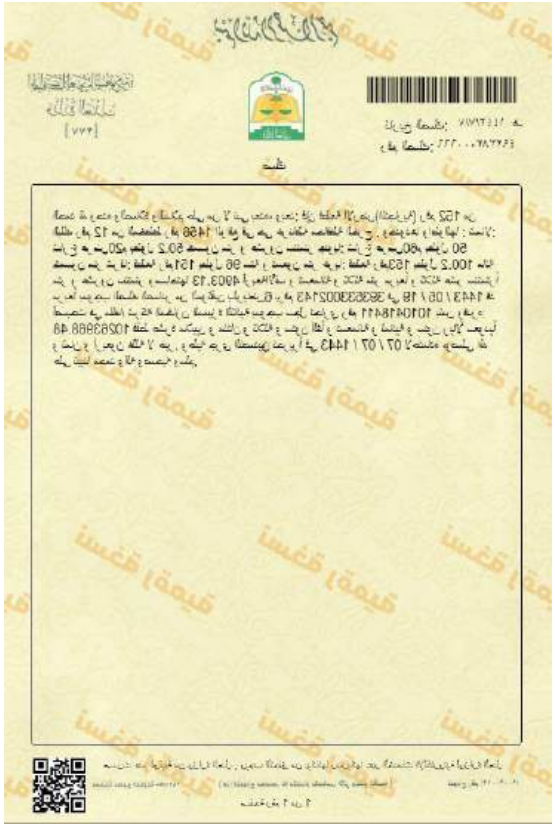


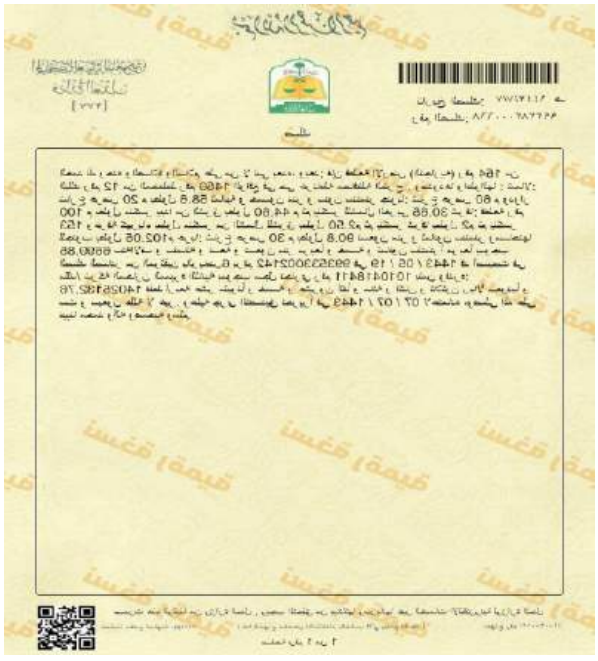
Oasis Mall, Al Khuzama, Al Kharj

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Appendix 2 – Title Deed







Oasis Mall, Al Khuzama, Al Kharj

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue												
Potential Base Rent	8,688,551	10,438,405	10,664,358	10,917,202	11,176,382	11,442,042	11,714,343	11,993,451	12,363,838	12,672,934	12,989,757	125,061,263
Absorption & Turnover Vacancy	-1,157,322	-922,624	-598	0	0	0	0	0	0	0	0	-2,080,545
Scheduled Base Rent	7,531,229	9,515,781	10,663,760	10,917,202	11,176,382	11,442,042	11,714,343	11,993,451	12,363,838	12,672,934	12,989,757	122,980,719
Total Rental Revenue	7,531,229	9,515,781	10,663,760	10,917,202	11,176,382	11,442,042	11,714,343	11,993,451	12,363,838	12,672,934	12,989,757	122,980,719
Total Tenant Revenue	7,531,229	9,515,781	10,663,760	10,917,202	11,176,382	11,442,042	11,714,343	11,993,451	12,363,838	12,672,934	12,989,757	122,980,719
Other Revenue												
Service Charge	0	1,271,690	1,438,646	1,474,694	1,511,561	1,549,350	1,588,084	1,627,786	1,668,481	1,710,193	1,752,948	15,593,434
Total Other Revenue	0	1,271,690	1,438,646	1,474,694	1,511,561	1,549,350	1,588,084	1,627,786	1,668,481	1,710,193	1,752,948	15,593,434
Potential Gross Revenue	7,531,229	10,787,470	12,102,406	12,391,896	12,687,943	12,991,392	13,302,427	13,621,238	14,032,319	14,383,127	14,742,705	138,574,152
Vacancy & Credit Loss												
Vacancy Allowance	0	0	-1,002,483	-1,028,157	-1,053,861	-1,080,207	-1,107,213	-1,134,893	-1,163,265	-1,192,347	-1,222,156	-9,984,582
Total Vacancy & Credit Loss	0	0	-1,002,483	-1,028,157	-1,053,861	-1,080,207	-1,107,213	-1,134,893	-1,163,265	-1,192,347	-1,222,156	-9,984,582
Effective Gross Revenue	7,531,229	10,787,470	11,099,923	11,363,739	11,634,083	11,911,185	12,195,214	12,486,345	12,869,054	13,190,780	13,520,550	128,589,571
Operating Expenses												
OpEx	0	1,493,212	1,648,494	1,689,706	1,731,949	1,775,247	1,819,629	1,865,119	1,911,747	1,959,541	2,008,529	17,903,173
Total Operating Expenses	0	1,493,212	1,648,494	1,689,706	1,731,949	1,775,247	1,819,629	1,865,119	1,911,747	1,959,541	2,008,529	17,903,173
Net Operating Income	7,531,229	9,294,259	9,451,429	9,674,033	9,902,134	10,135,937	10,375,586	10,621,225	10,957,307	11,231,239	11,512,020	110,686,398
Cash Flow Before Debt Service	7,531,229	9,294,259	9,451,429	9,674,033	9,902,134	10,135,937	10,375,586	10,621,225	10,957,307	11,231,239	11,512,020	110,686,398
Cash Flow Available for Distribution	7,531,229	9,294,259	9,451,429	9,674,033	9,902,134	10,135,937	10,375,586	10,621,225	10,957,307	11,231,239	11,512,020	110,686,398

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Property Valuation.

Al Henaki Business Center, Nahdah District, Jeddah

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 452,140,000
Inspection Date:	21 November 2024	*Terminal Yield:*	7.75%
Use Type(s):	Retail and Office	*Discount rate:*	10.25%
Tenure:	Assumed Freehold	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	19,410.51 sq m	**Market Rent pa:**	SAR 33,000,000
Built Up Area (BUA):	56,624.43 sq m	*Market Rent per sq m:*	SAR 583 per sq m
Number of Tenants:	1	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	100%		
Covenant of Tenant(s)	Strong	**Zoning**	Commercial
Current Passing Rent:	SAR 33,000,000	**Annual OpEx SAR per sq m:**	SAR 36 (on void only)

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• Government leases offer a consistent and secure income stream, providing relative security for the landlord. • The property's location on a main road enhances visibility, accessibility, and prestige, attracting potential tenants and increasing market value. • The property is 100% with income secured by a strong covenant.	• Market demand is more favourable for Grade A office space. This property is Grade B and as such it may witness weaker tenant demand in the future as more Grade A stock is built into the market.

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Opportunities	Threats
• A prime location and long-term government lease can lead to property value appreciation over time, providing opportunities for favourable returns. • Given that the tenant has paid for the fit prior to the lease commencing and that it is a government entity, we would consider it highly likely that they will renew their lease on a similar term after the initial expiry. • We consider it highly likely that the tenant will renew their lease given the fit out works they conducted at the beginning of their three-year term	• The 3-year lease term may be perceived as a weakness for investors seeking greater long-term stability. Despite this, we would consider it highly likely that the lease term will be renewed.

Location / Situation



Source: Google Earth / Knight Frank

- The subject property, known as Al Henaki Business Center, is situated in the Al Nahda district within Jeddah, Kingdom of Saudi Arabia.
- The Property benefits from direct access via Al Prince Sultan Road. The property has Four frontages and the surrounding area consists of both residential and commercial uses.
- King Abdulaziz International Airport is located approximately 19 km north of the property, while Jeddah Waterfront is situated around 10 km to the east.

Description

- The construction quality of the subject property is of good standard compared to business centers or office buildings. Additionally, the subject property benefits from having Ministry of Justice as a tenant until 2025 which adds significant value in terms of income security.
- The subject property consists of 16 retail units, and 176 office units, comprising a total of 192 units as per the building permit. However, we are aware that the entire Property is being used as a courthouse and as such the retail space is being used as courtrooms, waiting room and back office functions.

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- The building consists of seven floors (basement, mezzanine, 2,3,4,5 and roof).
- The subject property covers a land area of 19,410.51 sq m, with a building permit specifying a built-up area of 56,624 sq m.

External facilities

- Surface parking in front and in a basement leading to a total of 645 parking as per the building permit.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to (Ministry of Justice). This represents full occupancy of the Property.
- Below, we present the key lease information:

Table 2: Lease Overview

Al Henaki Business Center, Al Nahda, Jeddah	
Lease Start Date	27/09/2022
Tenant	Ministry of Justice
Term	Three (3) Gregorian years
Property Leased	The subject property, known as Al Henaki Business Center,' and the accompanying land plots, are situated in Al Nahda district. The subject property consists of ten title deeds and one building permit. It encompasses various areas, including retail and offices.
Rental Contract Details	The whole Property is let on a masterlease. The rental terms are as follows: • SAR 33,000,000 p.a (27/09/2022 – 27/09/2025)
Rent Payment Schedule	Annually in advance.
Lease Renewal Provision	The lease agreement allows for immediate renewal unless either party chooses otherwise. In accordance with the lease terms, the tenant has the option to renew the contract for the same duration after its expiration. If the tenant chooses to extend the contract for less than one year, the landlord reserves the right to increase the annual rent by less than 5.00%. Similarly, for extensions exceeding one year, the landlord may exercise the right to increase the annual rent by less than 10.00%. The lease agreement also stipulates that either party has the option to terminate the lease by providing written notice at least 180 days before the expiration of the current lease agreement.
Type of Lease	Triple Net

Source: Client

Tenure, Planning and Zoning

Please see a summary of the Property Tenure:

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Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	920209005980
Plot No(s).	655-672 Block 491/3
Owner	Privileged Warehouse company 2
Tenure	Freehold
Title Deed Date	Hijri and Gregorian Date: 1444/12/16 (04/07/2023)
Land Size (sq m)	19,410.51

Source: Client

- We have been provided with the following building permits for the Property, which we summarise below:

Table 4: Summary of Building Permit

Building Permit Details	
Permit Number	4400215210
Permit Date	1444/03/01 (01/08/2022)
Zoning	Commercial
Civil Defence Permit	Not stated
Building Specifications	Basement: (13,642 sq m) Ground Floor: Commercial (7,059 sq m) Mezzanine: Commercial (4,292 sq m) First Floor: Office (7,472 sq m) Second Floor: Offices (7,472 sq m) Third Floor: Offices (7,472 sq m) Fourth Floor: Offices (7,472 sq m) Roof Floor: (1,743.43 sq m)

Source: Client

- Based on the Al Rajhi Supplement Terms and Conditions document provided by the Client, the building completion date was on the 10/07/1444.

Market Comparables

Table 5: Office Comparables

Property	Type	Net Leasable Area (sq. m)	Quoting Headline Rent pa (SAR per sq. m.)	Occupancy
Tamlik	Offices	10,230	590	86%
Aster 3 (King Road)	Offices	56,080	700	95%
Al Murjan Business Center	Offices	27,750	775	95%
Al Rawdah Business Center	Offices	22,000	770	95%

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Property	Type	Net Leasable Area (sq. m)	Quoting Headline Rent pa (SAR per sq. m.)	Occupancy
The Vision Tower	Offices	14,357	1,100	100%
Quartz Complex	Offices	11,161	1,000	95%
Badria Business Center	Offices	13,454	600	90%
L'Elysee	Offices	5,000	700	93%
Al Zagzoog Business Center	Offices	13,091	995	93%

Source: Knight Frank Research

Market Rent rationale

- In forming our opinion of market rent, whilst we are aware that the master lease terms were signed over two years ago, we have assumed that the subject property provides the best evidence. This is because of the uniqueness of this building in the sense that it has been wholly let to a government entity to serve the purpose of a courthouse function after being refurbished by the tenant itself to serve this function. There are very limited properties of this nature in the wider market and we feel that the current lease terms would be most accurate in capturing the appropriate lease rates, despite the timings of the lease rate was agreed.
- The current lease has been agreed for a duration of 3 years equalling a rate of SAR 583 per square meter per annum and as explained in the point above, we view this to be in line with the market.
- We are aware that the property contains retail units; however, as it is under a master lease and the retail units have been refurbished as waiting areas and courts, our benchmarking was focused on offices as this is now mostly in line with its existing use.
- When comparing the benchmarked rates above with the current rent passing, we see that the subject property rent is at the lower range, however we would expect this to be the case given that the quoting rents represent a rate for individual units as opposed to the entire building. Therefore, we would expect to see a lower rate across the subject property as a whole in comparison to the quoting headline rates above as it takes into account the quantum.

Valuation Assumptions & Rationale

Table 6: Valuation Assumptions

Item	Assumption
Capitalization Rate	• 7.75%
Discount Rate	• 10.25%
ERV at 100% Occupancy	• SAR 33,000,000
Stabilised Occupancy	• 100%
Growth Rate	• 2.50%

Source: Knight Frank

- As this is an incoming producing asset, we have modelled this Property on a discounted cashflow basis over a holding period of 10 years, capitalising our year 11 NOI with our designated capitalisation rate.
- Based on our understanding and the current lease terms, we have taken into consideration the following:

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- The current lease term is for 3 years, reflecting the tenant's preference of building use.
- We anticipate that the tenant will renew the lease for a period of 5 years (given the recent regulations allowing government entities to take leases for a period of 5 years as opposed to three years). We have taken this view, because it seems unlikely that a government tenant would vacate after just three years having conducted the entire refurbishment and repurposing to courthouses at their own expense. Within the renewal term we assumed an escalation 10% between years 1 to 3 and an additional escalation of 5% for years 4 to 5. The current lease stipulates that any renewal for longer than 3 years would incur a 10% escalation if renewed for longer than 1 year.
- Following the expiration of the second renewal, we have factored in a 3-month void period upon which we would assume this building to re-leased for a term of 5 years. Given this buildings adaption to government usage we would anticipate the new tenant would likely be a government entity seeking to the occupy the property in its entirety on similar lease terms.

- We have applied a 2.50% growth rate throughout the cashflow.
- We have adopted a discount rate of 10.25% which we feel represents the current risk appetite for investors, regarding such a property.
- We are of the opinion that the Fair Value would be based off a capitalisation rate of 7.75%.

Costs

- We have not been provided with any costs by the Client. Given that the tenant is obligated to pay operating expenses, including the property management and periodic maintenance, whereas the landlord is only responsible for elevator maintenance contracts (which we assume to be minimal), we have not factored any costs into our valuation for the duration of the lease. Upon lease expiry we have a assumed an OpEx costs of SAR 36 per sq m pa on the BUA during the void period (lasting 3 months). Once the property is re-let, we have assumed it will be on similar terms, with minimal costs incurred by the landlord.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 452,140,000

(Four Hundred and Fifty Two Million, One Hundred and Forty Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs

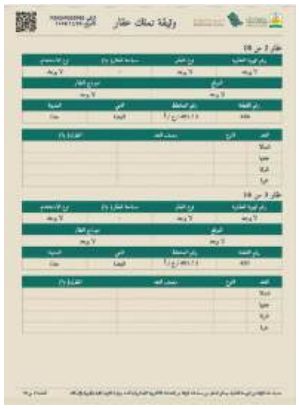


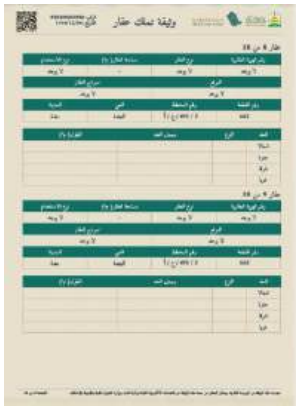
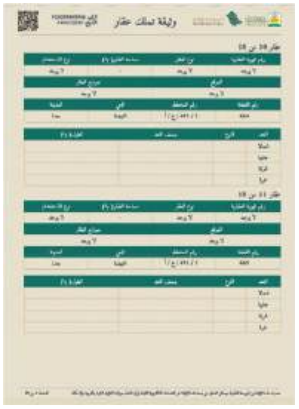
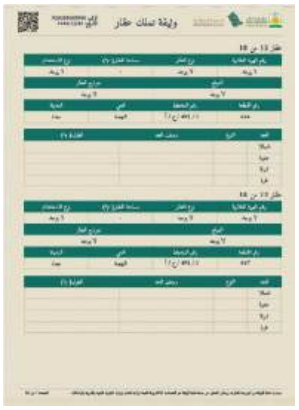
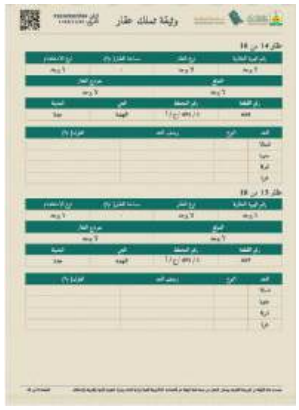





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Appendix 2 – Title Deed


This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.



وثيقة تملك عقار

الرقم: 920209005980
التاريخ: 1444/12/16

عقار 18 من 18

رقم الهوية العقارية	نوع العقار	مساحة العقار(م²)	نوع الاستخدام
لا يوجد	لا يوجد	-	لا يوجد

الموقع	نموذج العقار
لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	المدينة
672	3 / 491 / ع / أ	النهضة	جدة

الحد	النوع	وصف الحد	الطول(م²)
شمالا			
جنوبا			
شرقا			
غربا			

صدرت هذه الوثيقة من البورصة العقارية. ويمكن التحقق من صحة هذه الوثيقة عبر الخدمات الالكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان.

الصفحة 10 من 10

Al Henaki Business Center, Nahdah District, Jeddah

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Appendix 3 – Cashflow Extract

DCF										
BUA	56,624									
Growth	2.50%									
Cap Rate	7.75%									
Discount Rate	10.25%									
CF Date (Year ending)	**31/12/2025**	**31/12/2026**	**31/12/2027**	**31/12/2028**	**31/12/2029**	**31/12/2030**	**31/12/2031**	**31/12/2032**	**31/12/2033**	**31/12/2034**
Annual Rent	33,000,000	36,300,000	36,300,000	36,300,000	38,115,000	38,115,000	39,226,630	39,226,630	39,226,630	39,226,630
Occupancy	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*75%*	*100%*	*100%*	*100%*
Annual Rent After Vacancy	33,000,000	36,300,000	36,300,000	36,300,000	38,115,000	38,115,000	29,419,972	39,226,630	39,226,630	39,226,630
Void Loss	0	0	0	0	0	0	-9,806,657	0	0	0
OPEX (sar/psm)	-	-	-	-	-	-	35	-	-	-
Actual OPEX			-	-	-	-	980,666	-	-	-
Terminal Value										
Net Income	33,000,000	36,300,000	36,300,000	36,300,000	38,115,000	38,115,000	28,439,307	39,226,630	39,226,630	545,376,693

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Property Valuation.

Riyadh Avenue Mall, Riyadh

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Source: Knight Frank

Valuation summary

Valuation Date:	31 December 2024	**Fair Value:**	SAR 478,670,000
Inspection Date:	5 December 2024	*Terminal Yield:*	7.50%
Property Type(s):	Mall	*Discount rate:*	9.50 %
Tenure:	Assumed Freehold	*Inflation / Growth rate:*	2.50%
Land Area (sq m):	27,842.27 sq m	**Market Rent pa:**	SAR 37,485,000
Bulit Up Area (BUA):	72,401	*Market Rent per sq m:*	SAR 647 per sq m
Number of Tenants:	1	**Environmental**	Assumed uncontaminated
Current Occupancy:	100%	**Condition**	Good
Stabilized Occupancy	100%		
Covenant of Tenant(s)	Strong	**Zoning**	Commercial
Current Passing Rent:	SAR 37,485,000	**Annual OpEx SAR per sq m:**	None – NNN Lease

SWOT analysis

Table 1: SWOT Analysis

Strengths	Weaknesses
• The property benefits from excellent access via King Faisal Street. • It is fully leased to Lulu Properties under a Triple Net Lease agreement, backed by EMKE Group, ensuring guaranteed income. • The lease is secure for 17 more years under a Triple Net arrangement, providing 100% secured income.	• The property is located away from Riyadh's prime center and faces competition from another major mall nearby, such as View Mall, which is 5.4 km to the northeast. • Significant urban expansion in Riyadh is shifting the population towards the northern areas, potentially altering consumer behavior and impacting foot traffic at the property.

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Opportunities	Threats
• The mall is popular among local tenants, with its reputation enhancing its appeal. This creates a strong potential for optimal occupancy levels.	• New retail developments in the vicinity could attract tenants and customers, diverting them away from this property.

Location / Situation





Source: Google Earth / Knight Frank

- The property is situated on King Faisal Street in the Al Moraba District of Riyadh.
- It features a 36-meter frontage along King Faisal Street on its western side.
- The property is bordered by Prince Faisal Bin Turki Street to the south and Al Imam Al Shaoukkani Street to the east.
- Nearby landmarks include the Ministry of Interior, 1.2 km away, and Faisaliah Tower, approximately 3.5 km to the north.

Description

- The property is a high-quality, well-maintained shopping mall with ground-level facilities, six upper floors, a basement, and a mezzanine level.
- It spans a land area of 27,842.27 sq m, with a built-up area of 72,401 sq m, as verified by supplementary documents provided by the client.

External facilities

- Parking and Loading Facilities: The property has excellent accessibility from King Faisal Road and includes 533 parking spaces. This information is based on supplementary terms and conditions shared by the client.

Tenancy Overview

- We have been provided with lease information which shows that the Property is single let to Lulu Properties Company under a Triple Net lease. This represents full occupancy of the Property.
- Below, we present the key lease information:

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Table 2: Lease Overview

Riyadh Avenue, Al Moraba, Riyadh	
Lease Start Date	26/12/2016 (as provided in the lease agreement)
Tenant	Lulu Properties Company
Guarantor	EMKE Group
Terms	Twenty-Five (25) Gregorian years
Property Leased	Riyadh Avenue
Rental Contract Details	The whole Property is let on a lease. The rental terms are as follows: • Years 1 – 2: SAR 34,000,000 (26 December 2016 – 25 December 2018) • Years 3 – 6: SAR 35,700,000 (26 December 2018– 25 December 2022) • Years 7 – 10: SAR 37,485,000 (26 December 2022– 25 December 2026) • Years 11 – 14: SAR 39,359,250 (26 December 2026– 25 December 2030) • Years 15 – 18: SAR 41,327,213 (26 December 2030– 25 December 2034) • Years 19 – 22: SAR 43,393,573 (26 December 2034– 25 December 2038) • Years 23 – 25: SAR 45,563,252 (26 December 2038– 25 December 2041) The lease is escalated by 5% every 4 years.
Rent Payment Schedule	Quarterly in advance.
Lease Renewal Provision	The initial terms may be extended or renewed following the expiry of the initial term of such a period as the landlord requires.
Type of Lease	Triple Net

Source: Client

- As of the date of valuation date the gross current passing rent is SAR 37,485,000. There are no associated costs or service charge for the duration of the master lease as this is a triple net lease.
- The Property has a weighted average unexpired lease term (WAULT) of 17.00 years.

Tenure, Planning and Zoning

- Please see a summary of the Property Tenure:

Table 3: Summary of Tenure

Title Deed Details	
Title Deed No.	318503001821
Plots No(s).	From Plot 90 to 101
Owner	Privileged Warehouse company 2
Tenure	Freehold
Title Deed Date	Hijri and Gregorian Date: 1445/01/21 (08/08/2023)
Land Size (sq m)	27,842.27

Source: Client

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- We have not been provided with the building permits. However, we relied on the Supplement Terms and Conditions document issued by the Client (instructed by the Client), which we summarise below:

Table 4: Summary of building unit's type

Building Details	Number of Units
Commercial Shops	103
Kiosks	16
Offices	20
Total	13

Source: Supplement Terms and Condition

- We have not been provided with a building completion certificate. However, Supplement Terms and Conditions document issued by the Client (instructed by the Client) which states that the building was completed in 09/08/1431 H (21/07/2010).

Market Comparables

- We provide below our rental rates benchmarks which highlights rates for each product type within each mall:

Table 5: Riyadh Park Mall

Mall Name	Type	Quoting Rents pa (SAR per sq.m)
Riyadh Park	Hyper Anchor	500
Riyadh Park	Cinema	600
Riyadh Park	FECs	600
Riyadh Park	Express F&B	3,500
Riyadh Park	Anchors	600
Riyadh Park	Generic Retail	2,300
Riyadh Park	F&B	2,900

Source: Knight Frank Research

Table 6: Al Nakheel Mall

Mall Name	Type	Quoting Rents pa (SAR per sq.m)
Al Nakheel Mall	Cinema	650
Al Nakheel Mall	FECs	800
Al Nakheel Mall	Express F&B	4,000
Al Nakheel Mall	Anchors	1,300
Al Nakheel Mall	Generic Retail	3,650
Al Nakheel Mall	F&B	2,800

Source: Knight Frank Research

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Table 7: Granada Mall

Mall Name	Type	Quoting Rents pa (SAR per sq.m)
Granada Mall	Hyper Anchor	600
Granada Mall	Cinema	600
Granada Mall	FECs	600
Granada Mall	Express F&B	4,200
Granada Mall	Anchors	900
Granada Mall	Generic Retail	3000
Granada Mall	F&B	3,200

Source: Knight Frank Research

Table 8: Riyadh Gallery Mall

Mall Name	Type	Quoting Rents pa (SAR per sq.m)
Riyadh Gallery	Hyper Anchor	400
Riyadh Gallery	Cinema	600
Riyadh Gallery	FECs	650
Riyadh Gallery	Express F&B	3,500
Riyadh Gallery	Anchors	650
Riyadh Gallery	Generic Retail	2,500
Riyadh Gallery	F&B	3,000

Source: Knight Frank Research

Market Rent

- While no specific information regarding the total GLA of the mall has been provided, the total Built-Up Area (BUA) is known. Based on this, it is assumed that the GLA constitutes 80% of the BUA, equating to 57,921 sq m.
- Higher quoting rates observed in comparables are likely due to being for individual units within each mall. These quoting rates do not reflect the overall lease rate for the entire property under a single lease, which typically includes quantum discounts. The current rent reflects a Triple Net Lease, where the majority of risks are transferred to the tenant. This justifies a lower rent compared to leases without such terms, as Triple Net leases usually incorporate a discount.

Valuation Assumptions & Rationale

Table 9: Valuation Assumptions

Item	Assumption
Capitalisation Rate	• 7.50%
Discount Rate	• 9.50%
Curent Passing Rent at 100% Occupancy	• SAR 37,485,000 per annum
Stabilised Occupancy	• 100%
Growth Rate	• 2.50%

Source: Knight Frank

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- Given that this is an income producing asset we have valued the property using a discounted cashflow, over a holding period of 10 years, capitalising the year 11 NOI with our designated capitalisation rate.
- We have not factored in annual OpEx on the GLA since the property is let on a Triple Net agreement.
- We used a discount rate of 9.50% which we feel best represents investor sentiment and the risk profile of the subject property.
- We are of the opinion that the Fair Value would be based off a capitalisation rate of 7.50%.

Costs

- We have not factored any costs into our valuation for the duration on the master lease as the Property is let on a Triple Net agreement and therefore any costs regarding the Property are borne by the tenant as stipulated in the lease.

Fair Value

- We are of the opinion that the Fair Value of the freehold interest in the property, subject to the caveats and assumptions stated herein, at the valuation date is:

SAR 478,670,000

(Four Hundred and Seventy Eight Million, Six Hundred and Seventy Thousand Saudi Arabian Riyals)

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Appendix 1 – Photographs













Riyadh Avenue Mall, Riyadh

This Property Valuation must be read in the context of the Overview Report to which it forms part. This Property Valuation is for the use of the Addressees only and no reliance is given to any other party for the whole or any part of its contents.

Appendix 2 – Title Deed



وثيقة تملك عقار

الرقم: 318503001821
التاريخ: 1445/1/21

البيانات الأساسية

رقم الوثيقة	318503001821	تاريخ الوثيقة	1445/1/21
المصدر	مركز ناجز للخدمات العدلية	الحالة	فعال
المساحة(م²)	27,842.27	القيود	لايوجد قيود
رقم الوثيقة السابقة	399071001450	تاريخ الوثيقة السابقة	1445/1/20
نوع العملية	نقل ملكية	قيمة الصفقة	465000000

الملاك

رقم الهوية	الاسم	الجنسية	نسبة التملك
7014451863	شركة المخازن المميزة الثانية	-	100 %

العقار

رقم الهوية العقارية	نوع العقار	مساحة العقار(م²)	نوع الاستخدام
لا يوجد	قطعة الارض	27,842.27	لا يوجد

الموقع	نموذج العقار
لا يوجد	لا يوجد

رقم القطعة	رقم المخطط	الحي	المدينة
100 / 10 / 91 / 1 / 91 / 9	1212	المربع	الرياض

الحد	النوع	وصف الحد	الطول(م²)
شمالا	شارع	عرض 20م	121.39
جنوبا	شارع	عرض 32م	190.53
شرقا	شارع	عرض 10م + شارع عرض 14م + القطعتين أرقام 91/ 9 ورقم 91/ 12	143.5148.22 + 44.69 + م
غربا	مواقف	سيارات + شارع عرض 36م	193.53

صدرت هذة الوثيقة من البورصة العقارية. ويمكن التحقق من صحة هذة الوثيقة عبر الخدمات الالكترونية التابعة لوزارة العدل ووزارة الشؤون البلدية والقروية والإسكان.

الصفحة 1 من 1

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Appendix 3 – Cashflow Extract

For the Years Ending	Forecast Year 1 Nov-2025	Forecast Year 2 Nov-2026	Forecast Year 3 Nov-2027	Forecast Year 4 Nov-2028	Forecast Year 5 Nov-2029	Forecast Year 6 Nov-2030	Forecast Year 7 Nov-2031	Forecast Year 8 Nov-2032	Forecast Year 9 Nov-2033	Forecast Year 10 Nov-2034	Forecast Year 11 Nov-2035	Forecast Total
Rental Revenue												
Headline Rent	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Passing Rent	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Total Rental Revenue	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Total Tenant Revenue	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Potential Gross Revenue	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Effective Gross Revenue	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Net Operating Income	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Cash Flow Before Debt Service	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343
Cash Flow Available for Distribution	37,485,000	37,485,000	39,233,059	39,359,000	39,359,000	39,359,000	41,194,941	41,327,213	41,327,213	41,327,213	43,254,705	440,711,343

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