



# Valuation Report No. 130314720221

Introduced to  
Alinma REIT For Retails

30/06/2022



الإنماء للاستثمار  
alinma investment

## Introduction

Based on your approval of Barcode Company on 05/10/2021 AD to evaluate 4 Malls in the Kingdom of Saudi Arabia in the city of Dawadmi - Riyadh - Tabuk - Hafar Al-Batin for deeds No. (410123034700 - 9501040084 - 532502002325-332509008666).

Our team has completed the task after inspecting the assets and taking into our consideration all the elements affecting the value and based on the international valuation standards and the professional assets of the valuation process, in an effort to reach the value of real estate suitable for the purpose for which the valuation report was prepared. This report is a reliable testimony for the purpose for which this valuation task was carried out, noting that this report is part and parcel.

### Referenced Information:

Client	Alinma REIT For Retails
Intended User	Alinma REIT For Retails
Owner	Wabil Fund Company
Purpose of the Valuation	Periodic valuation of the REIT
Effective Date	30/06/2022

## Technical and legal principles

### 1-The capability of appraising the subject:

Barcode has competencies and qualified members who are capable of appraising this type of property, and they are fully qualified to determine the market value of the subject at the designated date. Based on that, we accepted the task.

### 2 - Valuation Standards:

This Valuation task was carried out based on the International Valuation Standards IVS 2022 issued by the International Valuation Standards Council (IVSC), and following the recognized professional procedures and rules used in appraising real estate-related assets, which are based on market analysis, comparison, and direct inspection of each property. That includes conducting market surveys as possible can to point out the merits and demerits of the subject's undervaluation.

### 3- -Valuation Approach :

In this report, we used the income approach-discounted cash flow method to reach the value of the subject. According to the International valuation(IVS2022), the income approach is a method that indicates value by converting future cash flow to a single current value.

### 4--Basis of Value

The basis of value is the market value, and according to the international valuation standards (IVS2022), fair market value is the price a willing buyer would pay a willing seller in a transaction on the open market

## Technical and legal principles

### 5- Inspection and Market Survey:

To conduct our valuation task and accomplish what this report initiated, we have inspected all the assets undervaluation in this report, as well as the surrounding area where these assets are located. Notably, this inspection does not include the technical examinations of any buildings among these assets.

### 6 -The Nature and Source of Information

In this report, the nature and source of the valuation inputs were carefully and conveniently taken from different sources that fit with the purpose of the valuation.

### 7- -Ownership's Related Documents

We have viewed a copy of the deed, and we assume the soundness of this document. Accordingly, we assume the absence of anything that contradicts or opposes it.

8- - Based on the ownership-related documents provided by the client, we assumed that there is no sort of religious or regulatory restriction that constrain the transferring of ownership or the use of it for any commercial purposes.

### 9- The legal Use of the Property According to the Municipality:

According to Barcode's team, they found that there are no restrictions, conditional use, or any regulations that negatively affect the property in the area where the assets undervaluation are located. And the current use of the lands is: mix-used (Residential/Commercial-Office)

## Technical and legal principles

### 10-Insurance:

We do not received an insurance document from the client.

### 11-Responsibility and Independence:

We consider this valuation report in which we maintain the principles of impartiality, transparency, and professionalism, without external influence from any party whatsoever.

### 12- Intellectual property and reuse:

This report is the form and content of the intellectual property of Barcode Company, and no party - this includes the applicant (client), and the beneficiary of the report - may republish all or some parts of the report without obtaining the written consent of the company.

### 13- Confidentiality:




The report has been drafted upon request and for a consultative purpose. Therefore, we realize how extremely important for the clientele to maintain high secrecy of the data and results of the report confidential. We abide by that and will not further reproduce the data of the client “ explicitly” outside this report. All the data in the report belong solely to the client and the beneficiaries identified in this report. And no other party is entitled to access it.

### 14-Environmental Examination and Soil Testing:

No documents related to the environmental examination of the lands on which the assets under valuation are located have been viewed. Therefore, we must disclose that we are not aware of any environmental problems related to the soil and its internal composition. Therefore, we must draw your attention to that.

## Valuation Team Member

The members of the work team have previous experience of such work and hold appraisal approvals from the competent authorities, and they have sufficient experience in the regions and real estate categories for the properties that have been appraised. They also acknowledge that they have the ability to prepare the report without any difficulties in accordance with the requirements of international valuation standards, and their names are as follows:

	Membership ID	Membership Type	Signature
Abdulkareem Mohammed Abanmi	1210000001	Followship – Real Estate	
Bassam Abduwahid Alhuthaif	1220000056	Temp. Member – Real Estate	
Moawedh Asiri	1210000134	-	
Hassan Daghriri	Analyst	-	



## Executive Summary

Client	Alinma REIT For Retails
Intended User	Alinma REIT For Retails
Purpose of the Valuation	Periodic valuation of the REIT
Approach and Method of the Valuation	Income Approach-Discounted Cashflow
Market Value of the Properties	Al-Makan Mall – Riyadh (281,750,000) Al-Makan Mall – Dwadmi (108,250,000) Al-Makan Mall – Tabouk (139,500,000) Al-Makan Mall – Hafr Albatin (355,000,000)
Approval Received in	2022/06/08
Inspection Date	2022/06/09
Effective Date	2022/06/30
Basis of Value	Market Value
The Grand Total of the Properties (Numeric)	884,501,000 SR
The Grand Total of the Properties (Written)	Eight Hundred Eighty-Four Million Five Hundred Thousand

# Properties Map

## Eastern Region

Hafer Albatin  
Al-Makan Mall

## Middle Region

Riyadh  
Al-Makan Mall  
Dawadmi  
Al-Makan Mall

## Northern Region

Tabuk  
Al-Makan Mall







# Market Analysis

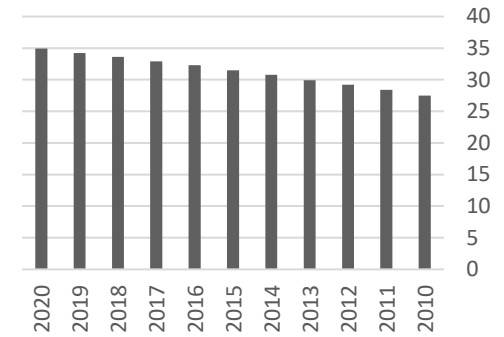
# Market Overview

The Kingdom of Saudi Arabia is witnessing significant growth in the residential and commercial sectors generally. This is due to several factors, including the new partnerships undertaken by the Kingdom's government, represented by the PPP, in addition to the Kingdom's national transformation plan as it strives to achieve the Kingdom's 2030 vision. Another important factor is the modern urban planning that the Kingdom has begun to implement in several major cities.

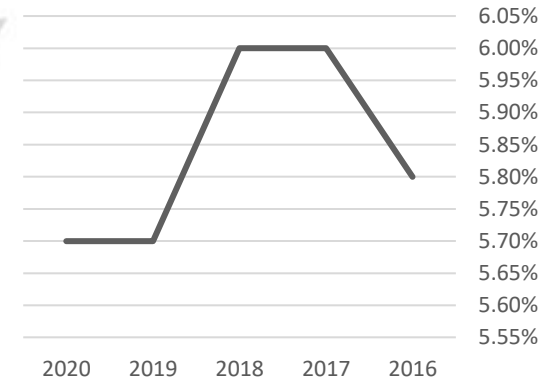
One of the factors that led to the growth of the real estate sectors in the Kingdom is the population growth in the few recent years, where the population has reached nearly 35 million, according to the statistics of the Saudi Statistics Authority. This led to a rise in the demand for the residential sector as well as a notable growth in the retail sector.

With the Kingdom's reliance on non-oil sectors such as the real estate sector, for example, as the second economic engine of the Kingdom and one of the most prominent growing sectors in recent years, the Kingdom's domestic product is expected to continue its positive rise in the next five years, according to the International Monetary Fund.

### Population

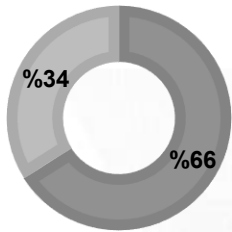


### The Unemployment Rate

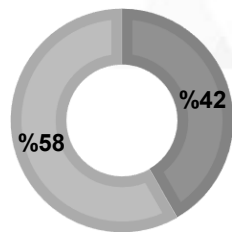


SOURCE Saudi Statistics Authority

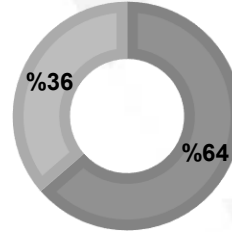
■ Saudies ■ Non-Saudies



■ Male ■ Female



■ Owned ■ Renter



## Market Analysis (Malls)

### Commercial Sector:

The following table is a summary of the recent sales that took place within the last few years documented on TADAWUL , giving that most of these retails/malls are acquired by REITs funds.

Asset	Location	Acquisition Cost	NOI	Cap. Rate	Occupancy	Note
	Boulevard - Riyadh	320,000,000	29,300,000	%9.16	%97	Acquired by JADWA in 2021
	Ajdan Walk - Khobar	345,000,000	25,000,000	%7.25	%100	Acquired by SEDCO REIT in 2018
	Al-Andalus Mall	1,147,279,000	92,396,115	%8.05	%95	Acquired by Ahli REIT in 2017
	Al-Rahid MEGA Mall - Jazan	505,500,000	32,824,933	%6.49	-	Acquired by Bunian REIT
	Al-Rahid Mall - Abha	372,000,000	34,583,966	%15.49	%90	Acquired by Bunian REIT
	Al-Rahid Mall - Jazan	206,000,000	15,646,293	%7.60	-	-

## Market Analysis for the Retails (Malls)

The following table is a market survey of the rent rate per meter square (Malls)

Type	Ground Floor	First Floor
Showrooms	3200-1000	2700-550
Food-Court	-	-2500-3000
Movie Theatre	-	1200-1000
Supermarkets	600-450	-
The area and the location are Signiant to determine the rent rate.	-	-

Source: Market Survey



# The Properties



Al-Makan Mall - Riyadh

# Al-Makan Mall - Riyadh

## Al-Makan Mall - Riyadh

1	Property Type	Mall
2	Land Area	37,293.00
3	Valuation Approach	Income Capitalization Approach



# Al-Makan Mall - Riyadh

## Executive Summary

Below you will find a summary of our opinion on the value of the property, as we confirm that we have carried out the necessary research and obtained the necessary information to carry out this valuation. For more, we hope that you will review the entire report, as the report is a part and parcel:

## Report Summary

Client	Alinma REIT For Retails
Intended User	Alinma REIT For Retails
Purpose of the valuation	Periodic valuation of the REIT
Property Address	Riyadh, Al-Malqa District, Plan No. 3176, Plot No. 5
Property Type	Mall
Land Area	m2 37,293.00
Owner	Wabil Fund Company
Deed No.	410123034700
Deed issuance Date	1439/09/20 H
Type Of Ownership	Fee simple
Basis of Value	Market Value
Valuation Standards	International Valuation Standards (IVS) translation of the Saudi Authority for Accredited Valuers (Taqeem) - 2022
Valuation Approach	Income Capitalization Approach
Approval Received	2022 / 06 / 08
Inspection Date	2022 / 06 / 09
Value Effective Date	2022 / 06 / 30
Property Value ( Numeric)	281,750,949 SR
Property Value ( Written)	Two Hundred Eighty-One Million Seven Hundred Fifty Thousand nine Hundred Forty-Nine
Property Value Rounded ( Numeric)	281,750,000 SR
Property Value Rounded (Written)	Two Hundred Eighty-One Million Seven Hundred Fifty Thousand Saudi Riyal



## Important Matters Were Taken into Consideration

Although the mall is old, yet the condition is looking good, and its located in an excellent area. And its quit notable th effort has been made by the management to maximize the revenue..

The occupancy rate is restable, , and it seems that its going to increase within time.

### SWOT Analysis

#### Strengths

The property is well located in a legitimate area  
The quality and design of the property is excellent and modern.  
The existence of Bowling center, Sky zone, and the kids football academy have significantly increased the number of the victors to the mall.

#### Weakness

The property is not located on a major road

#### Opportunities

Attracting one of the anchors

#### Threats

An increase of similar malls in Riyadh

## The Assumptions and Extraordinary Circumstances

According to the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as facts in the course of valuation work without being specifically checked or scrutinized, and they are accepted as soon as they are stated. These assumptions are necessary to understand the valuation or advice provided. The extraordinary assumptions are assumptions that differ from the actual facts, existing at the valuation date, or those not assumed by a typical market participant in a transaction at the valuation date."

In this report, the following assumptions were made:

1. The correctness of the financial information provided by the client regarding the total income of the property, which is 22,095,993 riyals
2. We also assumed the ability of the new administration to raise the total income resulting from leasing the property, while raising the current occupancy rates, which represent 93%, and working to raise the current rental meter and signing new contracts, and raising the value of the current contracts during renewal.
3. We assumed the following occupancy rates: the first year 93%, the second year 96%, the subsequent years 100%
4. The validity of the data provided by the client regarding the start and end dates of the contracts for the tenants.
5. The lessor shall bear all maintenance and operating expenses.
6. There are some expired contracts for tenants and re-renewal has been assumed.

## Property Information

Property Information	
Property Type	Mall
Ownership Information	
Owner	Wabil Fund Company
Owner ID	1010929653
Deed No.	410123034700
Deed Issuance Date	1439/09/20
Building Permits No..	-
Building Permits Date..	-
Property Location	
Country	Kingdom of Saudi Arabia
Region	Riyadh
City	Riyadh
Location	Withing the Range
District	Al-Malga
Plan Name	-
Plan No.	3176
BLK N.	43
Parcel No.	5
Coordinates	N24.79092 E46.61191

# Land Details

Land Use According to Authorities	Commercial
Land Area According to the Deed	m2 37,293.00
Land Shape	Regular
Topography	Flat
Surrounding Lots	Built

Boundaries				
Side	Length	Boundary	Street Width	Street Name
North	185.07m	Street	15m	-
South	185.07m	Street	15m	-
East	201.05m	Street	20m	-
West	201.5m	Street	60m	-



## Building and Finishings

Building Type	Concrete	Basement	1
Building Condition	Good	Ground Floor	1
Vacancy	Occupied	Mezzanine	0
Use	Commercial	Repetitive Floors	1
Effective Age ( Building Permit)	7 Years	The Quality of the Finishings	Excellent
No. of Floors	2	Ceiling	Painting + Gypsum
Air Conditioning	Split units + Central	Flooring	-

### Remaining Build/ Finishings Work

Completion Progress	%100
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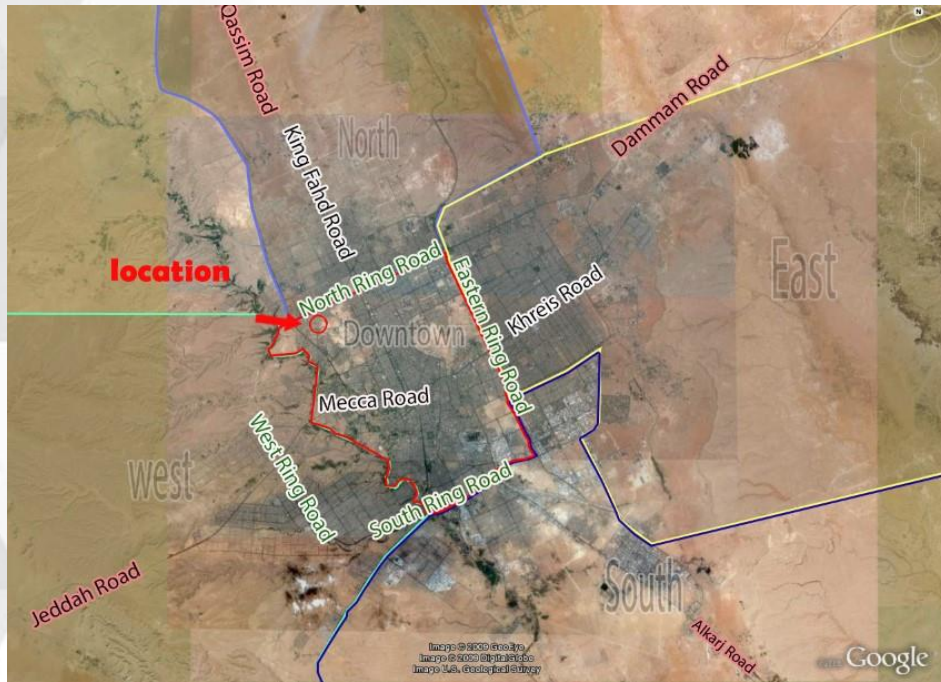
## Property Photo



# Property Photo



# Aerial Photo



An arial photo of the property (City wise)



An arial photo of the property (Neighborhood wise)



# Value Estimation

## Value By Income Approach- Discounted Cashflow

A field survey was conducted for the current market prices and the direction of rental prices for similar properties located in the area of the property to be valued, and to know the average rate of return on investment , the vacancy rates, within the range, and analyzing the financial data of the subject under valuation, in order to determine the market value of the property.

Accordingly, the value of the property was estimated as following :

- The rentable space for mall is (21,043.5 m<sup>2</sup>)
- The potential gross income is (22,095,993 riyals)
- The total expenses were estimated to be 10%
- We assumed the following occupancy rates: the first year 93%, the second year 96%, the subsequent years 100%
- Cap. Rate: we assumed 7.5%
- Discount Rate: we assumed 10%
- We assumed 5% growth rate from the second year
- Value assumption: current use.



## Value Estimation

Cap. Rte			Discount Rate			
%7.5			%10			
Cashflow Date	2022	2023	2024	2025	2026	
Period	1	2	3	4	5	reversion
Cashflow	18,494,346	19,090,937	20,880,713	21,924,749	23,020,986	--
Reversion Value	--					204,203,163
Present Value	16,813,042	15,777,635	15,687,989	14,974,899	14,294,221	--
Property Value	281,750,949					
<b>Property Value</b>						
Numeric	281,750,949					
Written	Two Hundred Eighty-One Million Seven Hundred Fifty Thousand nine Hundred Forty-Nine					

1



Al-Makan Mall – Dwadmi

# Al-Makan Mall - Dwadmi

Al-Makan Mall		
1	Property Type	Mall
2	Land Area	2, 72,678.00
3	Valuation Approach	Income Approach-Discounted Cashflow



# Al-Makan Mall - Dwadmi

## Executive Summary

Below you will find a summary of our opinion on the value of the property, as we confirm that we have carried out the necessary research and obtained the necessary information to carry out this valuation. For more, we hope that you will review the entire report, as the report is a part and parcel

## Report Summary

Client	Alinma REIT For Retails
Intended User	Alinma REIT For Retails
Periodic valuation of the REIT	Purpose of the Valuation
Property Address	Dawadmi, Al Rayyan District, Plan No. 960 Plot No. 248/m
Property Type	Mall
Land Area	72,678.00 M2
Owner	Ministry of Municipal and Rural Affairs
Deed No.	NA
Deed issuance Date	NA
Type Of Ownership	Leasehold
Basis of Value	Market Value
Valuation Standards	International Valuation Standards (IVS) translation of the Saudi Authority for Accredited Valuers (Taqeem) - 2022
Valuation Approach	Income Approach- Discounted Cashflow
Approval Received	2022 / 06 / 08
Inspection Date	2022 / 06 / 09
Value Effective Date	2022 / 06 / 30
Property Value ( Numeric)	108,232,926 SR
Property Value ( Written)	One Hundred Eight Million Two Hundred Thirty-Two Thousand Nine Hundred Twenty-Seven Saudi Riyal
Property Value Rounded ( Numeric)	108,250,000 SR
Property Value Rounded (Written)	One Hundred Eight Million Two Hundred Fifty Thousand Saudi Riyal

Note: The beginning of the lease contract 1/11/1433 AH & the end of the contract 1/11/1458 AH - The number of years remaining for the lease contract for the land is 15 years, and the value of the annual land rent is (650,000 riyals)

## The Assumptions and Extraordinary Circumstances

According to the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as facts in the course of valuation work without being specifically checked or scrutinized, and they are accepted as soon as they are stated. These assumptions are necessary to understand the valuation or advice provided. The extraordinary assumptions are assumptions that differ from the actual facts, existing at the valuation date, or those not assumed by a typical market participant in a transaction at the valuation date."

In this report, the following assumptions were made:

- 1- We assumed the validity of the information provided by the client regarding the potential gross income, which is 17,441,403 riyals.
- 2- We assumed the ability of the new administration to raise the total income resulting from renting the property, as well as raising the current occupancy rates, which represent 55%, which is a low percentage and may affect the value of the property if the rental problem in the property is not resolved. We also assumed the management's ability to raise the price of the current rental meter, sign new contracts, and raise the value of existing contracts during renewal.
- 3- Occupancy rates were assumed as follows:  
45% for the first year, 55% for the second year, 65% for the third year, 75% for the fourth year, and 80% for the fifth year  
Occupancy rates: 40% for the first year, 60% for the second year, 80% for the third year, 85% for the fourth year, and 90 % for the fifth year, 95% for the sixth year, and then 95% for subsequent years.

## Property Information

Al-Makan Mall - Dwadmi	
Property Type	Mall
Owner	NA
Owner ID	NA
Deed No.	NA
Deed Issuance Date	NA
Building Permit	-
Building Permit Issuance Date	-
Owner	-
Seq. Np.1	-
Seq. Np. 2	-
Survey No.	-
Property Address	
Country	Saudi Arabia
Region	Riyadh
City	Dawadmi
Location	Within the range

## Property Information

Property Information	
Property Type	Mall
Ownership Information	
Owner	Wabil Fund Company
Owner ID	1010929653
Deed No.	410123034700
Deed Issuance Date	1439/09/20
Building Permits No..	-
Building Permits Date..	-
Property Location	
Country	Kingdom of Saudi Arabia
Region	Riyadh
City	Dawadmi
Location	Withing the Range
District	Al Rayyan
Plan Name	-
Plan No.	960
BLK N.	43
Parcel No.	m/248
Coordinates	N24.54407 E44.44001



## Land Details

Land Use According to Authorities	Commercial
Land Area According to the Deed	72,678.00 m <sup>2</sup>
Land Shape	Regular
Topography	Flat
Surrounding Lots	Built

Boundaries				
Side	Length	Boundary	Street Width	Street Name
North	229.64 m	Street	20 M	-
South	219.85 m	Street	50 M	-
East	364.03 m	Street	28 M	-
West	297.39 m	Street	20 M	-



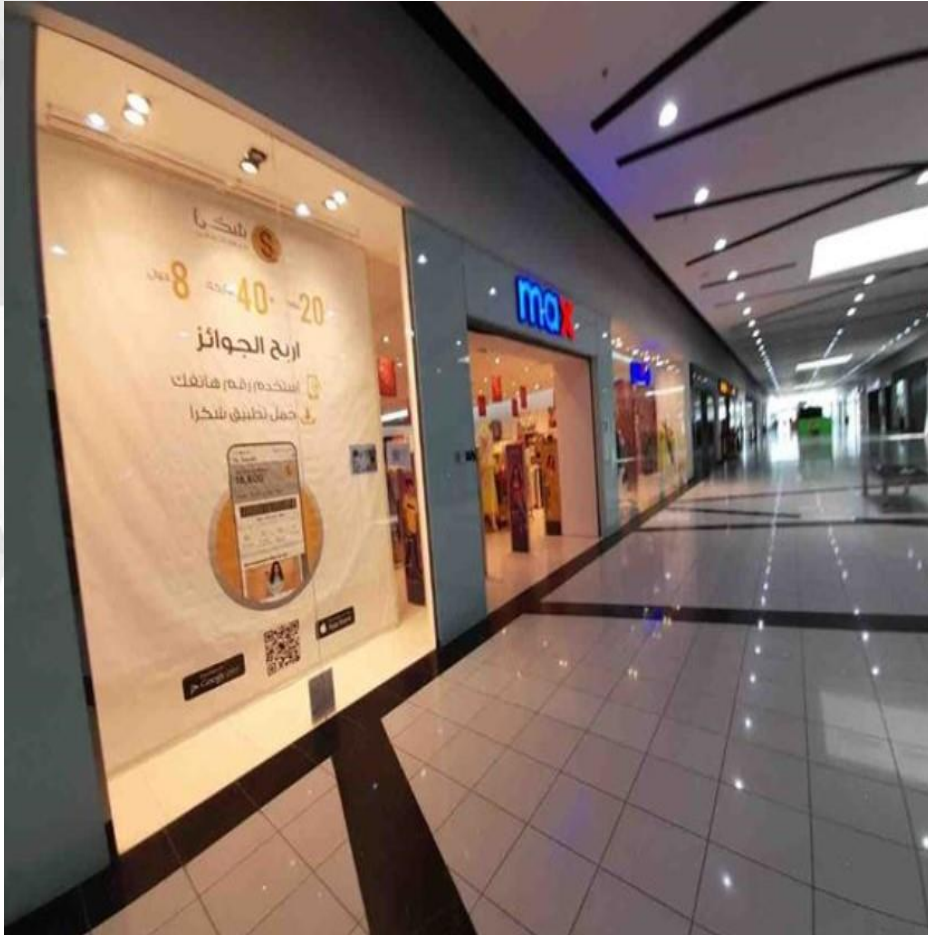
## Building and Finishings

Boulding Type	Concrete	Basement	0
Condition	Very Good	Ground Floor	1
Building Vacancy Rate	Occupied	Mezzanine	0
Use	Commercial	Repetitive Floor	1
Effective Age ( Building Permit)	7 Years	Finishings Quality	Excellent
No. of Floors	2	Ceilings	Paint - Gypsum
Air Conditioning Type	Split units + Central	Flooring	

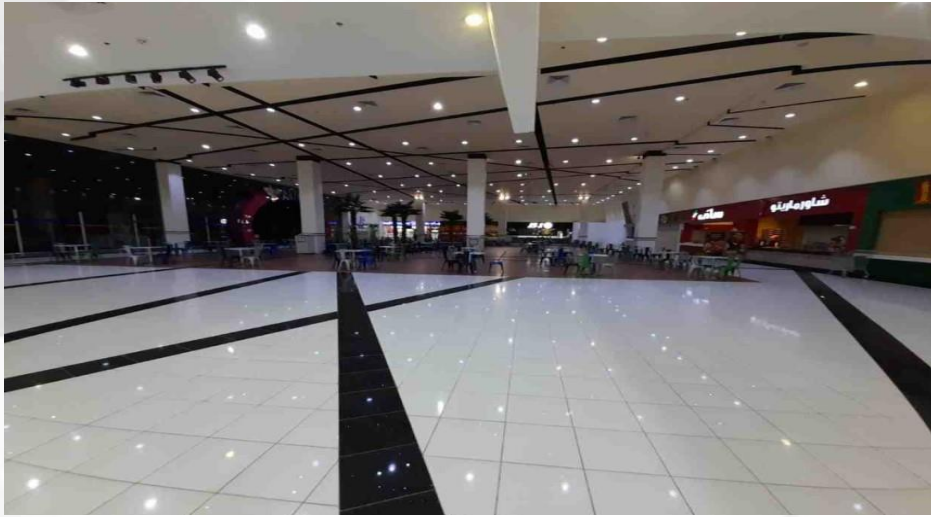
### Remaining Build/ Finishings Work

Completion Progress	%100
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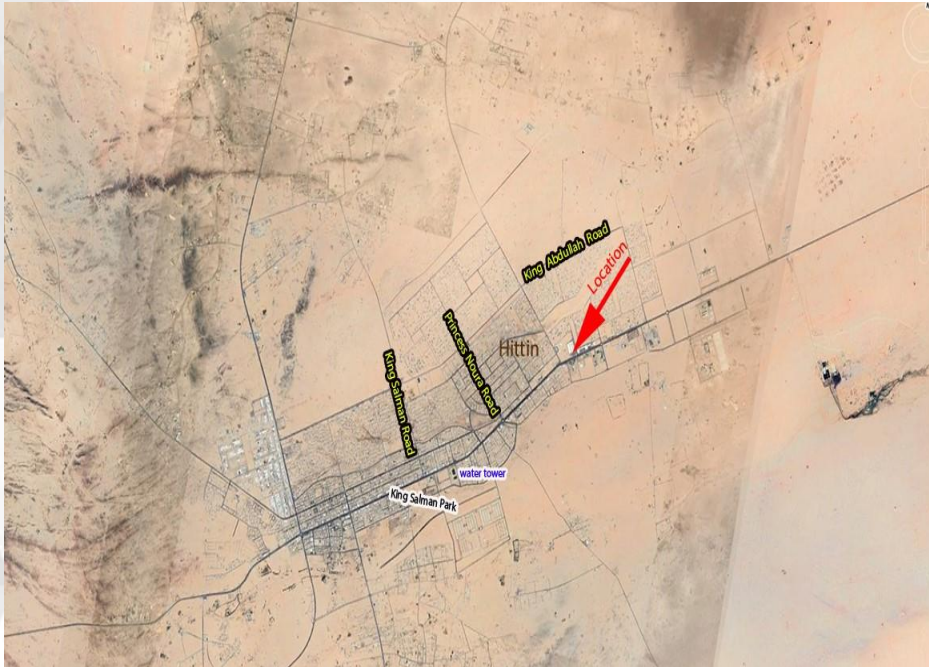
## Property Photo



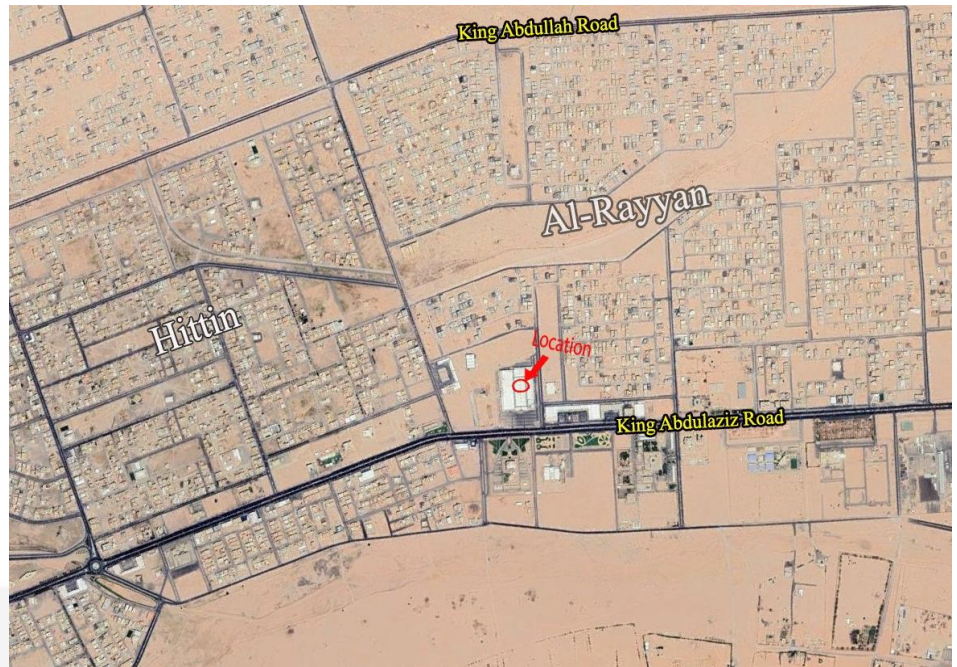
# Property Photo



## Aerial Photo



An arial photo of the property (City wise)



An arial photo of the property (Neighborhood wise)

## Value Estimation



### Value By Income Approach- Discounted Cashflow DCF

A field survey was conducted for the current market prices and the direction of rental prices for similar properties located in the area of the property to be valued, and to know the average rate of return on investment, the vacancy rates, within the range, and analyzing the financial data of the subject under valuation, in order to determine the market value of the property.

Accordingly, the value of the property was estimated as following :

- The mall's rental area (33,567.1 m) according to the information provided by the client
- The potential gross income is (17,441,403.90 riyals)
- The total expenses were estimated to be 13%, including land lease (650,000 SR as mentioned on the lease contract provided by the client)

Occupancy rates were assumed as follows:

45% for the first year, 55% for the second year, 65% for the third year, 75% for the fourth year, and 80% for the fifth year. Occupancy rates: 40% for the first year, 60% for the second year, 80% for the third year, 85% for the fourth year, and 90 % for the fifth year, 95% for the sixth year, and then 95% for subsequent years.

- Discount rate: 9%
- Remaining lease term for the land: 15 years
- Value assumption: current use.

## Value Estimation



## Value By Income Approach- Discounted Cashflow

After conducting a field survey of the current market prices and directing the rental prices of the properties located in the area of the property to be valued, knowing the average capitalization rate and the rate of vacancies in the area, and analyzing the financial data of the property to be valued.

Accordingly, it was concluded that the value of the property is:

Period	2022	2023	2024	2025	2026				
Potential Gross Income	17,522,990.84	17,522,990.84	17,522,990.84	17,522,990.84	17,522,990.84				
Vacancy	10,464,842.34	6,976,561.56	3,592,929.20	2,775,537.81	1,905,869.30				
Effective Income	6,976,561.56	10,464,842.34	14,371,716.82	15,728,047.59	17,152,823.67				
Land Rent	650,000	650,000	650,000	650,000	650,000				
Operating Expenses	906,953.00	1,360,429.50	1,868,323.19	2,044,646.19	2,229,867.08				
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
19,058,693	19,058,693	19,058,693	19,058,693	19,058,693	19,058,693	19,058,693	19,058,693	19,058,693	19,058,693
1,905,869.30	952,934.65	952,934.65	952,934.65	952,934.65	952,934.65	952,934.65	-	-	-
17,152,823.67	18,105,758.32	18,105,758.32	18,105,758.32	18,105,758.32	18,105,758.32	18,105,758.32	19,058,692.97	19,058,692.97	19,058,692.97
650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
2,229,867.08	2,353,748.58	2,353,748.58	2,353,748.58	2,353,748.58	2,353,748.58	2,353,748.58	2,477,630.09	2,477,630.09	2,477,630.09
14,922,956.59	15,752,009.74	15,752,009.74	15,752,009.74	15,752,009.74	15,752,009.74	15,752,009.74	16,581,062.88	16,581,062.88	16,581,062.88

## Valuation Summary

Property Value

**108,232,927**

SR

Discount Rate

%9

Written

One Hundred Eight Million Two Hundred Thirty-Two Thousand Nine Hundred  
Twenty-Seven Saudi Riyal

SR

3



Al-Makan Mall - Tabouk



# Al-Makan Mall - TABOUK

## A'-Makan Mall - TABOUK

1	Property Type	Mall
2	Land Area	m2 21,428.13
3	Valuation Approach	Income Capitalization Approach



## Al-Makan Mall - Tabouk

### Valuation Summary

Below you will find a summary of our opinion on the value of the property, as we confirm that we have carried out the necessary research and obtained the necessary information to carry out this valuation. For more, we hope that you will review the entire report, as the report is a part and parcel:

### Valuation Summary

Client	Alinma REIT For Retails
Intended User	Alinma REIT For Retails
Periodic valuation of the REIT	Purpose of the Valuation
Property Address	Tabuk, Al Rajhi, Plan 157/38/T, Plot 107 to 123
Property Type	Mall
Land Area	m2 21,428.13
Owner	Wabil Fund Cmpany
Deed No.	950104008455
Deed Issuance Date	1439/09/01
Ownership Type	Fee Simple
Basis of Value	Market Value
Valuation Standards	International Valuation Standards (IVS) translation of the Saudi Authority for Accredited Valuers (Taqeem) - 2022
Valuation Approach	Income Capitalization Approach
Approval Received	2022 / 06 / 08
Inspection Date	2022 / 06 / 09
Value Effective Date	2022 / 06 / 30
Property Value ( Numeric)	139,411,552 SR
Property Value ( Written)	-One Hundred Thirty-nine Million Four Hundred Eleven Thousand Five Hundred Fifty-two
Property Value Rounded ( Numeric)	139,500,000
Property Value Rounded (Written)	One Hundred Thirty-nine Million Five Hundred Thousand

## Important Matters Were Taking into Consideration

Although the mall is old, yet the condition is looking good, and its located in an excellent area. And its quit notable th effort has been made by the management to maximize the revenue..

The occupancy rate is low, , and it seems that its going to increase within time.

### SWOT Analysis

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#### Strengths

The property is well located on a major road.  
The quality and design of the property is excellent and modern.

#### Weakness

The management couldn't increase the occupancy rate.

#### Opportunities

Attracting one of the anchors

#### Threats

An increase of similar malls in the same area

## The Assumptions and Extraordinary Circumstances

According to the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as facts in the course of valuation work without being specifically checked or scrutinized, and they are accepted as soon as they are stated. These assumptions are necessary to understand the valuation or advice provided. The extraordinary assumptions are assumptions that differ from the actual facts, existing at the valuation date, or those not assumed by a typical market participant in a transaction at the valuation date."

In this report, the following assumptions were made:

1- The value that has been reached assuming that the owner will redevelop the mall according to the letter provided by the customer, and it is as follows:

Ground floor:

Restaurants and beverages area with an area of 2,934.90 m<sup>2</sup>

A supermarket with an area of 1,898.42 m<sup>2</sup>

An area for Food Trucks with an area of 532.44 m<sup>2</sup>

Shops area (for the retail sector) with an area of 3,365.34 m<sup>2</sup>

First round:

Restaurants and beverages area with an area of 3,729.7 m<sup>2</sup>

Shops area (for the retail sector + Anchors) with an area of 5,192.84 m<sup>2</sup>

2- We assumed the following occupancy rates (after the redevelopment process is completed):

First year: 30%, second year: 40%, third year: 50%, fourth year: 60%, fifth year: 75%

3 - We assume the accuracy of the data received by the client regarding the expected total income, which is 20,644,825 riyals

4 - We also assumed the ability of the new administration to raise the total income resulting from renting the property, while raising the current occupancy rates, which represent 4%, which is a very low percentage, and working to raise the price of the current rental meter and signing new contracts, and raising the value of Existing contracts during renewal.

## Property Details

Property Details	
Property Type	Mall
Ownership Information	
Owner	Wabil Fund Company
Owner ID	1010929653
Deed No.	950104008455
Deed Issuance Date	1439/09/01
Building Permit	-
Building Permit Date	-
	-
	-
Property Location	
Country	Kingdom of Saudi Arabia
Region	Tabouk
City	Tabouk
Location	Withing the Range
District	Al-Rajhy District
Plan Name	--
Plan Number	ت / 157 / 38
BLK	-
Parcel No.	Parcel 107 to 123
Coordinates	N28.40533 E36.54514

# Land Details

Land Use According to Authorities	Commercial
Land Area According to the Deed	21.428.13m <sup>2</sup>
Land Shape	Regular
Topography	Flat
Surrounding Parcels	Built

Boundaries				
Side	Length	Boundary	Street Width	Street Name
North	24.5m then shifts 72m	Street	20 m	-
South	34 m and then breaks 73 m	Street	m 20	-
East	250 m	Street	100 m	-
West	17 m then shifts 156.9 m	Street	25 m	-



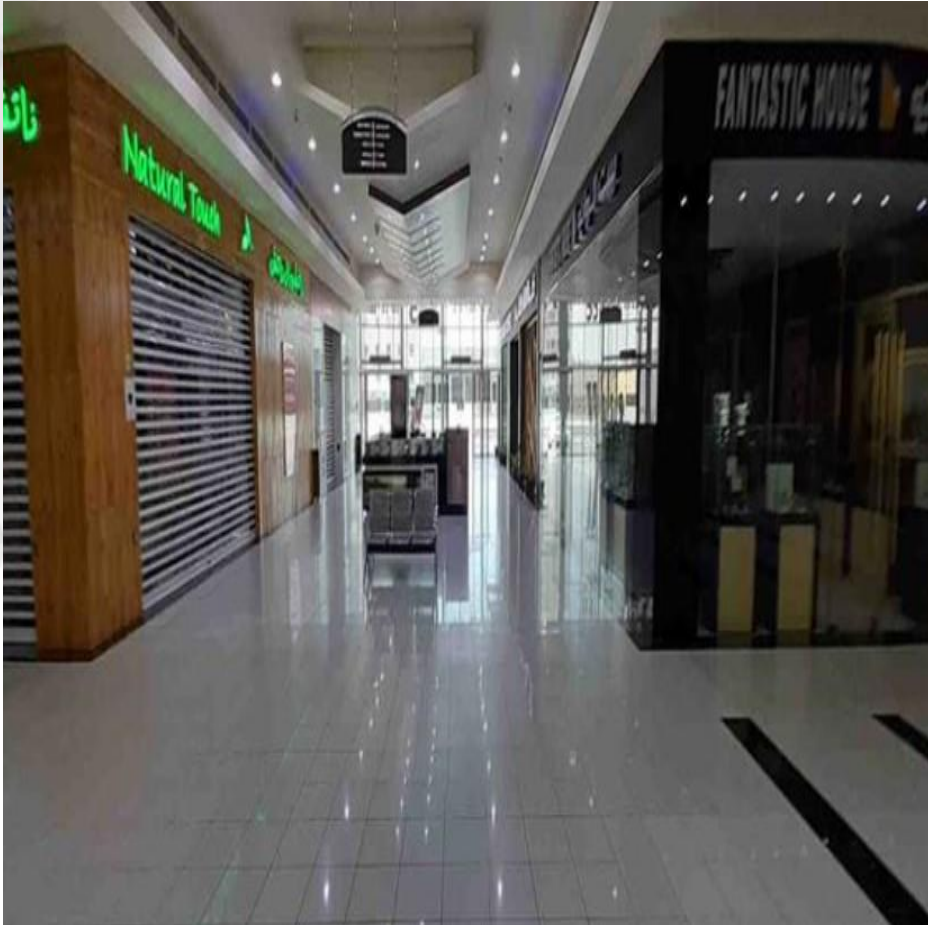
## Building and Finishings

Building Type	Concrete	Basement	1
Building Condition	Very Good	Ground Floor	1
Vacancy	Occupied	Mezzanine	0
Use	Commercial	Repetitive Floors	1
Effective Age ( Building Permit)	7 Years	The Quality of the Finishings	Good
No. of Floors	2	Ceiling	Painting + Gypsum
Air Conditioning	Split units + Central	Flooring	-

### Remaining Build/ Finishings Work

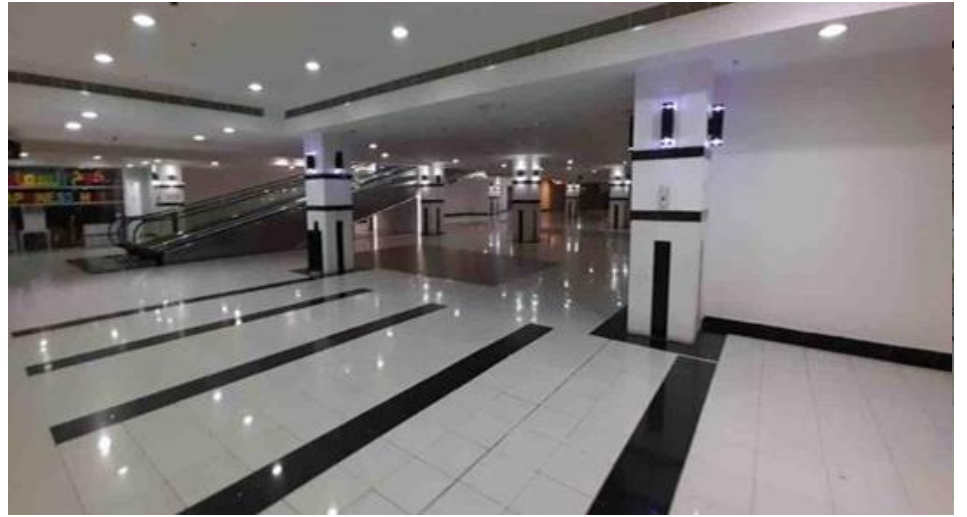
Completion Progress	%100
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## Property Photo





# Property Photo



## Aerial Photo



An arial photo of the property (City wise)



An arial photo of the property (Neighborhood wise)

# Value Estimation

## Value By Income Approach- Discounted Cashflow

A field survey was conducted for the current market prices and the direction of rental prices for similar properties located in the area of the property to be valued, and to know the average rate of return on investment , the vacancy rates, within the range, and analyzing the financial data of the subject under valuation, in order to determine the market value of the property.

Accordingly, the value of the property was estimated as following :

- The rentable space for the mall (21,043.5 m), according to the information provided by the client.
- Total income for the mall (20,644,825.60 SR )
- The total expenses were estimated to be 10%
  - We assumed the following occupancy rates (after the redevelopment process is completed):  
First year: 30%, second year: 40%, third year: 50%, fourth year: 60%, fifth year: 75%
- Cap. Rate: we assumed 8.5%
- Discount Rate: we assumed 11%
- We assumed 2.5% growth rate from the second year

Value assumption: current use.

# Value Estimation

Cap. Rate			Discount Rate			
%9.5			%11			
Cashflow Date	2022	2023	2024	2025	2026	
Period	1	2	3	4	5	reversion
Cashflow	5,574,103	7,432,137	9,522,425	11,712,584	15,006,747	reversion
Reversion Value	--					104,773,817
Present Value	5,021,714	6,032,089	6,962,716	7,715,442	8,905,774	--
Property Value	139,411,553					
<b>Property Value</b>						
Property Value Rounded (Written)	139,411,553 SR					
Property Value Rounded (Written)	One Hundred Thirty-nine Million Four Hundred Eleven Thousand Five Hundred Fifty-three					

4



Al-Makan Mall – Hafr Albatin

# Al-Makan Mall – Hafr -Al-Batin

## Al-Mkan Mall – Hafr Al-Batin

1	Property Type	Mall
2	Land Area	m2 127,000.00
3	Valuation Approach	Income Approach – Direct Cashflow



## Al-Makan Mall – Hafr- Al-Batin

### Valuation Summary

Below you will find a summary of our opinion on the value of the property, as we confirm that we have carried out the necessary research and obtained the necessary information to carry out this valuation. For more, we hope that you will review the entire report, as the report is a part and parcel:

### Valuation Summary

Client	Alinma REIT For Retails
Intended User	Alinma REIT For Retails
Periodic valuation of the REIT	<b>Purpose of the Valuation</b>
Property Address	Hafr Al-Batin, Al-Rayyan District, Plan No. 138 / H, Plot No. 1 - 2
Property Type	Mall
Land Area	m2 127,000.00
Owner	Wabil Fund Company
Deed No.	332509008666-532502002325
Deed Issuance Date	1439/11/10 - 1439/09/22
Type Of Ownership	Fee- simple
Ownership Type	Fee Simple
Basis of Value	Market Value
Valuation Standards	International Valuation Standards (IVS) translation of the Saudi Authority for Accredited Valuers (Taqeem) - 2022
Valuation Approach	Income Capitalization Approach
Approval Received	2022 / 06 / 08
Inspection Date	2022 / 06 / 09
Value Effective Date	2022 / 06 / 30
Property Value ( Numeric)	354,601,787 SR
Property Value ( Written)	Three Hundred Fifty-four Million Six Hundred One Thousand Seven Hundred Eighty-seven
Property Value Rounded ( Numeric)	355,000,000 SR
Property Value Rounded (Written)	Three Hundred Fifty-five Million Riyal

## The Assumptions and Extraordinary Circumstances

According to the definition of the International Valuation Standards, "Assumptions are logical matters that can be accepted as facts in the course of valuation work without being specifically checked or scrutinized, and they are accepted as soon as they are stated. These assumptions are necessary to understand the valuation or advice provided. The extraordinary assumptions are assumptions that differ from the actual facts, existing at the valuation date, or those not assumed by a typical market participant in a transaction at the valuation date."

In this report, the following assumptions were made:

1- We assumed the following occupancy rates):

First year: 55%, second year: 75%, third year: 85%, fourth year: 90%, fifth year: 90%

2- We assume the validity of the data provided by the client regarding the total income, which is 34,805,824 riyals

3- We also assumed the ability of the new administration to raise the total income resulting from leasing the property, while raising the current occupancy rates, which represent 55%, and working to raise the current rental meter and sign new contracts, and raise the value of the current contracts during renewal.



## Property Details

Property Details	
Property Type	Mall
Ownership Information	
Owner	Wabil Fund Company
Owner ID	1010929653
Deed No.	332509008666-532502002325
Deed Issuance Date	1439/11/10 - 1439/09/22
Building Permit	-
Building Permit Date	-
	--
	-
Property Location	
Country	Kingdom of Saudi Arabia
Region	Hafr Al-Batin,
City	Hafr Al-Batin,
Location	
District	Al-Rayyan
Plan Name	--
Plan Number	H /138
BLK	-
Parcel No.	1 - 2
Coordinates	N28.35786 E45.96112

# Land Details

Land Use According to Authorities	Commercial - Residential
Land Area According to the Deed	m2 127,000.00
Land Shape	Regular
Topography	Flat
Surrounding Parcels	Built

Boundaries				
Side	Length	Boundary	Street Width	Street Name
North	ρ254	Street	30 m	-
South	ρ254	Street	30 m	-
East	ρ500	Street	60 m	-
West	500	Parking lots	25 m	-



## Building and Finishings

Building Type	Concrete	Basement	0
Building Condition	Very Good	Ground Floor	1
Vacancy	Vacant	Mezzanine	0
Use	Commercial	Repetitive Floors	1
Effective Age ( Building Permit)	7 Years	The Quality of the Finishings	Good
No. of Floors	2	Ceiling	Painting + Gypsum+ Ceramic
Air Conditioning	Split units + Central	Flooring	-

### Remaining Build/ Finishings Work

Completion Progress	%100
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## Property Photo



# Property Photo



# Aerial Photo



An arial photo of the property (City wise)



An arial photo of the property (Neighborhood wise)

# Value Estimation

## Value By Income Approach- Discounted Cashflow

A field survey was conducted for the current market prices and the direction of rental prices for similar properties located in the area of the property to be valued, and to know the average rate of return on investment , the vacancy rates, within the range, and analyzing the financial data of the subject under valuation, in order to determine the market value of the property.

Accordingly, the value of the property was estimated as following :

- The rentable space for the mall (62,150.33 m), according to the information provided by the client.
- Total income for the mall (34,805,824 SR )
- The total expenses were estimated to be 10%
  - We assumed the following occupancy rates:  
First year: 55%, second year: 75%, third year: 85%, fourth year: 90%, fifth year: 90%
- Cap. Rate: we assumed 7.5%
- Discount Rate: we assumed 10%
- We assumed 3.5% growth rate from the second year
- Value assumption: current use.

# Value Estimation

Cap. Rate			Discount Rate			
%7.5			%10			
Cashflow Date	2022	2023	2024	2025	2026	
Period	1	2	3	4	5	
Cashflow	17,228,883	23,493,931	27,558,381	30,200,744	31,257,770	reversion
Reversion Value	--					258,781,544
Present Value	15,662,621	19,416,472	20,705,020	20,627,514	19,408,616	--
Property Value	354,601,787					
<b>Property Value</b>						
Property Value Rounded ( Numeric)	354,601,787					
Property Value Rounded (Written)	Three Hundred Fifty-four Million Six Hundred One Thousand Seven Hundred Eighty-seven					



## Conclusion



At the end of the report, we would like to assure you that:

- The analysis and conclusions are limited only to the stated assumptions and circumstances.
- Barcode evaluators have no interest in the evaluation.
- The evaluators have all the necessary qualifications to prepare this report.
- There is the necessary experience of the work team in this type of assessment.
- The sites were reviewed by the Barcode team.

We are confident that we have conducted the assessment in accordance with international assessment standards,

If you have any questions, please contact us through one of the addresses below.

Riyadh:

University St. intersection with Uthman bin Affan Rd.

Jeddah:

Prince Sultan St., north of the history Roundabout

Eastrn Region:

Khobaer – Prince Faisal bin Fahad St. (Pepsi St.)

[Info@barcode-sa.com](mailto:Info@barcode-sa.com)

[www.barcode-sa.com](http://www.barcode-sa.com)

Tel. No.:

920005564