2024

Valuation Of:

PORTION 30 (A PORTION OF PORTION 12) OF THE FARM NUBUAMIS NO. 37

(Windhoek District - Reg. Division "K")

On behalf of

[redacted]

MARKET VALUE	**N$ 25 810 000.00**
[redacted]	
REPLACEMENT COSTS (INCLUDING 15% VAT)	**N$ 55 240 000.00**
INSURANCE VALUE (INCLUDING RENT)	**N$ 59 640 000.00**
DATE OF VALUATION	**12 July 2024**

[redacted]

TABLE OF CONTENTS

[redacted]

SUMMARY OF KEY FACTS

VALUATION OF PORTION 30 (A PORTION OF PORTION 12) OF THE FARM NUBUAMIS NO. 37	
SUBJECT PROPERTY	PORTION 30 (A PORTION OFPORTION 12) OF THE FARM NUBUAMIS NO. 37
ZONING	Residential
PROPERTY TYPE	Conference/ Accommodation/ Rehabilitation Centre
COVERAGE	Not Applicable
BULK	Not Applicable
EXTENT (ERF)	26.2154 Ha
MARKET CONDITION/MOVEMENT	Sideways
METHOD OF VALUATION	Income Capitalization Method of Valuation
MARKET VALUE:	N$ 25 810 000.00
DATE OF INSPECTION	12 July 2024
DATE OF VALUATION	12 July 2024

1. INSTRUCTION

[redacted] INSTRUCTED [redacted] TO PROVIDE AN INDEPENDENT, PROFESSIONAL OPINION AS TO THE MARKET VALUE OF THE SUBJECT PROPERTY.

CLIENT: [redacted]

REPRESENTED BY:

TELEPHONE NUMBER:

E-MAIL:

DATE OF VALUATION: 12 July 2024

DATE OF VALUATION: 12 July 2024

1.1 ANALYSES OF INSTRUCTION

- To determine the market value of the subject property as at date of valuation.
- To determine the replacement costs plus 15% Vat and rent for insurance purposes.

1.2 PREAMBLE / BASIS AND STANDARDS OF VALUATION

- This valuation has been prepared in accordance with the RICS Professional valuation standards and guidance. Acknowledged valuation principles applicable to the subject property node and location were utilized to derive an independent opinion on the Market Value.
- The valuation presented to management represents a bankable market value and reflects current market sentiment (2024/2025).

1.3 DEFINITION OF MARKET VALUE

The definition of 'Market Value' as laid down by the International Valuation Standards Committee is:
"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

A summary of the features of the 'willing' buyer and seller are:
They should be in a position to enter into a contract (financially and legally);
They negotiate on equal terms;
They are both well informed about the property and all its potentialities, as well as about the market for such properties (i.e. they are as well informed as the person who has taken all reasonable steps to obtain this information);
They are not under pressure (i.e. they are not forced to buy or sell a property within a limited time); and
They negotiate the transaction rationally.

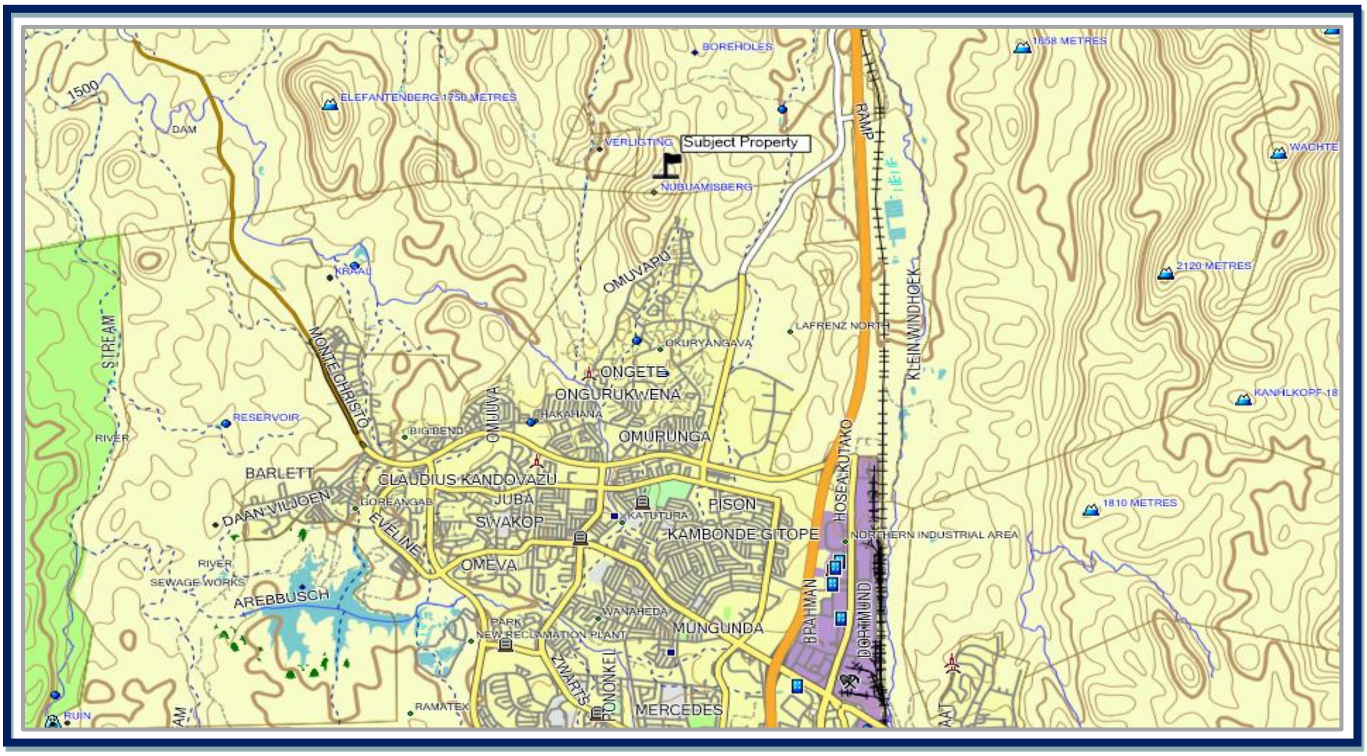
When we analyse these features, it becomes clear that a 'real' person could seldom comply with all of them. The Valuer must therefore distance himself from the personalities concerned and imagine a hypothetical transaction in which both the buyer and the seller have the understanding and motivations that are typical of the market for the property or interests being valued [Minister of Water Affairs v Mostert 1966 4 SA 690 (A) 722c]. This definition of value holds true in the case of the subject property.

1.4 DEFINITION OF REPLACEMENT VALUE OF IMPROVEMENTS

The property is valued as at market related reconstruction cost of all fixed property and excludes insurance for the going concern value of the property. These replacement figures are based on research conducted with the relevant experts regarding construction costs of similar buildings. It is however, an assumption based on averages. I am recommending that an architect be appointed to work hand in hand with a quantity surveyor to calculate the precise sizes and the actual replacement costs of all improvements.

2. LOCALITY OF THE SUBJECT PROPERTY

The subject property can be regarded as accessible and can easily be reached by following the Nubuamis Truck Road in the westerly direction from the weighbridge for ±3km, to find the subject property on the hills.



3. TITLE DEED INFORMATION/PROPERTY DETAIL

Deeds Registry:	Windhoek
Property Type:	Conference/ Accommodation/ Rehabilitation Centre
Farm Number:	Portion 30 (a portion of Portion 12) of the Farm Nubuamis No. 37
Local Authority:	City of Windhoek
Extent:	26.2154-Ha
Title Deed Number:	To be confirmed.
Registration Division:	"K"
Endorsements:	To be announced
Mineral Rights:	State
Usufruct:	None
Free hereditary tenure:	Yes
Servitudes:	Standard as per title deed

I did not view the title deed of the subject property, this valuation is done on the basis that there are no servitudes or conditions (other than the standard stipulations), registered against the title deed that my adversely affect the content of this report.

4. TOWN PLANNING CONDITIONS

Name of local authority:	City of Windhoek
Zoning:	Residential
Coverage:	Not Applicable
Parking Provided:	Ample onsite parking provided.

5. MUNICIPAL VALUATION

As per General Valuation Roll of 2015 from the City of Windhoek, the land and improvements were separately valued as following:

LAND	N$ 1 330 000.00
IMPROVEMENTS	N$ 9 470 000.00
TOTAL	N$ 10 800 000.00

** Please note that the municipal valuation of a property is not reflective of the market value thereof. The purpose of such a valuation is to create a platform which rates and taxes are levied.*

[redacted]

6. AVAILABILITY OF SERVICES

All main services including water, electricity, sewerage connection and stormwater protection are available at the subject property.

7. MACRO AND MICRO LOCALITY

The subject property can be reached by following the B1/A1 National highway from Windhoek in a northerly direction, at the Elisenheim/ Weighbridge bridge, turn left to cross the Brakwater service road and follow the Nubuamis Truck Road for ±3km to reach the subject property on the left.

The immediate area comprises other similar industrial plots, rural residential properties, business properties, etc.
All applicable amenities such as medical facilities, schools, public transport, places of worship and restaurants are located within ±20km.

The following Google map below illustrates how the subject property is integrated into the macro environment of the City of Windhoek.

8. MARKET RESEARCH AND APPLICATION

The City of Windhoek has experienced phenomenal growth over the past 20 years in most of the property sectors i.e. residential, general business, restricted business, industrial/light industrial developments etc. This area is coming from an average base as the area had historic average marketing activity and the developed plots consisted of pre-dominant owner occupants. The demand for decentralized industrial/commercial/office space has experienced mild growth over the recent past. This has in the past sustained low vacancies, created an upswing in real rentals and supported land values. There is still moderate demand experienced for larger portions of Industrial zoned land, serviced with water and electricity.

Note however that the current economic slowdown, high interest rate environment coupled with stringent depository regulations have negatively impacted on property values, rental yields, capitalization rates, etc. The current consensus is that knee-jerk negative valuation reaction to 100% compensate for the aftermath adverse effects of the COVID-19 pandemic and the high interest rate environment is only damaging to the owners of real estate, as this is short-term volatility. Until a longer-term pattern emerges, the best valuation consideration would be to apply a notional 50 to 100 basis points increase to established capitalization rates (which includes discount rates) to evidence caution. The current high inflation rates, soaring fuel prices, coupled with a significant increase in cost of living are all elements contributing to the rising interest rate environment. We are of the opinion that interest rates locally as well as globally will remain at elevated levels for the following 24 months before we see marginal rate cuts, accordingly, suggesting that the economy and the property market will remain under pressure for the medium term.

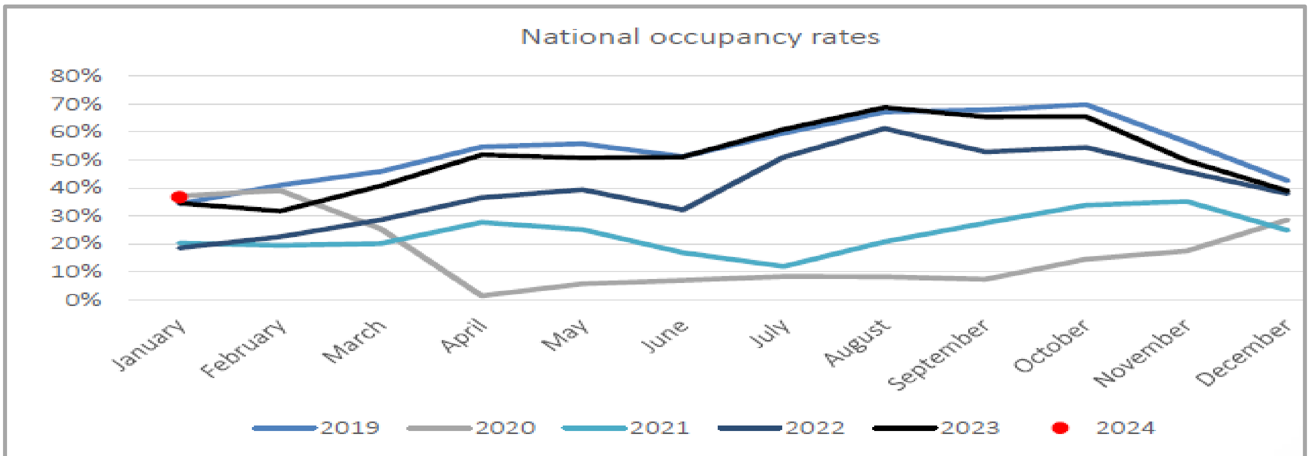
[redacted]

Tourism Update – January 2024:

Category	Jan-24	m/m move	Dec-23	Jan-23	2023	2022
National Occupancy Rate (%)	36.8%	↓	39.0%	34.6%	51.7%	40.1%
Central Occupancy (%)	47.1%	↑	38.1%	42.1%	58.4%	46.5%
Coastal Occupancy (%)	55.4%	↑	50.5%	43.9%	54.5%	43.0%
Northern Occupancy (%)	29.8%	↓	36.3%	28.3%	49.6%	37.5%
Southern Occupancy (%)	33.8%	↓	38.9%	30.4%	48.2%	37.2%

Source: Hospitality Association of Namibia, IJG Securities

According to the Hospitality Association of Namibia (HAN), the national room occupancy rate stood at 36.8% in January 2024, 2.2 percentage points lower than in December 2023 but 2.2 percentage points higher than January 2023's. This is the lowest room occupancy rate since March 2023 but the highest rate for the month of January since 2020. The HAN expressed optimism that Namibia's tourism sector may prosper during the off-peak season by pointing out that the current level of occupancy is encouraging during a normally low season.
The Namibia Statistics Agency released the Tourism Satellite Account (TSA) in January, revealing that tourism contributed N$68.9 billion to GDP in 2022, and that the tourism sector employed around 57,571 people in 2022.



Source: Hospitality Association of Namibia, IJG Securities

Going forward, we remain positive on the tourism sector in Namibia, given its better-than-expected rebound in 2023 and the positive start to the year.

According to the UNWTO World Tourism Barometer, international tourism reached 88% of pre-pandemic levels in 2023, while Namibia has already exceeded pre-pandemic levels. The UNWTO expects international tourism to fully recover to pre-pandemic levels in 2024, subject to the pace of recovery in Asia and geopolitical risks.
Namibia's strongest market of tourists, Europe, is expected to drive international tourism results in 2024, supporting the positive tone for Namibian tourism. The rise of geopolitical tensions and the forecasted global economic slowdown pose potential challenges to the tourism industry as they have the capacity to undermine confidence levels within the sector. We expect Namibia to gain attention with the AviaDev Africa event in hosted in Windhoek this June, already attracting 26 airlines. Organised by the Namibia Airports Company (NAC), the event aims to foster partnerships and explore new air routes. The NAC's Route Development initiative, 'Air Connect Namibia,' aims to enhance air services. This should boost passenger arrivals, consumption in the country and sees the potential to connect Namibia to more countries.

[redacted]

KEY ELEMENTS SUPPORTING THE MARKET VALUE OF THE SUBJECT PROPERTY:

ELEMENT	SITE SUITABILITY	RATING (OUT OF 5)
Property Type	Conference/Rehabilitation Centre/ Accommodation facility	3.0
Locality	Northern peripheral of the City of Windhoek - Nubuamis	2.5
Site Profile	The subject site is a 26.2154-Ha "Rural Residential" zoned allotment, steep in contour, the aspect of which is northerly.	2.5
Land use	The subject property's current utilization positively impacts on surrounding land uses and land values, at the same token, suggesting that the surrounding land uses will fulfill a complimentary role to any Residential/ Accommodation/ Industrial type development.	2.5
Condition of Improvements	The subject improvements are in average state of repair. General maintenance and upgrading evident on some buildings.	2.5
Accessibility/ Exposure	The subject properties can be regarded as accessible and can easily be reached by following the Nubuamis Truck Road westerly from the weighbridge for ±3km, to reach the subject property on a steep hill.	3.0
Demand (General)	The demand for "Hospitality/ Medical/ Accommodation" type developments have consistently been higher than the supply thereof over the past 10 years. Developable suitable land, serviced with water and electricity, has become a scarce and expensive realty, a slowdown in demand is experienced under current market conditions with supply and demand in a state of equilibrium. Decline evident in values, rental returns and sales prices.	2.5
Suburb Demand	Only a few new buildings have been constructed within the immediate neighbourhood during the past 5-8 years. Moderate demand for Industrial zoned land in the subject area.	2.0
Capital Growth	Windhoek has recorded consistent growth patterns of 4-6% over the recent past. This trend has come to an end, with negative growth patterns being evident for the past 72 months, the envisaged growth for 2024/2025 is 1% - 2%. Stringent depository regulations, coupled with restrictive lending policies from financial institutions and the present economic slowdown, the aftermath adverse effects of the COVID-19 pandemic, and the current high interest rates, experienced have resulted in a contraction in property values, sales prices, and rental returns.	2.0
Letability/Saleability	The subject property is located in the Nubuamis Residential/ Industrial area, where below-average rental figures are achieved with some available vacant plots in the area. The marketing period may exceed 12 months under the current economic downturn.	2.0

9. DESCRIPTION OF PERMANENT STRUCTURES AND IMPROVEMENTS

The subject property can best be described at hand of the following:

Structure: Conventional brick and mortar constructions over concrete foundations and floor slab to relevant specifications.

GBA m²:

Main Building:	825m²
Conference Guest Rooms:	1485m²
Conference Halls:	845m²
Rehabilitation Centre:	473m²
Rehabilitation Guest Rooms:	256m²
Garages:	166m²
Verandas/BBQ areas:	937m²
Outbuildings:	188m²

Storey: Single storey

Roof: Iron sheets fitted onto wooden/steel trusses.

Ceilings: Celotex/ Rhino board ceilings, etc.

External Walls: Plastered and painted brick

Internal Walls: Plastered and painted brick

Floors: Tiles, carpet, laminated wood flooring, screeded floors, grano, etc.

Lighting: Standard i.e., boxed fluorescent lights, ball lights, pendants, etc.

Glazing: Steel / Aluminium frames.

Climate Controlled: Split unit air-conditioners (where applicable).

Condition: Average (General maintenance and upgrading evident).

[redacted]

ACCOMMODATION INCLUDING:

Main Building:	The main building consists of a well fitted industrial kitchen with a cooler and freezer, laundry, staff and guest ablution, dining room, executive dining room, coffee lounge, lounge, entertainment room, loft staff rooms, informal dining areas, owner's private quarters with lounge, bedroom, en-suite bathroom, and office etc.
Conference Guest Rooms:	Various buildings consisting of a total 58 Guest rooms each with ensuite bathroom, covered stoeps, etc.
Conference Halls:	Conference facilities consist of 2 large conference rooms, storerooms, kitchens and ablution facilities with swimming pool and braai facilities etc.
Rehabilitation Centre:	The rehabilitation centre has an admin block, 2 boardrooms, dining area, consulting rooms, salon, 10 accommodation rooms, two double garages, one single garage, sauna and steam room, recreational facilities e.g. gym, swimming pool etc.
Minor Improvements:	Walling, paving, fencing, air-conditioners, carports, water tanks, security arrangements, etc.

VISUAL IMAGES RELATING TO THE ABOVE:


Main Building


Reception/Lounge


Kitchen


Veranda


Guest rooms


Bedroom


Bathroom


Veranda


Conference Building


Conference hall


Conference hall


Rehabilitation Centre

[redacted]

Reception

Office

Boardroom

Gym

Kitchen

Hair Salon

Swimming pool

Garages

10. HIGHEST AND BEST USE

The highest and best use refers to the highest potential in terms of value that the property can achieve with due cognizance being taken of the local authority rights, restrictions and regulations, if applicable, as well as the general use of properties in the surrounding area.

The best use of the subject property is that of a Conference/ Rehabilitation Centre/ Accommodation facility type development, developed in terms of current market demand.

11. MARKET CONDITIONS (SUMMARY)

Rating out of 5 (1 being the lowest, 5 being the highest)

Inflation Rate	4.6%	Rating	3.0
Interest Rate	11.5%	Rating	3.0
Exchange Rate	N$ 17.95 to the US$	Rating	1.0
Property market in general	Average	Rating	2.5
Demand in this particular node	Average	Rating	2.0
Location	Nubuamis	Rating	2.5
Letability	Average	Rating	2.5
Sale-ability	Average	Rating	2.0
Overall Rating			**2.3125**

12. VALUATION METHOD

When valuing real estate, the Valuer must concern himself with placing a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognizance must be taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce. At the same time, however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property.
The valuation of land as if vacant, or of land and improvements to or on the land, is an economic concept. Whether vacant or improved, land is also referred to as real estate.

Real estate's utility or capacity to satisfy the needs and wants of humans creates value. Contributing to value are real estate's general uniqueness, durability, fixity of location, relatively limited supply, and the specific utility of a given site.

[redacted]

There are various methods commonly used for determining the market value of real estate. These methods of valuation comprise:

- Direct Comparable Sales Approach
- Cost Approach
- Income Approach

Cognizance was taken of the fact that the subject property is an income generating/producing entity, accordingly, suggesting that the ***Income Capitalization Method of Valuation*** be utilized to determine the market value of the subject property. Due to the large extent of the improvements of the subject property, the ***Income Capitalization Method of Valuation*** will be utilized in combination with the ***Depreciated Replacement Cost Method of Valuation.*** The land value will be determined at hand of the ***Comparable Sales Method of Valuation.***

FACTORS INFLUENCING THIS VALUATION:

- Easy access, via the Nubuamis Truck Road.
- Quality and extent of permanent structures and improvements.
- Reasonable distance from other amenities such as shops, schools, churches (Windhoek).
- Downwards swing in property market resulting in a contraction of property values, rental yields and capitalization rates
- Current economic downturn
- High interest rate environment.
- Upswing in the Hospitality/ Tourism industry during the past 24-months.

12.1 Comparable Sales Method of Valuation (Land Only)

It has been established by the courts in actions involving market value disputes that comparable transactions afford a sound basis for arriving at a satisfactory guide in determining market value and that the comparison method has been readily accepted as a sound valuation principle.

The object of the comparison method is to enable us to arrive at a norm which will serve as a guide in estimating the market value of the subject property.

By analyzing the available selection of comparable vacant plots, we were able to deduce a reliable yard stick on a direct sales comparison basis.

- ***COMPARABLE SALES (VACANT LAND):***

Plot Number	Farm Name	Size (Ha)	Date of Sale	Purchase Price	Rate/Ha
37/4/549	Nubuamis	25.0249	15 December 2023	N$ 1 100 000.00	N$ 43,956.22/Ha
37/33/154	Nubuamis	50.0556	14 April 2023	N$ 2 650 000.00	N$ 52,941.13/Ha
48/82/426	Brakwater	5.0016	05 December 2023	N$ 1 320 000.00	N$ 263,915.55/Ha
48/114/411	Brakwater	5.0036	06 December 2021	N$ 2 480 000.00	N$ 495,643.14/Ha
48/45/134	Brakwater	25.0011	22 September 2020	N$ 2 600 000.00	N$ 103,995.42/Ha
48/H/86	Brakwater	25.0000	08 October 2020	N$ 2 800 000.00	N$ 112,000.00/Ha
48/58/178	Brakwater	5.0003	27 February 2020	N$ 2 850 000.00	N$ 569,965.80/Ha

Property brokers plus accredited valuators were consulted for market related rates/hectare for land in this area. In assessing the value of the subject property, I am of the opinion that a rate of ***N$ 80,000.00 – N$ 100,000.00/Ha*** is achievable as well as market related for the area.

SUGGESTED SALES BASED VALUATION (LAND ONLY):

Portion 30 (a portion of Portion 12) of the Farm Nubuamis No. 37 (26.2154Ha @ N$ 95,360.00/Ha)	***2,499,900.54***
	2,500,000.00

12.2 Depreciated Replacement Cost Method of Valuation (Improvements only)

This method of valuation entails the calculation of the depreciated replacement cost of all improvements allowing for functional and economical obsolescence in the current market conditions. The following positive and negative factors were taken into consideration in determining the depreciation.

[redacted]

MARKET RELATED VALUATION FRAMEWORK:

Improvements	Size(m^2)±	Rate/m^2	Sub Total	Depreciation	Total
Main Building	825	8,500.00	7,012,500.00	40%	4,207,500.00
Conference Centre Guest Rooms	1485	8,500.00	12,622,500.00	40%	7,573,500.00
Conference Halls	845	8,000.00	6,760,000.00	40%	4,056,000.00
Rehabilitation Centre Admin Block	473	9,000.00	4,257,000.00	40%	2,554,200.00
Rehabiliation Centre Guest Rooms	256	8,500.00	2,176,000.00	40%	1,305,600.00
Garages	166	4,500.00	747,000.00	40%	448,200.00
Verandas/Covered BBQ areas	937	3,500.00	3,279,500.00	40%	1,967,700.00
Outbuildings	188	4,500.00	846,000.00	40%	507,600.00
Swimming Pools	PC Sum	PC Sum	250,000.00	40%	150,000.00
Minor Improvements:	PC Sum	PC Sum	1,100,000.00	40%	660,000.00
Sub Total					**23,430,300.00**
Say					**23,430,000.00**

COMBINED MARKET VALUE:

Land	N$ 2 500 000.00
Improvements	N$ 23 430 000.00
Total	N$ 25 930 000.00

12.3 Income Capitalization Method of Valuation

This method concerns the determination of the gross income by making use of market income of comparable properties, actual turnover and projected turnover, from which operational expenses are deducted to determine a possible net income of the subject property. The Nett suggested income is then capitalized at an appropriate income capitalization rate, to derive the market value of the subject property.

COMPARABLE BEDNIGHT RATES:

Accommodation Facility	Accommodation Type	Year 2022
1. **Windhoek Game Camp** (Brakwater)	Single Room Double Room	N$1 875.00/room N$2 700.00/room
2. **Ongolo Lodge & Camping**	Single Room Double Room	N$1 050.00/room N$1 400.00/room
3. **Ondekaremba Lodge**	Single Room Double Room	N$1 060.00/room N$1 760.00/room
4. **Eden Chalets**	Single Room Double Room	N$1 200.00/room N$1 400.00/room
5. **Arebbush Travel Lodge** (Windhoek)	Single Room Double Room	N$1 220.00/room N$1 526.00/room

COMPARABLE INCOME CAPITALIZATION RATES

Erf No:	Town	Extent	Sales Date	Title Deed Number	Sales Price (N$)	Capitalization Rate
Erf 1073 & Re 22	Windhoek	1 375.8m²	2018	TBA	10 500 000.00	12.0%
Erf 39B	Windhoek	7 693m²	2018	TBA	20 000 000.00	12.0%
Erf 8021	Windhoek	1132.80 m²	2021	TBA	23 885 000.00	12.0%
Erf 3978	Windhoek	5539m²	2022	TBA	15 900 000.00	12.0%

[redacted]

- **Capitalization Rate**

The Capitalization rate is best determined by referring to market transactions of comparable properties as it is based on information derived from market analysis. The Capitalization rate must take the prevailing interest rate into consideration. The higher the interest rate, the better the return an investor will require. Similar risk is another factor that will influence the Capitalization rate. The higher the risk factor, the better the return an investor will require. The risk inherent to income producing properties is the degree of certainty that the income stream will be realized despite the uncertainty of the future. A Capitalization rate of 12% is considered to be the market norm for the type of space offered by the subject property, located in an average risk lending area with good exposure. This in turn is equivalent to a price earning index of 8.33 which is in line with what the market should offer for a property of this nature under current market conditions.

- **Income Calculations**

Occupation Rate:	40% (Conferencing will be taken @ 20% occupancy)
Expenses:	70% (Conferencing will be taken @ 30%)
Capitalization Rate:	12%
Price Earning Index:	8.33
Profit / Rental Ratio:	30% / 70% (i.e. 70% of the netto annual income will be capitalized towards value)

Accommodation to be levied as follows:

- Single Rooms: 20 Rooms @ N$550.00/Room
- Double Rooms: 30 Rooms @ N$800.00/Room
- Rehabilitation Centre Rooms: 18 Persons @ N$ 1 350/Room (Food & Activities included).

SUGGESTED CAPITALIZED INCOME CALCULATIONS:

Suggested Income	*Number of Rooms*	*Rate/Room*	*Total (N$)*
Accommodation Income:			
Single Rooms	*20*	*550.00*	*11,000.00*
Double Rooms	*30*	*800.00*	*24,000.00*
Rehabilitation Centre Rooms	*18*	*1,350.00*	*24,300.00*
***Other Income** (i.e. Activities, bar,*	*80 persons*	*N$250.00/person*	*20,000.00*
dinners/restaurant, etc.) per day			
Total per day			***79,300.00***
For 365 Days			*28,944,500.00*
40% Occupation Rate			*11,577,800.00*
Suggested gross turnover/annum (Accommodation)			***11,577,800.00***
70% Expenses			*8,104,460.00*
Netto annual income			***3,473,340.00***
Conference Income:			
*Facilities: 230 delegates @ N$ 150.00*270 days (Including Meals/Drinks)*			***9,315,000.00***
Total Annual Income			***9,315,000.00***
20% Occupation Rate			***1,863,000.00***
50% Expenses			***931,500.00***
Combined Total Annual Income:			***4,404,840.00***
Profit @ 30% of Netto Annual Income			***1,321,452.00***
Rental @ 70% of Netto Anual Income			***3,083,388.00***
Capitalized @ 12,0% (x 8.33)			***25,684,622.04***
Say			***25,685,000.00***

[redacted]

Note: The median between the Depreciated Replacement Cost Method of Valuation and the Income Capitalization Method of Valuation will be regarded as market related.

THUS:

Depreciated Replacement Cost Method of Valuation	*25,930,000.00*
Income Capitalization Method of Valuation	*25,685,000.00*
TOTAL	***51,615,000.00***
MEDIAN BETWEEN 2 METHODS	***25,807,500.00***
SAY	***25,810,000.00***

13. EXECUTIVE SUMMARY

In view of the following:

- Easy access, via the Nubuamis Truck Road.
- Quality and extent of permanent structures and improvements.
- Reasonable distance from other amenities such as shops, schools, churches (Windhoek).
- Downwards swing in property market resulting in a contraction of property values, rental yields and capitalization rates
- Current economic downturn
- High interest rate environment.
- Upswing in the Hospitality/ Tourism industry during the past 24-months.

We are of the opinion that there are not many indicators that would suggest that the standard lending policy for properties of this nature cannot be followed if the subject property is to be bonded.

14. GENERAL

The property has been valued as if wholly owned, no account being taken of any outstanding monies due, in respect of mortgage bonds, loans or other charges.

15. INSURANCE VALUE (INCLUDING 15% VAT)

Improvements	***Size(m^2)±***	***Rate/m^2***	***Sub Total***
Main Building	*825*	*8,500.00*	*7,012,500.00*
Conference Centre Guest Rooms	*1485*	*8,500.00*	*12,622,500.00*
Conference Halls	*845*	*8,000.00*	*6,760,000.00*
Rehabilitation Centre Admin Block	*473*	*9,000.00*	*4,257,000.00*
Rehabiliation Centre Guest Rooms	*256*	*8,500.00*	*2,176,000.00*
Garages	*166*	*4,500.00*	*747,000.00*
Verandas/Covered BBQ areas	*937*	*3,500.00*	*3,279,500.00*
Outbuildings	*188*	*4,500.00*	*846,000.00*
Swimming Pools	*PC Sum*	*PC Sum*	*250,000.00*
Minor Improvements:	*PC Sum*	*PC Sum*	*1,100,000.00*
Sub Total			***39,050,500.00***
10% Professional Fees & Local Authority & Statutory Fees			*3,905,050.00*
3% Demolition & Removal Costs			*1,171,515.00*
10% Escallation			*3,905,050.00*
Total (Excl.15% Vat)			***48,032,115.00***
Add 15% Vat			*7,204,817.25*
Total Replacement Cost			*55,236,932.25*
Total Replacement Cost (Rounded)			***55,240,000.00***

[redacted]

16. INSURANCE VALUE (INCLUDING RENT)

Type	*Sub Total (N$)*
Total Replacement Cover (Including 15% Vat)	*55,236,932.25*
Rent	*4,404,840.00*
Total Insurance Cover (Including Rent)	***59,641,772.25***
Say	***59,640,000.00***

17.MARKET VALUE

Having regard for the above, I am of the opinion that as at 12th of July 2024, the **Market Value** of the subject property, assuming an arm's length transaction between a willing, able, and informed buyer, and a willing, able and informed seller and further that reasonable time is allowed for the property to be sold is:

MARKET VALUE: N$ 25 810 000.00 (TWENTY-FIVE MILLION EIGHT HUNDRED AND TEN THOUSAND NAMIBIAN DOLLARS)

It must be kept in mind that, should the subject property as described be sold under forced conditions, normally by public auction, it will not necessarily fetch the regarded market values as stated in the report.

18. RESTRICTIONS

This report was prepared solely for the purposes stated herein and can therefore not be relied upon for any other purpose. In no event shall I assume any responsibility towards any third party to which this report is disclosed and/or otherwise made available.

19. CERTIFICATE OF INDEPENDENCE

We, the undersigned, hereby declare that we comply with the requirements of the relevant Professional bodies/standards, in particular the fundamental ethical principle of objectivity/independence, as defined/explained in the Code of Ethics for Professional Valuers.

[redacted]

Property Valuer
National Diploma: Real Estate (CPUT SA)
12 July 2024

[redacted]

Principal Valuer/ Sworn Appraiser
National Diploma: Property Valuations (Technicon SA)
12 July 2024

APPENDIX A

[redacted]

Valuation Certificate Of:

PORTION 30 (A PORTION OF PORTION 12)
OF THE FARM NUBUAMIS NO.37
(Windhoek District - Reg. Division "K")

On behalf of

[redacted]

I, [redacted] **Qualified Property Valuer,** declare that the subject property was identified, and I am of the opinion that the Market Value of the subject property is as follows:

MARKET VALUE: **N$ 25 810 000.00 (TWENTY-FIVE MILLION EIGHT HUNDRED AND TEN THOUSAND NAMIBIAN DOLLARS)**

Thus, done on the 12th of July 2024 at **WINDHOEK.**

[redacted]

PROFESSIONAL VALUER
NATIONAL DIPLOMA: PROPERTY VALUATIONS (TECHNICON SA)

[redacted]

APPENDIX B

QUALIFICATIONS

This valuation has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation, has been made to ourselves, and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.

We emphasize that we have not carried out a structural survey of the improvements, nor have we examined them for signs of timber infestation, and accordingly, cannot be responsible for possible defects.
Where actual income and expenditure data has been made available to us, such data has been adjusted for anomalies and used on the understanding that it is correct as a basis for assessing capitalized values; in the absence of such data, we have made what we consider to be plausible assumptions.

Open Market valuation means the price at which an interest in real estate might reasonably be expected to have sold unconditionally for cash consideration on the date of valuation, assuming:
a. A willing and informed seller and a willing and informed buyer;
b. That, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest for the agreement of price and terms and for the completion of the sale; and
c. That no account is taken of any additional bid by a purchaser with a special interest.

The Insurance Value is a MINIMUM recommended value, subject to the qualifications set out above, and should be verified by the Mortgagor to avoid average being applied in the event of a claim. All alterations and additions to the property subsequent to the date hereof, must be advised to both the insurer and the Valuer by the Mortgagor.

This valuation has been prepared on the understanding that no onerous easements, rights of way or encroachment exist by or on the subject property, other than those in favour of statutory bodies, applicable to all such properties or which could be regarded as customary.
Finally, we must point out, that neither the whole nor any part of this valuation, nor any reference thereto, may be included in any document, circular or statement, without the prior written approval of the Valuer of the form and content in which it appears.

[redacted]