



## **VISION TRAINING CENTER AL KHABEER CAPITAL**

RIYADH CITY

DECEMBER 2021

# Valuation Report





REF: 2011395-2  
Date: 31/12/2021  
M/S AL KHABEER CAPITAL

**Subject: Valuation Report for an Under Construction Educational Facility (Vision Training Center) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on November 18, 2021 for valuation service of an educational facility (Vision Training Center), located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

***Issued without prejudice and liabilities***

**WHITE CUBES REAL ESTATE**

**Mr. Essam Al Hussaini – GM- WHITE CUBES KSA**

Member of the Saudi Authority of Accredited Valuers (Taqeem)



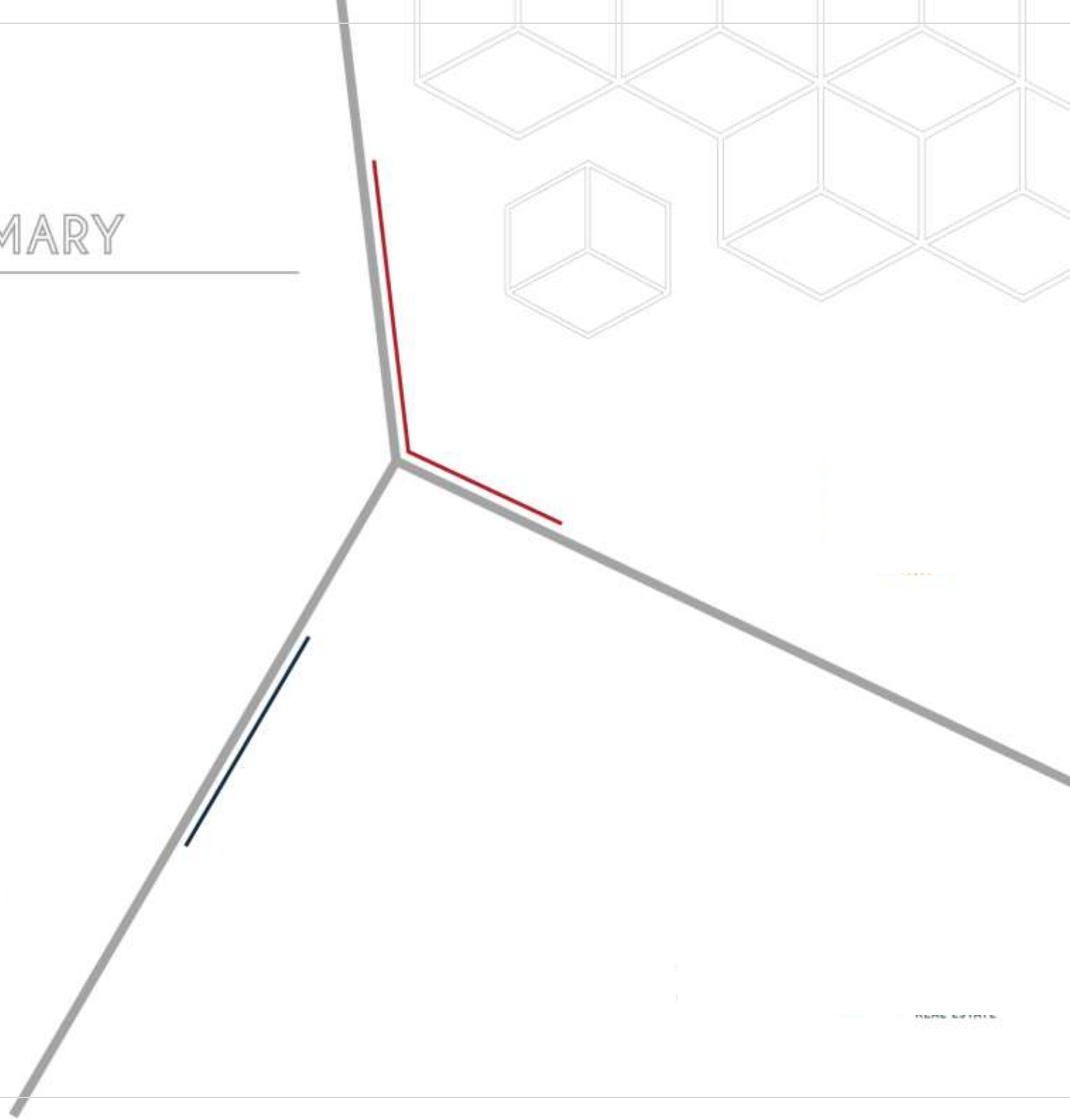


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# EXECUTIVE SUMMARY

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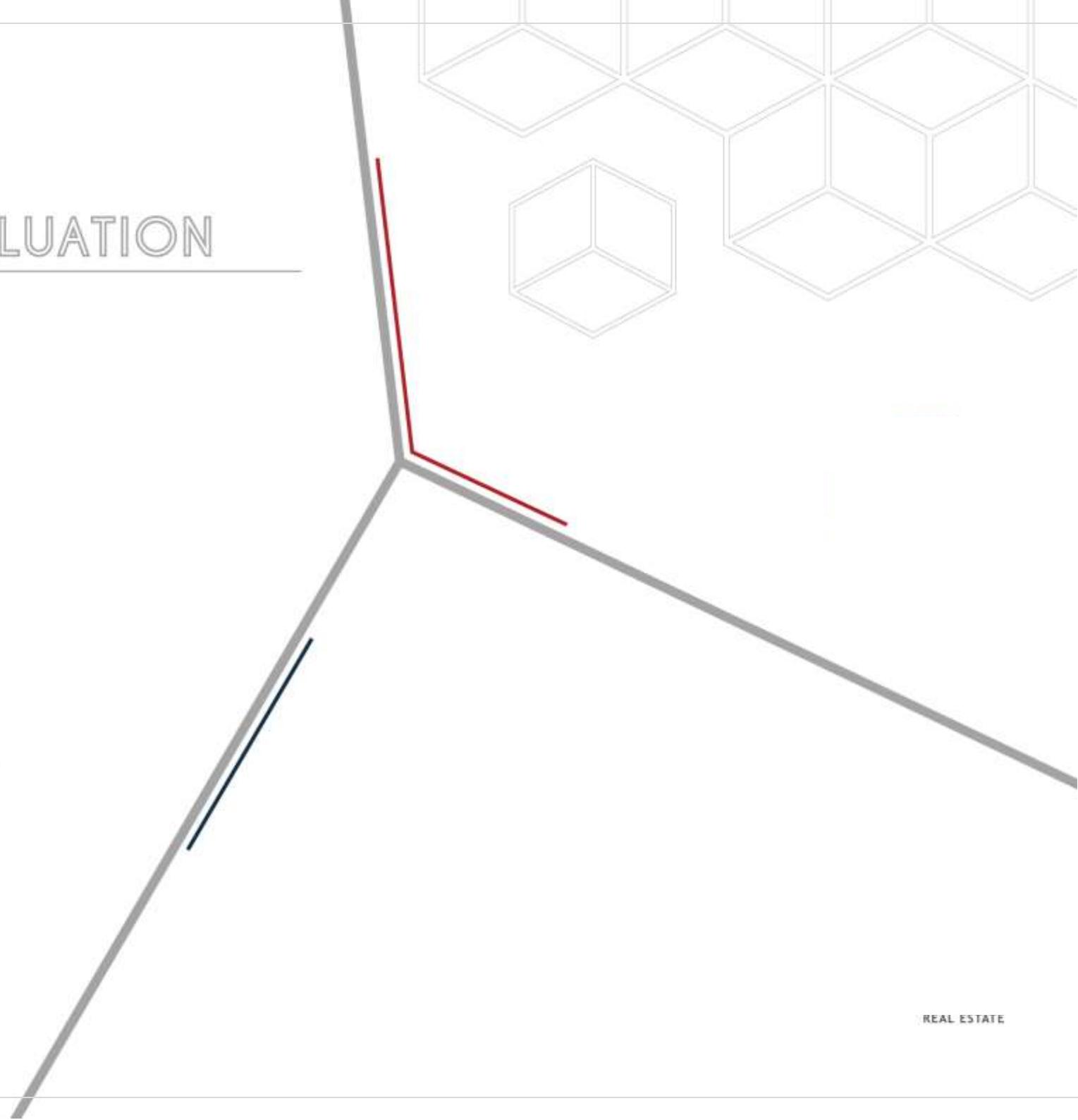
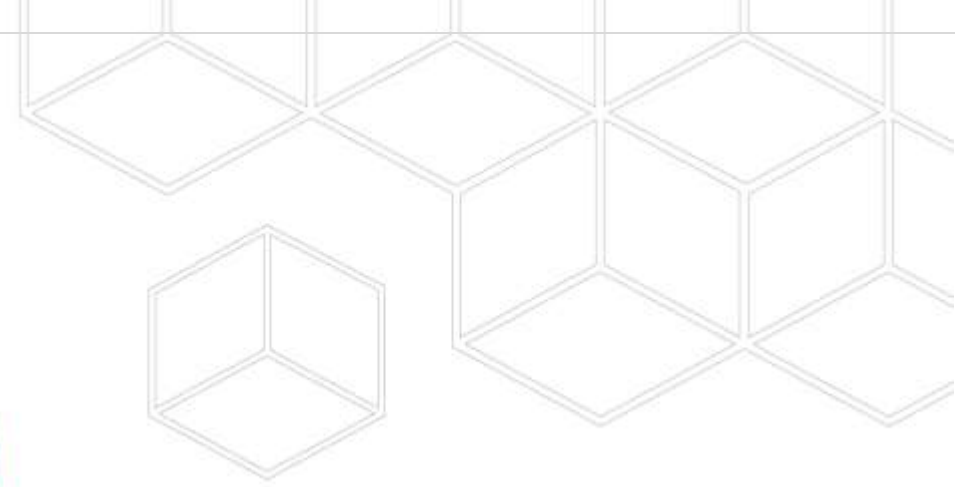


## 1.1 EXECUTIVE SUMMARY

|                               |                                                                                                                                                            |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Introduction</b>           | We received instructions from Al Khabeer Capital on 18/11/2021 to implement a real estate valuation service in Riyadh city.                                |
| <b>Client</b>                 | For whom this report is being prepared is Al Khabeer Capital, a valuation for Vision Training Center in Riyadh city.                                       |
| <b>Reference No.</b>          | 2011395- 2                                                                                                                                                 |
| <b>Purpose of Valuation</b>   | Real Estate Investment Trust (REIT)                                                                                                                        |
| <b>Subject Property</b>       | Educational Facility                                                                                                                                       |
| <b>Property Location</b>      | The property is located in Ishbiliya district, Riyadh City.                                                                                                |
| <b>Title Deed Information</b> | Title Deed No: 598507008764, Title Deed Date: 15/10/1442, Issued from Riyadh Notary                                                                        |
| <b>Ownership Type</b>         | Freehold                                                                                                                                                   |
| <b>Owner</b>                  | شركة اول الملقا العقارية                                                                                                                                   |
| <b>Land Use</b>               | Educational                                                                                                                                                |
| <b>Land Area (Sqm)</b>        | Based on the title deed, the land has an area size of 11,340 Sqm                                                                                           |
| <b>BUA (Sqm)</b>              | The building is composed of 4 floors                                                                                                                       |
| <b>Vacancy Rate</b>           | Based on the leasing contract provided by the client, the subject property is fully leased to one tenant, although the property is still under development |
| <b>Valuation Approach</b>     | The Depreciated Replacement Cost (DRC) and the Comparable Approach                                                                                         |
| <b>Final Property Value</b>   | 72,320,000 SAR                                                                                                                                             |
| <b>Valuation Date</b>         | 31/12/2021                                                                                                                                                 |
| <b>Inspection Date</b>        | 25/11/2021                                                                                                                                                 |

# TERMS OF REFERENCE & VALUATION

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## 1.2 BASIS OF VALUATION

### Market Value

Market Value is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

## 1.3 DATES

|                      |                    |
|----------------------|--------------------|
| Client Approval Date | November 18, 2021. |
| Inspection Date      | November 25, 2021. |
| Valuation Date       | December 31, 2021. |
| Report Date          | December 31, 2021. |

## 1.4 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for REIT Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach, The Depreciated Replacement Cost (DRC), The Comparable and the Discounted Cash Flow Approach (DCF)

# PROPERTY DETAILS

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1.5 PROPERTY & LOCATION DESCRIPTION

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Description          | Vision Training Center is an under construction educational facility with a land area of 11,340 square meters. As per the provided information by construction permit, the subject property has a total BUA of 48,770.66 square meters, overlooking 4 streets, where the main façade is the western side, which overlooks Al Bahar Al Arabi Street.                                                                      |
| Location Description          | <p>The property being valued is AlFarabi Training Center in Ishbilia District in the northeast of Riyadh.</p> <p>The property is bordered from the north by a vacant land</p> <p>The property is bordered from the south by AL Farabi College of Medicine</p> <p>The Property is bordered from the east by residential buildings</p> <p>The property is bordered to the west by the main road, Al Bahar Al Arabi Rd.</p> |
| Ease of Access                | The ease of access to the property is high, based on its current location as it is located on Al Bahar Al Arabi Street.                                                                                                                                                                                                                                                                                                  |
| Area Surrounding the Property | Mostly of residential and commercial uses.                                                                                                                                                                                                                                                                                                                                                                               |
| The Main Landmarks            | The property subject of valuation is surrounded by several major landmarks such as Ishbilia Residential Compound.                                                                                                                                                                                                                                                                                                        |

| Land                              |                          | Building                       |                                              |
|-----------------------------------|--------------------------|--------------------------------|----------------------------------------------|
| Land Use                          | Commercial               | Building Type                  | Educational Building still under development |
| No. of Streets                    | 4                        | Building Structural Conditions | Under Development                            |
| Land Shape                        | Graded                   | External Elevation Conditions  | Under Development                            |
| Direct View on the Main Road      | Al Bahar Al Arabi Street | Building Finishing Conditions  | Under Development                            |
| Direct View on an Internal Street | Yes, Al Naham Street     | Overall Building Conditions    | Under Development                            |
| Land Condition                    | Under Development        |                                |                                              |

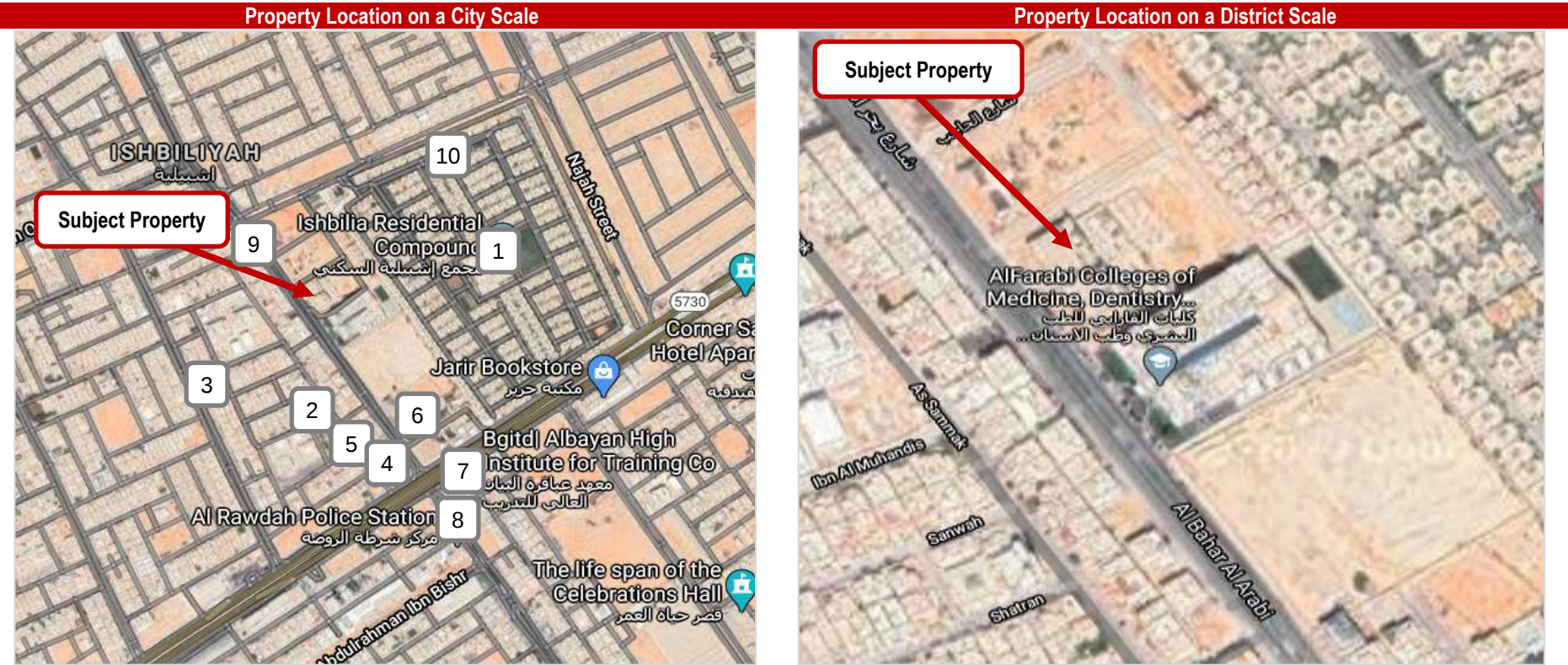
1.6 INFRASTRUCTURE FACILITIES

|                    | Available in the surrounding | Connected to the property |                                                                                                                           |
|--------------------|------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Water              | ✓                            | ✗                         | All the infrastructural facilities are available in the surroundings, yet they are not connected to the subject property. |
| Electricity        | ✓                            | ✗                         |                                                                                                                           |
| Tele-Communication | ✓                            | ✗                         |                                                                                                                           |
| Sewage             | ✓                            | ✗                         |                                                                                                                           |



1.7 LOCATION

The subject property is in Ishbilia district, Riyadh city and surrounded by several landmarks as follows:

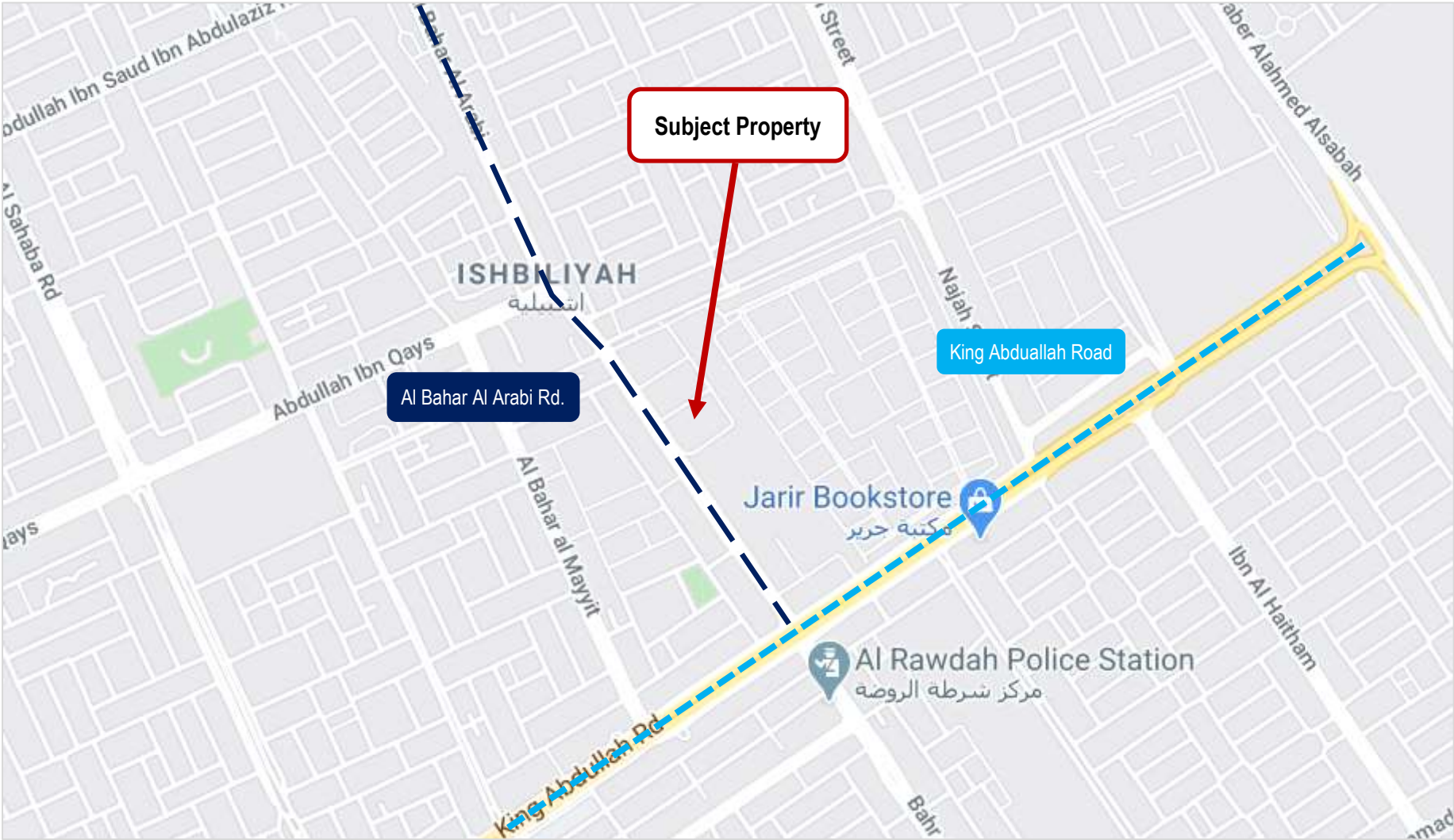


| Surrounding Landmarks                                                      |                                                                   |
|----------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1- Ishbilia Residential Compound (0.25 Kilometers)                         | 6- Oasis Day Care Center (0.30 Kilometers)                        |
| 2- Sevilla School for the memorization of the Koran girl (0.20 Kilometers) | 7- Bgitd Albayan High Institute for Training Co (0.50 Kilometers) |
| 3- Kids Saray International School (0.33 Kilometers)                       | 8- Al Rawdah Police Station (0.60 Kilometers)                     |
| 4- Beam Crossfit (0.40 Kilometers)                                         | 9- Al Rowad Schools - Ishbilia (0.45 Kilometers)                  |
| 5- Al Itisaliyat Company (0.30 Kilometers)                                 | 10- Ishbilia Kindergarten (0.45 Kilometers)                       |



1.8 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.9 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed of the subject property which is owned by one title deed. The details of the subject property:

|                          |                                                                                                                                                                            |                        |                          |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------|
| City                     | Riyadh                                                                                                                                                                     | Land Area              | 11,340 Sqm               |
| District                 | Ishbilila                                                                                                                                                                  | Plot No.               | From Plot No.9 to No.16  |
| T.D Type                 | Electronic                                                                                                                                                                 | Block No.              | N/A                      |
| T.D Number               | 598507008764                                                                                                                                                               | Layout No.             | 2932                     |
| T.D Date                 | 15/10/1442                                                                                                                                                                 | Owner                  | شركة اول الملقا العقارية |
| T.D Value                | -                                                                                                                                                                          | Ownership Type         | Freehold                 |
| Date of Last Transaction | 15/10/1442                                                                                                                                                                 | Limitation of Document | Mortgaged                |
| Issued From              | Riyadh Notary                                                                                                                                                              |                        |                          |
| North Side               | 15 m Wide street                                                                                                                                                           | East Side              | 15 m Wide street         |
| South Side               | 15 m Wide street                                                                                                                                                           | West Side              | 40 m Wide street         |
| Notes                    | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. |                        |                          |

1.10 CONSTRUCTION & BUILDINGS

The client provided us with a construction permit to the subject property with a total BUA of 48,770.66 Sqm distributed on 3 underground floors and 2 upper floors. The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, if the customer does not provide us with a copy of the approved plans, the evaluation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will evaluate them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

| Source of BUA       |       | Actual Age of the Property |       | Status of the property |       |
|---------------------|-------|----------------------------|-------|------------------------|-------|
| Construction Permit | ✓     | Construction Permit        | ✓     | New                    | ----- |
| As Built Drawings   | ----- | As Built Drawings          | ----- | Fully Constructed      | ✓     |
| Other Documents     | ----- | Other Documents            | ----- | Under Construction     | ----- |
| Verbal Information  | ----- | Verbal Information         | ----- |                        |       |
| Estimation          | ----- | Estimation                 | ----- |                        |       |



The client provided us with a building permit for the property under evaluation, which contains the following data:

| Subject Property         |                      |  |  |
|--------------------------|----------------------|--|--|
| Construction Permit Type | New Permit           |  |  |
| Property Type            | Educational Facility |  |  |
| Construction Permit No.  | 1434/20267           |  |  |
| Construction Permit Date | 15/09/2013           |  |  |
| Permit Expiry Date       | 14/08/2016           |  |  |

| Description            | No. of Units | Area (sqm)      | Use                 |
|------------------------|--------------|-----------------|---------------------|
| Ground Floor           | 1            | 5946.95         | Educational         |
| Basement 3             | 0            | 11,322          |                     |
| Basement 2             | 0            | 11,322          | Parking Area        |
| Basement 1             | 0            | 11,322          | Parking Area        |
| First Floor            | 0            | 6060.61         | Educational         |
| Electricity Chamber    | 0            | 20.00           | Electricity Chamber |
| Upper Annexes          | 0            | 2777.10         | Educational         |
| Fences                 | 1            | 430.96          | Services            |
| <b>Total BAU (sqm)</b> |              | <b>48770.66</b> |                     |

The Total BUA as per the construction permit is 48770.66 Sqm, yet, only 2 basement floors have been executed although the permit allows 3 floors. So, the current BUA of the building excluding Basement 3 is 37448.66 Sqm and we will use this number in our valuation process.

### 1.11 INSURANCE

We have not been provided with any insurance policy for the underlying asset.

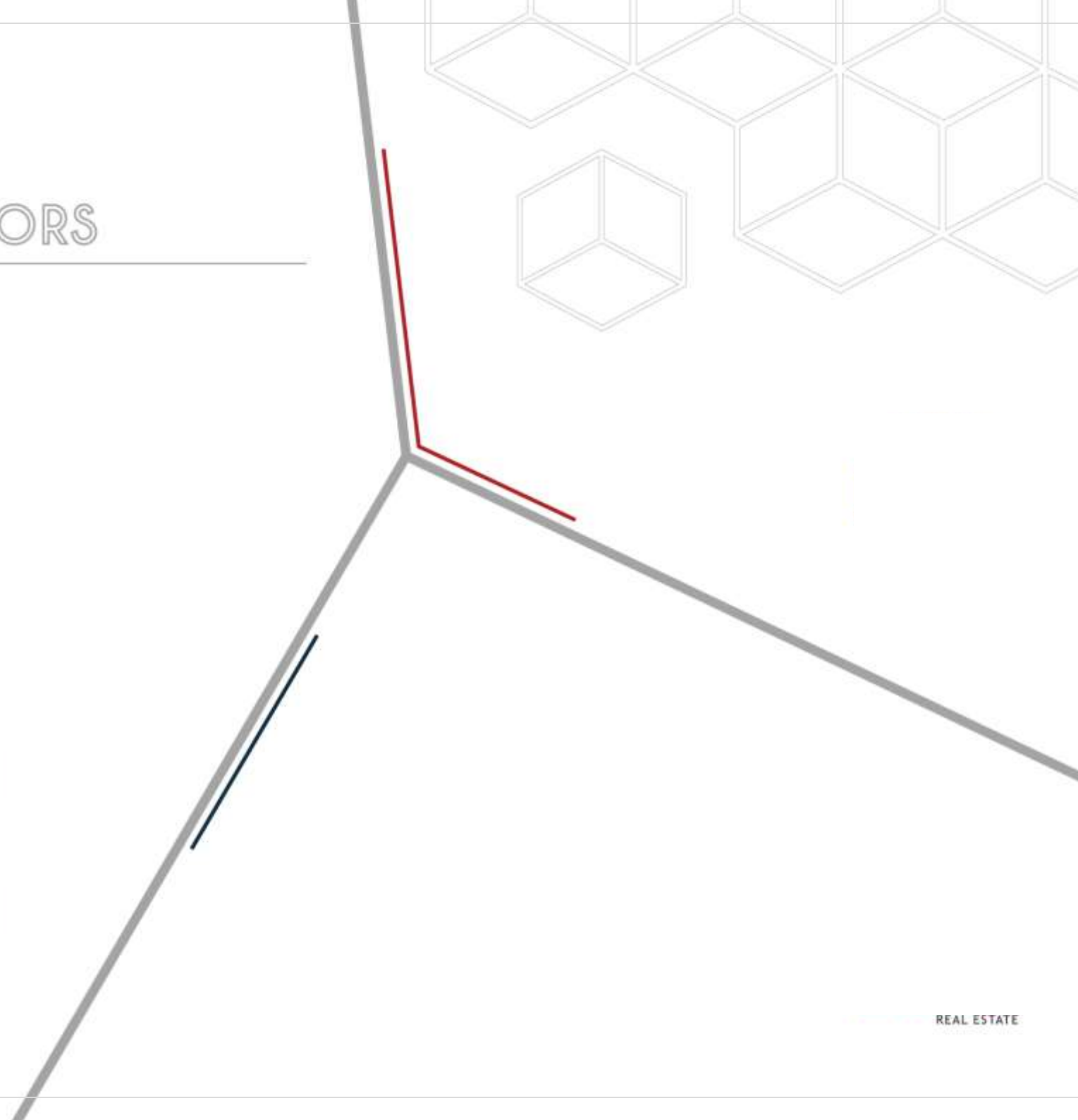
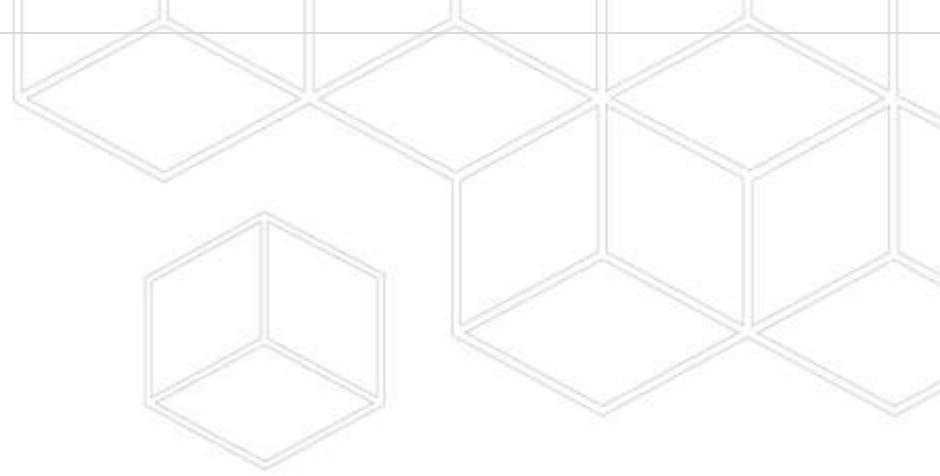


1.12 PHOTO RECORD



# MARKET INDICATORS

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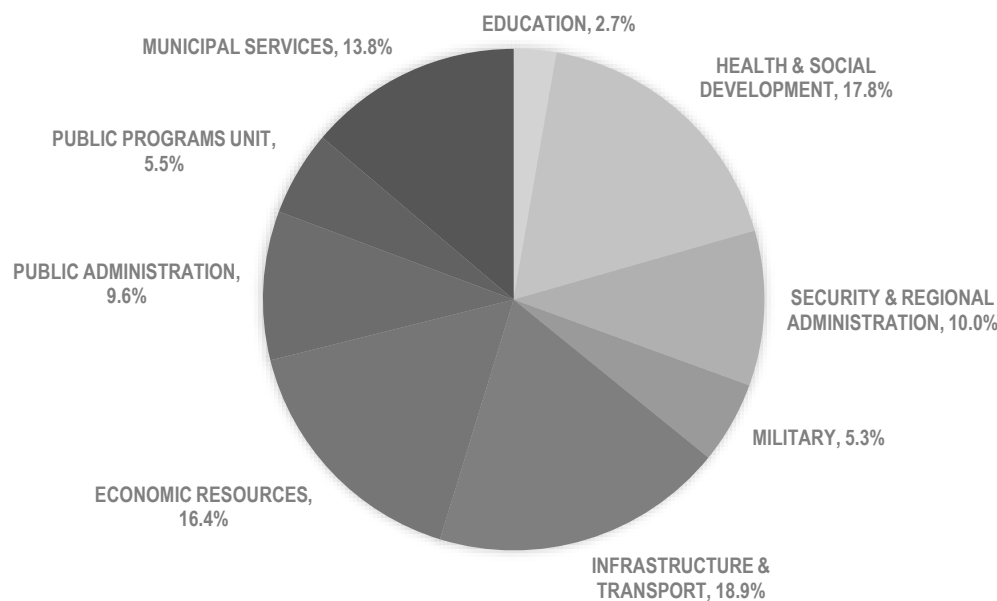
### 1.13 SAUDI ARABIA ECONOMIC INDICATORS

| Economic Indicator                                             | 2018            | 2019       | 2020       | 2021           |
|----------------------------------------------------------------|-----------------|------------|------------|----------------|
| GDP (Source: General Authority for Statistics)                 | (Q2) 732,747 Bn | 793.8 Bn   | 700 Bn Q1  | 790 Bn Q1      |
| GDP Growth (Source: Ministry of Finance)                       | %2.3            | 0.5%       | -4.1%      | 2.84% (E)      |
| Inflation Rate (Source: Statista)                              | 2.45%           | -1.22%     | 3.44%      | 3.23 (E)       |
| Interest Rates (Source: Trading Economics)                     | 2.75%           | 3%         | 2.25%      | 0.7 (E)        |
| Government Revenues (Source: General Authority for Statistics) | 895 Bn          | 978 Bn     | 770 Bn     | 654 Bn (E)     |
| Government Spending (Source: General Authority for Statistics) | 1,079 Bn        | 1,100 Bn   | 1,020 Bn   | 1,100 Bn (E)   |
| Unemployment Rate (Source: Trading Economics)                  | 6%              | 5.6%       | 8.22%      | 6.6% (E)       |
| Population (Source: General Authority for Statistics)          | 33,413,660      | 34,413,660 | 34,810,000 | 35,565,592 (E) |

### 1.14 BUDGET ALLOCATION FOR 2020

|                            |            |
|----------------------------|------------|
| Public Administration      | 28 SAR bn  |
| Military                   | 182 SAR bn |
| Security & Regional Adm.   | 102 SAR bn |
| Municipal Services         | 54 SAR bn  |
| Education                  | 193 SAR bn |
| Health & Social Dev.       | 167 SAR bn |
| Economic Resources         | 98 SAR bn  |
| Infrastructure & Transport | 56 SAR bn  |
| General Items              | 141 SAR bn |

Source: Ministry of Economy





1.15 SWOT ANALYSIS

|                                                                                                                                                                                       |                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Strength <ul style="list-style-type: none"><li>- Direct view on the main road, Al Bahar Al Arabi Rd.</li><li>- Surrounded by several landmarks</li></ul>                              | Weakness <ul style="list-style-type: none"><li>- The property is located far from city center</li></ul> |
| Opportunities <ul style="list-style-type: none"><li>- Increase in the demand for such properties in the surrounding area due to the high concentration of residential units</li></ul> | Threats <ul style="list-style-type: none"><li>- Existing and upcoming similar projects</li></ul>        |

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.16 RISK ANALYSIS

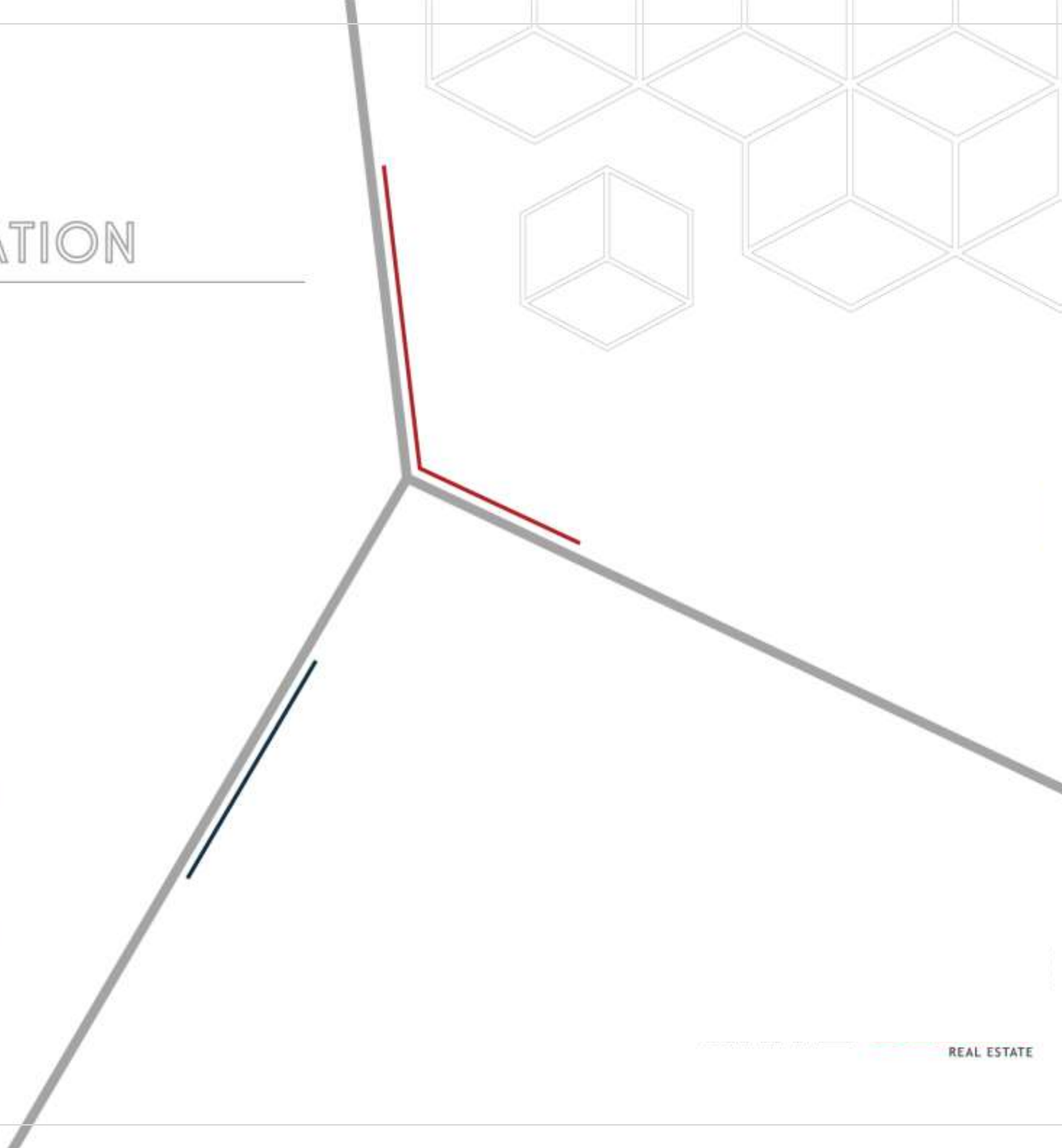
| Risk Factor                                | Very Low Risk (1)<br>1-10 | Minimal Risk (2)<br>11-20 | Medium Risk (3)<br>21-30 | Elevated Risk (4)<br>31-40 | Very High Risk (5)<br>41-50 |
|--------------------------------------------|---------------------------|---------------------------|--------------------------|----------------------------|-----------------------------|
| Overall Economy                            |                           |                           | ✓                        |                            |                             |
| Sector Current Performance                 |                           |                           | ✓                        |                            |                             |
| Sector Future Performance                  |                           | ✓                         |                          |                            |                             |
| Occupancy Rates                            |                           |                           | ✓                        |                            |                             |
| Supply Rate                                |                           |                           | ✓                        |                            |                             |
| Demand Rate                                |                           |                           | ✓                        |                            |                             |
| Access                                     |                           |                           | ✓                        |                            |                             |
| Location                                   |                           |                           | ✓                        |                            |                             |
| Land Shape                                 |                           | ✓                         |                          |                            |                             |
| Surrounding Area facilities                |                           |                           | ✓                        |                            |                             |
| Total Risk                                 | 0                         | 4                         | 24                       | 0                          | 0                           |
| Risk Category 28 Risk Points – Medium Risk |                           |                           |                          |                            |                             |

Sector Analysis

Risk Category- 28 Risk Points - Medium Risk

# PROPERTY VALUATION

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1.17 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.18 VALUATION APPROACH

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

|                  | DRC   | Comparable | Income Cap | DCF   | RLV   |
|------------------|-------|------------|------------|-------|-------|
| Land             | ----- | -----      | -----      | ----- | ----- |
| Building         | ----- | -----      | -----      | ----- | ----- |
| Overall Property | ----- | -----      | -----      | ----- | ----- |

COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.



## DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for market value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and churches, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the vacant property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

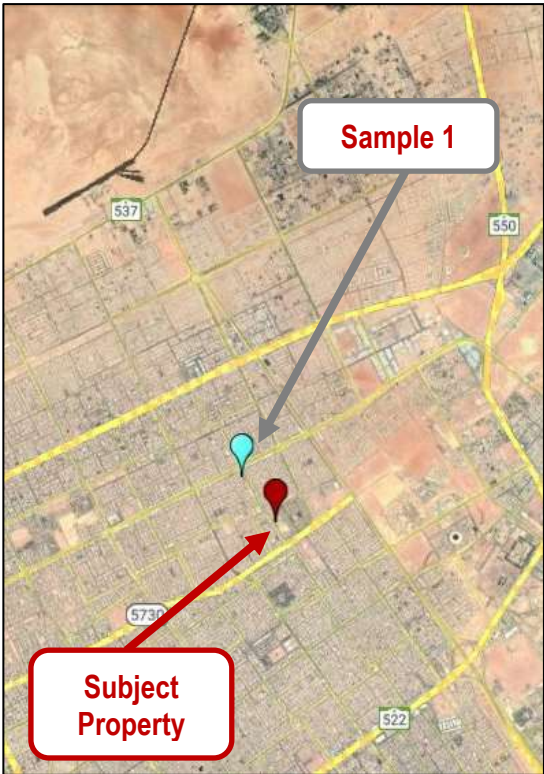


1.19 COMPARABLE APPROACH

This method aims to collect data and information on actual sales or current offers of real estate similar to the original subject matter being evaluated, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content and others. Below is a summary of the evaluation process in the style of comparisons and the amendments made to the available comparisons

| Characteristics of Samples |                  |                |
|----------------------------|------------------|----------------|
| Feature                    | Subject Property | Sample 1       |
| Quoting                    | -----            | Offering       |
| District                   | Ishbilia         | Ishbilia       |
| Sale Price                 | -----            | SAR 67,000,000 |
| Data Source                | Title Deed       | Market Survey  |
| Area Size                  | 11,340.00        | 29,295.00      |
| SAR / Sqm                  | -----            | SAR 2,287      |
| Sides Open                 | 4                | 4              |

| Adjustment Analysis     |           |             |        |
|-------------------------|-----------|-------------|--------|
|                         |           | SAMPLE 1    |        |
| Area size               | 11,340.00 | 29,295.00   | 15.00% |
| Location Desirability   | Average   | Average     | 0.00%  |
| Accessibility           | Average   | Average     | 0.00%  |
| Street Width (m)        | 40        | 35          | 0.00%  |
| Sides Open              | 4         | 4           | 0.00%  |
| Land Shape              | Regular   | Regular     | 0.00%  |
| Close to main street    | Yes       | Yes         | 0.00%  |
| Negotiable              | -----     | No          | 0.00%  |
| Other Factor            | -----     | -----       | 0.00%  |
| Total Adjustments Ratio |           | 15.00%      |        |
| Total Adjustment Amount |           | SAR 343.1   |        |
| Net After Adjustment    |           | SAR 2,630.1 |        |
| SAR / Sqm               |           | SAR 2,630   |        |
| Rounded Value           |           | SAR 2,650   |        |



| SENSITIVITY ANALYSIS |                |                |                |                |                |
|----------------------|----------------|----------------|----------------|----------------|----------------|
|                      | -10%           | -5%            | 0%             | 5%             | 10%            |
| Land Area            | 17,046         | 17,046         | 11,340         | 17,046         | 17,046         |
| SAR / Sqm            | SAR 1,912.5    | SAR 2,018.8    | SAR 2,650.0    | SAR 2,231.3    | SAR 2,337.5    |
| Property Value       | SAR 32,600,475 | SAR 34,411,613 | SAR 30,051,000 | SAR 38,033,888 | SAR 39,845,025 |
| PROPERTY VALUE       |                |                |                |                |                |



Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average prices for similar properties falls in the range of 2,500 - 3,000 SAR / Sqm with an average of 2,750 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.

## 1.20 COST APPROACH (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of the real estate similar to the property being evaluated, and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard, and in the following table the scope of the expected costs for replacing the building under evaluation.

|                                 | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|---------------------------------|----------------------|----------------------|--------------|
| <b>Skeleton - Concrete Cost</b> | SAR 1,100            | SAR 1,200            | SAR 1,150    |
| <b>MEP</b>                      | SAR 350              | SAR 450              | SAR 400      |
| <b>Finishing Materials</b>      | SAR 650              | SAR 750              | SAR 700      |
| <b>Site Improvements</b>        | SAR 80               | SAR 120              | SAR 100      |
| <b>Owner Profit</b>             | 18%                  | 22%                  | 20%          |

In the following table, we will calculate an estimate of the direct costs of the building in the new condition, according to the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| LAND                         |           |                  |                       |                 |                       |
|------------------------------|-----------|------------------|-----------------------|-----------------|-----------------------|
|                              | Land Area |                  | SAR / Sqm             |                 | Total Value           |
|                              | 11,340.00 |                  | SAR 2,650             |                 | SAR 30,051,000        |
| Building                     |           |                  |                       |                 |                       |
|                              |           | Unit             |                       |                 | Total BUA             |
| Upper and Underground Floors |           | Sqm              |                       |                 | 37,448.66             |
| <b>Total (SQM)</b>           |           | <b>37,448.66</b> |                       |                 |                       |
| Development Cost             |           |                  |                       |                 |                       |
| Hard Cost                    |           |                  |                       |                 |                       |
|                              | Area      | SAR / Sqm        | Total                 | Completion Rate | Total Cost            |
| Skeleton & Block             | 37,448.66 | SAR 1,150        | SAR 43,065,959        | 80%             | SAR 34,452,767        |
| Electro Mechanic             | 37,448.66 | SAR 400          | SAR 14,979,464        | 0%              | SAR 0                 |
| Finishing                    | 37,448.66 | SAR 700          | SAR 26,214,062        | 0%              | SAR 0                 |
| Fit outs & Appliances        | 37,448.66 | SAR 200          | SAR 7,489,732         | 0%              | SAR 0                 |
| Site Improvement             | 11,340.00 | SAR 100          | SAR 1,134,000         | 100%            | SAR 1,134,000         |
| <b>Total</b>                 |           |                  | <b>SAR 92,883,217</b> | <b>38.31%</b>   | <b>SAR 35,586,767</b> |



| Overall Soft Cost              |                          |                           |                         |
|--------------------------------|--------------------------|---------------------------|-------------------------|
|                                | Total Hard Cost          | Ratio                     | Soft Cost               |
| Initial Project Pre Cost       | SAR 35,586,767           | 1.00%                     | SAR 355,868             |
| Design                         | SAR 35,586,767           | 1.00%                     | SAR 355,868             |
| Eng Consultant                 | SAR 35,586,767           | 2.00%                     | SAR 711,735             |
| Management                     | SAR 35,586,767           | 2.00%                     | SAR 711,735             |
| Contingency                    | SAR 35,586,767           | 5.00%                     | SAR 1,779,338           |
| Others                         | SAR 35,586,767           | 0.00%                     | SAR 0                   |
| <b>TOTAL</b>                   |                          | <b>11.00%</b>             | <b>SAR 3,914,544.39</b> |
| <b>Total Hard Cost</b>         | <b>SAR 35,586,767</b>    | <b>BUA</b>                | <b>37,448.66</b>        |
| <b>Total Soft Cost</b>         | <b>SAR 3,914,544.39</b>  | <b>SAR / Sqm</b>          | <b>SAR 1,055</b>        |
| <b>Total Construction Cost</b> | <b>SAR 39,501,311.59</b> | <b>Overall Completion</b> | <b>38.3%</b>            |

After knowing the total building construction costs at a rate of 1,055 SAR per square meter, we will estimate the life span of the property according to the type of construction and its general condition, and then apply the depreciation rates based on the actual age of the property. Then, the developer's profitability will be added to the property's value after depreciation to see the estimated market value of the building

| DEVELOPMENT VALUE      |                       |                                    |                       |
|------------------------|-----------------------|------------------------------------|-----------------------|
| <b>Total Dev Cost</b>  | <b>SAR 39,501,312</b> | <b>Net Dep Rate</b>                | <b>0.00%</b>          |
|                        |                       | <b>Dev Cost After Depreciation</b> | <b>SAR 39,501,312</b> |
| <b>Economic Age</b>    | <b>40</b>             | <b>Total Completion Rate</b>       | <b>38.31%</b>         |
| <b>Annual Dep Rate</b> | <b>2.50%</b>          | <b>Developer Profit Rate</b>       | <b>7.0%</b>           |
| <b>Actual Age</b>      | <b>0</b>              |                                    |                       |
| <b>Total Dep Rate</b>  | <b>0.00%</b>          |                                    |                       |
| <b>Add Appr Rate</b>   | <b>0.00%</b>          | <b>Dev. Profit Amount</b>          | <b>SAR 2,765,092</b>  |
| <b>Net Dep Rate</b>    | <b>0.00%</b>          | <b>Development Value</b>           | <b>SAR 42,266,403</b> |

The total market value of the building is 42,266,403 SAR, which will be added to the market value of the land in order to get the full value of the property as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value  |
|------------------|----------------|----------------------|----------------|
| SAR 42,266,403   | SAR 30,051,000 | SAR 72,317,403       | SAR 72,320,000 |

The client informed us that there are no changes in the completion rates of the project since December 2020.



## 1.21 LEASING CONTRACT

The client provided us with a leasing contract with the below details:

1<sup>st</sup> Party: شركة المقصد العقارية

2<sup>nd</sup> Party: شركة كليات الرؤية للتعليم

Duration: 25 Years

Starting Date: 2021

Ending Date: 2045

As per the leasing contract, there are promissory notes for the contracts full period.

## 1.22 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

| Methodology         | Subject of Valuation | Value in Numbers | Value in Letters                                                   |
|---------------------|----------------------|------------------|--------------------------------------------------------------------|
| Comparable Approach | Land                 | SAR 28,350,000   | Twenty-Eight Million and Three Hundred Fifty Thousand Saudi Riyals |
| DRC Approach        | Land + Building      | SAR 72,320,000   | Seventy-Two Million and Three Hundred Twenty Thousand Saudi Riyals |

It is true that the subject property considered as a special property (educational facility), but since the subject property is being leased on a long-term bases with the availability of the promissory notes (provided by the tenant) and taking into consideration the purpose of valuation, we will indicate the final value of the subject property based on the Cost Approach.

## 1.23 SUBJECT PROPERTY VALUE

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the DRC Approach is:

**Property Value: 72,320,000 SAR**

**Seventy-Two Million and Three Hundred Twenty Thousand Saudi Riyals**

## 1.24 VALUATION NOTES

We did not apply the income approach while valuating the subject property for the following 2 reasons:

- The subject property considered as a special property due to its nature of use, where no active market transactions for such property types. Therefore, we have applied the DRC approach.
- The subject property still in the construction phase and expected to be finished in 2 years' time.



### 1.25 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

### 1.26 DISCLAIMER

In undertaking and executing this assignment, extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc. It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

### 1.27 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

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**Essam Hussaini**  
**Site Inspection Check**

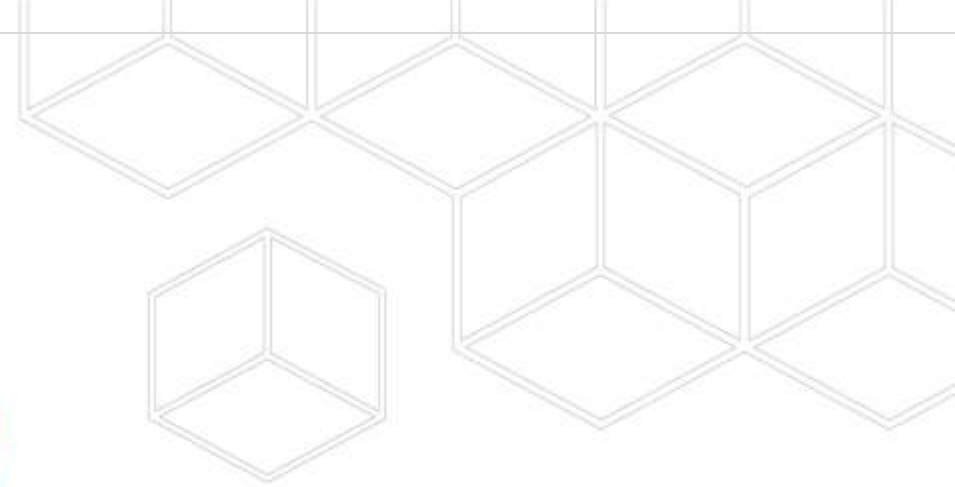
**Member of (Taqeem)**  
**License No. 1210000474**

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# GENERAL NOTES

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2024/01/01



## 1.28 CONSULTANT STATUS

We confirm that the consultant / valuator has no physical contact or affiliation with the original subject matter of valuation or with the client and can provide objective, unbiased valuation. We confirm that the evaluator is competent to carry out the valuation task and has sufficient skills and market knowledge concerned to conduct the valuation.

## 1.29 DISCLOSING CONFLICT OF INTEREST

We affirm that we are completely independent of the customer and the subject of the valuation, and nothing contained in this agreement must be interpreted as constituting any relationship with the customer except for the normal official relationship of work, or that it aims to establish any business relationship whatsoever between the customer and White Cubes employees. We also confirm that we do not have any conflicts of interest with the customer's property. We would like to draw your attention to the following:

*The subject property was previously valued by White Cubes*  
*White Cubes was previously involved in selling activities related to the property*  
*White Cubes was previously involved in advisory services related to the property*

| No | If Yes         |           | Remarks |
|----|----------------|-----------|---------|
|    | Client         | Date      |         |
| ✓  | Al Khabeer Cap | June 2021 | _____   |
| ✓  | _____          | _____     | _____   |
| ✓  | _____          | _____     | _____   |

## 1.30 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.

