VISION COLLEGE

Vision College (Previously Al Farabi)

AL KHABEER CAPITAL

Awal Al Malqa Real Estate Company

Valuation Report

REF: 22-0112-11EN
Date: 26/06/2022
M/S: Awal Al Malqa Real Estate Company

Subject: Valuation Report for Vision College (Previously Al Farabi) in Riyadh city, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on June 06, 2022, for valuation service of Vision College (Previously Al Farabi) located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

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Mr. Essam M. Al-Husaini- Owner

Fellow Member of the Saudi Authority of Accredited Valuers (Taqeem)

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EXECUTIVE SUMMARY

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1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 06/06/2022 to implement valuation service for Vision College (Previously Al Farabi) in Riyadh city.
Client	For whom this report is being prepared is Awal Al Malqa Real Estate Company, a Saudi company registered under the Saudi law.
Reference No.	22-0112-11EN
Purpose of Valuation	Real Estate Investment Trust (REIT)
Subject Property	Educational Facility
Property Location	The property is located in Ishbiliyah district, Riyadh city.
Title Deed Information	Title Deed No: 498507005691, date: 04/06/1442, Issued from Ministry of Justice.
Ownership Type	Mortgage.
Owner	Awal Al Malqa Real Estate Company.
Land Use	Educational.
Land Area (Sqm)	Based on the title deed, the land has an area size of 17,046 Sqm.
BUA (Sqm)	As per the provided construction permit, the total BUA is 44,113.52 Sqm.
Vacancy Rate	Based on the leasing contract provided by the client, the subject property is fully leased to one tenant.
Valuation Approach	The Comparable Approach, The Income Approach, The Depreciated Replacement Cost (DRC).
Final Property Value	SAR 213,330,000
Valuation Date	26/06/2022
Inspection Date	15/06/2022

TERMS OF REFERENCE & VALUATION

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1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Awal Al Malqa Real Estate Company to estimate the market value of the property / real estate that is the subject of this report for the mentioned purpose only. This report may not be used for other purposes. The valuation was prepared in accordance to the regulations and standards issued by the Saudi Authority of Accredited Valuers and the International valuation Standards of the Council of International Assessment Standards (IVSC).

1.3 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.

The definition of Market Value is applied in accordance with the following conceptual framework:

"*The estimated amount*" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value:

AN ASSET SHOULD EXCHANGE

"***an asset should exchange***" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the valuation date;

ON THE VALUATION DATE

"***on the valuation date***" requires that the value is time specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date;

BETWEEN WILLING BUYER

"***between a willing buyer***" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

AND WILLING SELLER

"**and a willing seller**" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

IN AN ARM'S LENGTH TRANSACTION

"***in an arm's-length transaction***" is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of special value. The market value transaction is presumed to be between unrelated parties, each acting independently;

AFTER PROPER MARKETING

"**after proper marketing**" means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the market value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date;

KNOWLEDGEABLY AND PRUDENTLY

'**where the parties had each acted knowledgeably**, **prudently'** presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

AND WITHOUT COMPULSION

'**and without compulsion'** establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

1.4 CLIENT APPROVAL DATE

The client approval date reflects the green light given to us by the client to start the inspection procedures of the property / properties subject to the valuation process.

June 06, 2022.

1.5 INSPECTION DATE

The inspection date reflects the exact date of the property's inspection and the date of executed market survey. Yet, the outcome value of the subject property / properties will be based on the findings at the inspection date.

June 10, 2022.

1.6 VALUATION DATE

The Valuation date is the date on which the opinion of value/s applies. The date of valuation is the date where the value/s of the subject property / properties is reflected. The valuation date is at

June 26, 2022.

1.7 REPORT DATE

The valuation reports usually dated exactly as the valuation date. Yet, and in some cases, the report date can be after the valuation date depending on the nature, size, and location of the subject property.

June 26, 2022.

1.8 OPINION OF VALUE

All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on the previously mentioned findings.

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for **Real Estate Investment Trust (REIT) Purpose**. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of **The Comparable Approach, The Income Approach, The Depreciated Replacement Cost (DRC).**

1.10 INSPECTION ROLE

A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / boundaries / out layers of the property. No technical inspection has been made such as soil test, construction durability, etc. the following shows the findings from the inspection procedures.

1.11 MARKET SURVEY

During the site visit, our team has made the market survey for the immediate surrounding areas of the subject property to collect all the possible and related data to the valuation process. The collected data will be prices, rents, land offerings, properties transactions, etc. the collected data type will be according to the property data and the purpose of valuation.

PROPERTY DETAILS

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2.1 PROPERTY & LOCATION DESCRIPTION

Property Description

Vision College (Previously Al Farabi) educational facility in Ishbiliyah district, Riyadh city. Based on the provided copy of the title deed and the construction permit, the property has a total land area of 17,046 Sqm, total BUA of 44,113.52 Sqm. As per the site inspection done by our team, the property is open on 2 sides. all infrastructure facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.

Location Description

The property subject of valuation is an educational facility located in Ishbiliyah district, Riyadh city.
The property is bordered from the north by a commercial building.
The property is bordered from the south by a vacant land.
The Property is bordered from the east by a residential building.
The property is bordered to the west by Al Bahar Al Arabi Road.

Ease of Access

Based on the current location of the subject property, the access level is Medium since its located on Al Bahar Al Arabi Road.

Land	
Land Use	Educational
No. of Streets	2
Land Shape	Graded
Direct View on the Main Road	Al Bahar Al Arabi Road
Direct View on an Internal Street	Unnamed street
Land Condition	Constructed

Building	
Building Type	Educational
Building Structural Conditions	Fully Constructed
External Elevation Conditions	Good
Building Finishing Conditions	Good
Overall Building Conditions	Good

2.2 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

All the infrastructural facilities are available in the surroundings and not yet connected to the subject property.

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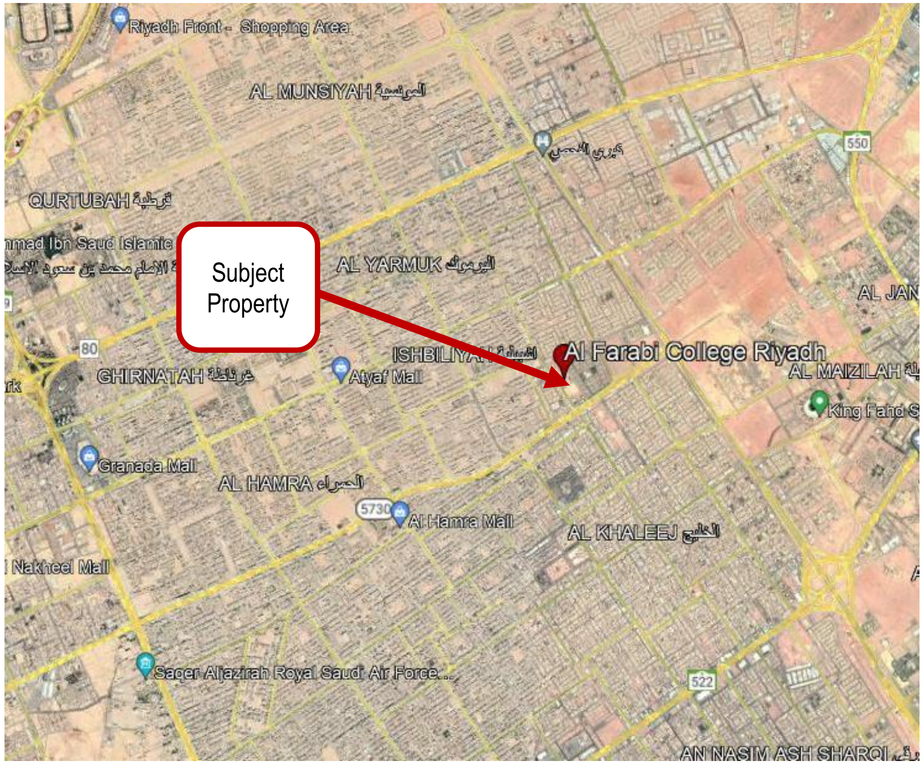
2.3 LOCATION

The subject property is located in Ishbiliyah district, Riyadh city

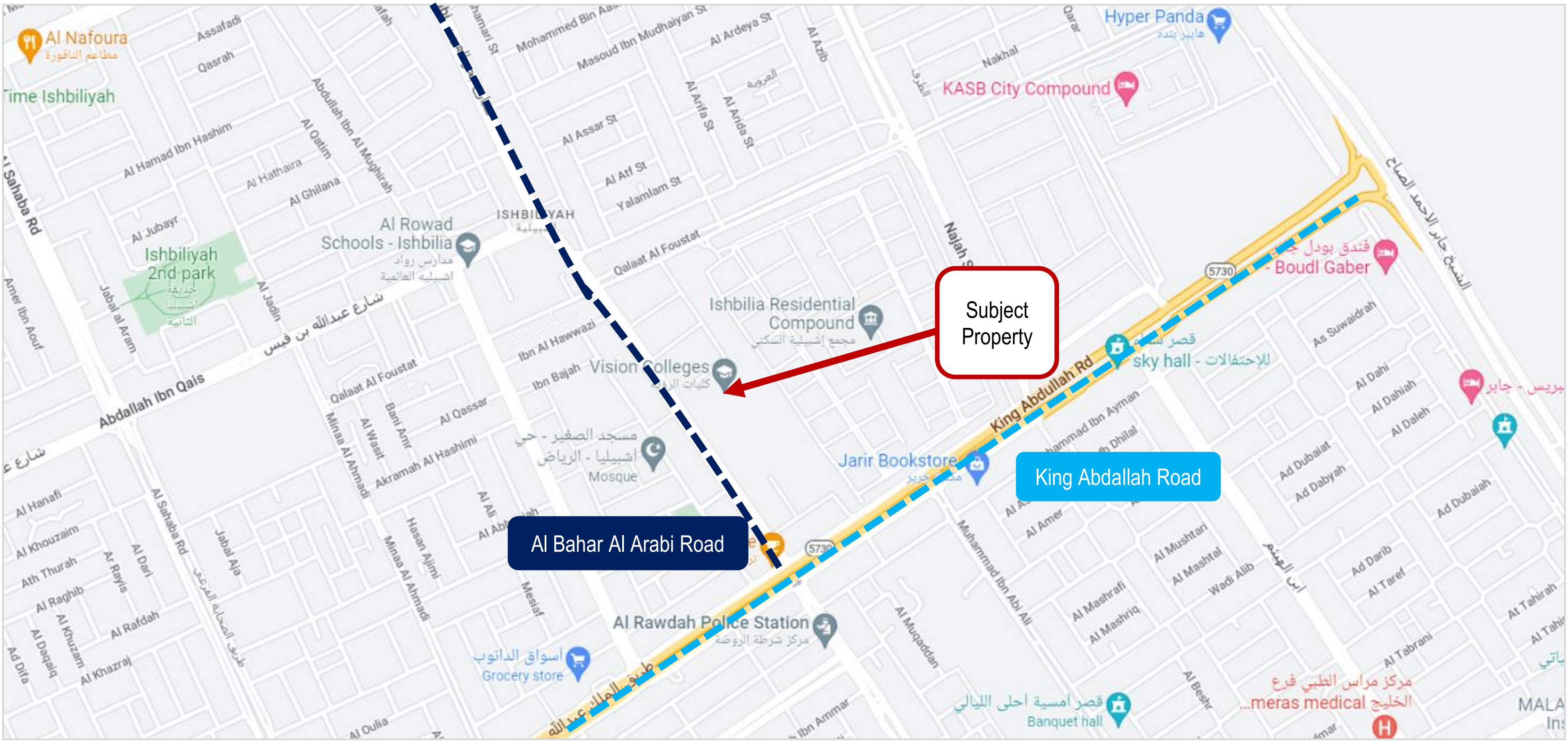
Property Location on a City Scale	Property Location on a District Scale



TAQEEM LISCENCE NUMBER: 1210000474

2.4 PROPERTY ACCESS

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



2.5 TITLE DEED & OWNERSHIP

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

City	Riyadh	**Land Area**	17,046 Sqm
District	Ishbiliyah	**Plot No.**	4
T.D Type	Electronic	**Block No.**	----
T.D Number	498507005691	**Layout No.**	----
T.D Date	04/06/1442	**Owner**	Awal Al Malqa Real Estate Company
T.D Value	----	**Ownership Type**	Freehold
Date of Last Transaction	04/06/1442	**Limitation of Document**	Mortgage
Issued From	Ministry of Justice		
North Side	15 meters street	**East Side**	Private Property
South Side	Plot# 5	**West Side**	40 meters 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.		

2.6 CONSTRUCTION & BUILDINGS

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 did not provide us with a copy of the approved plans, the valuation 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 valuate 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 has provided us with a copy of the Construction Permit with the below details:

Subject Property	
Construction Permit Type	Renewed Permit
Property Type	Educational Facility
Construction Permit No.	1433/1470
Construction Permit Date	05/03/1439

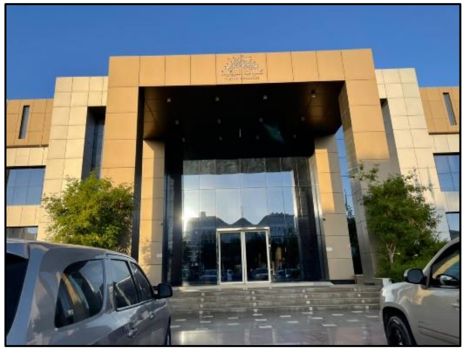
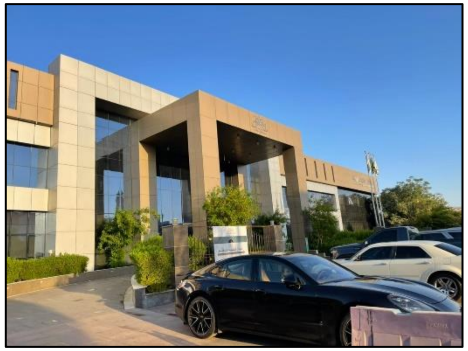
Description	No. of Units	Area (sqm)	Use
Ground Floor	1	9440.25	Educational
Basement 2	0	10414.60	Parking
Basement 1	0	10357.19	Parking
First Floor	1	9254.32	Educational
Electricity Chamber	0	20.00	Electricity
Annexes	1	4627.16	Educational
Fences	1	543.4	Fences
Total BAU (sqm)		**44,113.52**	

As per the provided construction permit, the total BUA is 44,113.52 Sqm, which will be used in our valuation analysis.

2.7 INSURANCE

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

2.8 PHOTO RECORD





MARKET INDICATORS

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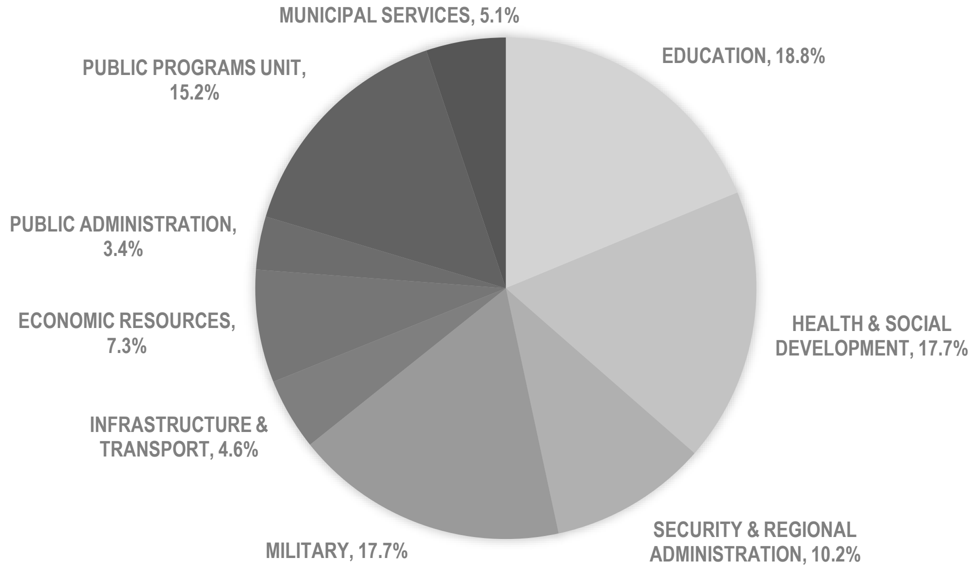
3.1 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

3.2 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn
Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn
Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn



Source: Ministry of Economy

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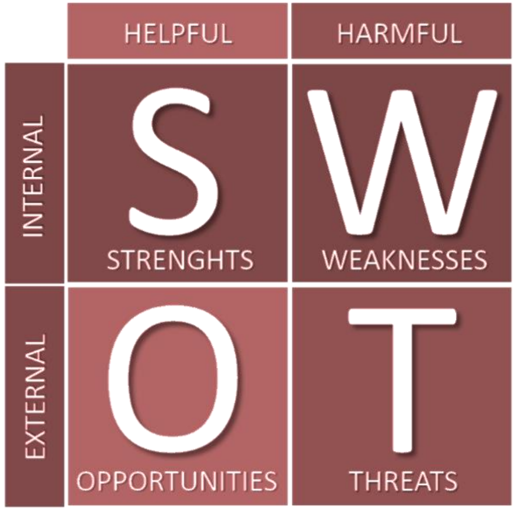
3.3 SWOT ANALYSIS

Strength	Weakness
- Direct view on the main road, Al Bahar Al Arabi Road - Surrounded by several landmarks.	- The property is located far from city centre.
Opportunities	**Threats**
- Increase in the demand for such properties in the surrounding area due to the high concentration of residential units.	- Existing and upcoming similar projects.

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.



3.4 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

Indicator showing a decrease in the current performance comparing to last year
Indicator showing an increase in the current performance comparing to last year
Indicator showing a stable position in the current performance comparing to last year

Overall Sector Performance

From 2021 to 2022 | Future Expectations

Overall Sector Stability

From 2021 to 2022 | Future Expectations

Values of Lands Related to The Sector

From 2021 to 2022 | Future Expectations

Sector rental Income

From 2021 to 2022 | Future Expectations

Sector Demand

From 2021 to 2022 | Future Expectations

Investors' Appetite

From 2021 to 2022 | Future Expectations

Sector's occupancy ratios

From 2021 to 2022 | Future Expectations

Sectors Positive Changes

From 2021 to 2022 | Future Expectations

White Cubes Team's Analysis

3.5 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	----------	----------	✓	----------	----------
Sector Current Performance	----------	----------	✓	----------	----------
Sector Future Performance	----------	✓	----------	----------	----------
Occupancy Rates	----------	----------	✓	----------	----------
Supply Rate	----------	----------	✓	----------	----------
Demand Rate	----------	----------	✓	----------	----------
Total Risk	0	2	15	0	0
Risk Category	17 Risk Points - Medium Risk				

Sector Analysis
Risk Category
17 Risk Points
Medium Risk

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	----------	✓	----------	----------	----------
Location	----------	✓	----------	----------	----------
Land Shape	----------	✓	----------	----------	----------
Surrounding Area facilities	----------	✓	----------	----------	----------
Total Risk	0	8	0	0	0
Risk Category	8 Risk Points – Minimal Risk				

Land Analysis
Risk Category
8 Risk Points
Minimal Risk

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	----------	----------	✓	----------	----------
Management Skills	----------	----------	✓	----------	----------
Overall Condition	----------	✓	----------	----------	----------
Total Risk	0	2	6	0	0
Risk Category	8 Risk Points - Medium Risk				

Property Analysis
Risk Category
8 Risk Points
Medium Risk

TAQEEM LISCENCE NUMBER: 1210000474

PROPERTY VALUATION

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4.1 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy	Construction Permit	Krooki
✓	✓	------------------------------
Master Plan	Layouts	3D Design & Perspectives
------------------------------	------------------------------	------------------------------
Pictures	Presentation of the subject property	Location Map
------------------------------	------------------------------	✓
Location Link	Contact Details	Costing & Budget
✓	✓	------------------------------
Tenant List	Leasing Contract	Operational Cost - OPEX
------------------------------	------------------------------	------------------------------

4.2 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.

4.3 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.

4.4 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valuated
- Sales agents specialized with the same type of assets subject to valuation

4.5 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service's scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

4.6 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.

CAPITALIZATION METHOD (CAP RATE)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest, since this is a debt payment on a capital item.

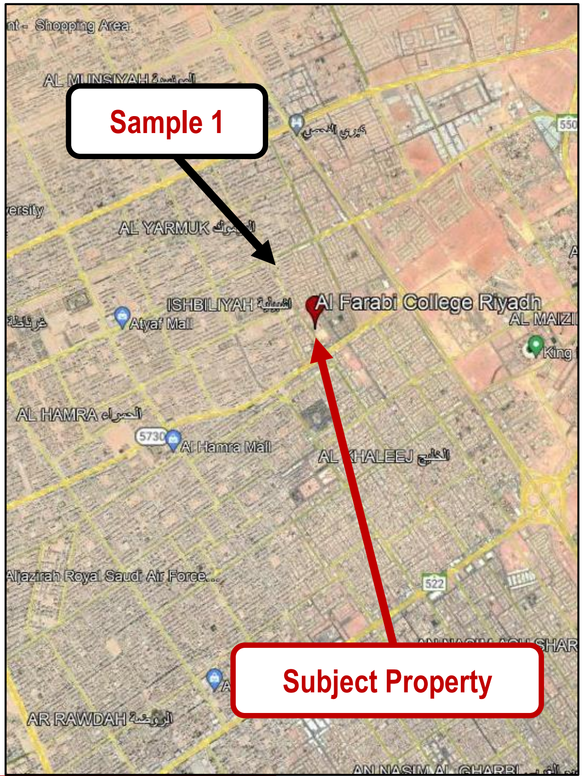
Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

4.7 COMPARABLE APPROACH

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, 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 valuation process using the comparable method and the amendments made to the available comparisons

Characteristics of Samples		
Feature	Subject Property	Sample 1
Quoting	---------	Offering
District	Ishbiliyah	Ishbiliyah
Sale Price	----------	SAR 75,199,650
Data Source	Title Deed	Market Survey
Area Size	17,046.00	23,500.00
SAR / Sqm	--------	SAR 3,200
Sides Open	2	4

Adjustment Analysis			
		SAMPLE 1	
Area size	17,046.00	23,500.00	15.00%
Location Desirability	Average	Average	0.00%
Accessibility	Average	Average	0.00%
Sides Open	2	4	-5.00%
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			10.00%
Total Adjustment Amount			SAR 320.0
Net After Adjustment			SAR 3,520.0
SAR / Sqm		SAR 3,520	
Rounded Value		SAR 3,500	



SENSITIVITY ANALYSIS					
	-10%	-5%	0%	5%	10%
Land Area	17,046	17,046	17,046	17,046	17,046
SAR / Sqm	SAR 1,912.5	SAR 2,018.8	SAR 3,500.0	SAR 2,231.3	SAR 2,337.5
Property Value	SAR 32,600,475	SAR 34,411,613	SAR 59,661,000	SAR 38,033,888	SAR 39,845,025
			PROPERTY VALUE		

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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 price for similar properties falls in the range of 3,000 - 4,000 SAR / Sqm with an average of 3,500 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.

4.8 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 similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 1,000	SAR 1,300	SAR 1,150
MEP	SAR 300	SAR 500	SAR 400
Finishing Materials	SAR 800	SAR 1,000	SAR 900
Site Improvements	SAR 100	SAR 300	SAR 200
Owner Profit	18%	22%	20%

In the following table, we will estimate the direct replacement cost of the property taking into consideration 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**
17,046.00	SAR 3,500	SAR 59,661,000

Building		
	Unit	**Total BUA**
Underground	Sqm	20,771.79
Upper Floors	Sqm	23,885.13
Total (SQM)	**44,656.92**	

Development Cost					
Hard Cost - Upper Floors					
	Area	**SAR / Sqm**	**Total**	**Completion Rate**	**Total Cost**
Skeleton & Block	23,885.13	SAR 900	SAR 21,496,617	100%	SAR 21,496,617
Electro Mechanic	23,885.13	SAR 500	SAR 11,942,565	100%	SAR 11,942,565
Finishing	23,885.13	SAR 1,200	SAR 28,662,156	100%	SAR 28,662,156
Fit outs & Appliances	23,885.13	SAR 0	SAR 0	100%	SAR 0
Furniture	23,885.13	SAR 0	SAR 0	100%	SAR 0
Site Improvement	17,046.00	SAR 100	SAR 1,704,600	100%	SAR 1,704,600
Total			**SAR 63,805,938**	**100.00%**	**SAR 63,805,938**

Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	20,771.79	SAR 1,200	SAR 24,926,148	100%	SAR 24,926,148
Electro Mechanic	20,771.79	SAR 500	SAR 10,385,895	100%	SAR 10,385,895
Finishing	20,771.79	SAR 200	SAR 4,154,358	100%	SAR 4,154,358
Total			**SAR 39,466,401**	**100.00%**	**SAR 39,466,401**

Overall Soft Cost			
	Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost	SAR 103,272,339	1.00%	SAR 1,032,723
Design	SAR 103,272,339	1.00%	SAR 1,032,723
Eng. Consultant	SAR 103,272,339	2.00%	SAR 2,065,447
Management	SAR 103,272,339	2.00%	SAR 2,065,447
Contingency	SAR 103,272,339	5.00%	SAR 5,163,617
Others	SAR 103,272,339	0.00%	SAR 0
TOTAL		**11.00%**	**SAR 11,359,957.29**

Total Hard Cost	**SAR 103,272,339**	**BUA**	**44,656.92**
Total Soft Cost	**SAR 11,359,957.29**	**SAR / Sqm**	**SAR 2,567**
Total Construction Cost	**SAR 114,632,296.29**	**Overall Completion**	**100.0%**

After knowing the total construction costs at a rate of 2,567 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated market value of the building.

DEVELOPMENT VALUE			
Total Dev Cost	**SAR 114,632,296**	**Net Dep Rate**	25.00%
		Dev Cost After Depreciation	**SAR 85,974,222**
Economic Age	40		
Annual Dep Rate	2.50%	**Total Completion Rate**	100.00%
		Developer Profit Rate	20.0%
Actual Age	10		
Total Dep Rate	25.00%		
Add Appr Rate	0.00%	**Dev. Profit Amount**	SAR 17,194,844
Net Dep Rate	**25.00%**	**Development Value**	**SAR 103,169,067**

The total value of the building is 103,169,067 SAR, which will be added to the 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 103,169,067	**SAR 59,661,000**	**SAR 162,830,067**	**SAR 162,830,000**

4.1 INCOME APPROACH

Market Capitalization Rate Analysis

Based on recent deals from the sale of similar real estate and real estate funds, we found that the operating rate of return, or the so-called capitalization rate, on the basis of which the commercial exchange for similar real estate ranges from 7% to 8%. Where this average is affected by rise and fall due to several factors, including the quality of the building's finishing, the general location, the ease of access to the property, the actual age of the property, the size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate

The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

Minimum capitalization rate		7.00%
Maximum capitalization rate		9.00%
Average		8.00%
The effect of the property specifications on the property		
Item	**Influence**	**Notes**
Ease of access to the property	0.25%	1 Side Open
General condition of the property	0.00%	The actual age of the property is 8 years
The general location of the property	-0.25%	The area is well served
Quality and finishes	0.00%	Average quality finishes
Facilities of tenant payment	-0.50%	The tenant provided promissory note for the contract period
Services and public facilities	0.00%	level and availability of services is average
Total	**-0.50%**	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	-0.50%	
Capitalization rate, according to market averages	8%	
Estimated capitalization rate of the property valuation	**7.50%**	

With regard to the capitalization rate used in the evaluation, we will rely on the averages of the capitalization rate by market and then make some adjustments based on the real estate situation in terms of the following:

- Easy access to the property
- The general condition of the property
- The general location of the property
- Quality of finishes
- Quality and presence of management team
- Services and public utilities

The estimated capitalization rate for the property, which will be based on the evaluation process, is 7.50%, which will be applied subsequently to the net operating income of the property.

As per the client, and as per the signed leasing contract, promissory notes have been signed by the tenant for the contract duration which guarantees more stability of the project's revenue stream. Based on that, this will affect the used cap rate to be lower than the market average (cap rate used at 7.5%)

Occupancy Rates in the Project

The subject property is fully rented to one tenant (Vision College). The details of the leasing contract is as follows:

Owner (1st Party)	**شركة المقصد العقارية**
Tenant (2nd Party)	**شركة كليات الرؤية للتعليم**
Contract Starting Date	**06/06/2022**
Contract Duration	25 Years
Rent Increase Role	5% every 5 years

As for the annual rent of the subject property, the following tables shows the rent escalation on yearly bases:

Year	Annual Rent
2020	SAR 16,000,000
2021	SAR 16,000,000
2022	SAR 16,000,000
2023	SAR 16,000,000
2024	SAR 16,000,000
2025	SAR 16,800,000
2026	SAR 16,800,000
2027	SAR 16,800,000
2028	SAR 16,800,000

Year	Annual Rent
2029	SAR 16,800,000
2030	SAR 17,640,000
2031	SAR 17,640,000
2032	SAR 17,640,000
2033	SAR 17,640,000
2034	SAR 17,640,000
2035	SAR 18,522,000
2036	SAR 18,522,000

Year	Annual Rent
2037	SAR 18,522,000
2038	SAR 18,522,000
2039	SAR 18,522,000
2040	SAR 19,448,100
2041	SAR 19,448,100
2042	SAR 19,448,100
2043	SAR 19,448,100
2044	SAR 19,448,100

REVENUES

	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Educational Facility		The subject property is Fully leased to 1 tenant			SAR 16,000,000
-----------------------------------	0	0	SAR 0	SAR 0	SAR 0
-----------------------------------	0	0	SAR 0	SAR 0	SAR 0
				Total Revenues	SAR 16,000,000

EXPENSES

Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility	0.00%	0.00%	0.00%	0.00%	0.00%
-----------------------------------	0.00%	0.00%	0.00%	0.00%	0.00%
-----------------------------------	0.00%	0.00%	0.00%	0.00%	0.00%

NET OPERATING INCOME

Unit Type	Total Revenues	Total Expenses	NOI
Educational Facility	SAR 16,000,000	0.00%	SAR 16,000,000
-----------------------------------	SAR 0	0.00%	SAR 0
-----------------------------------	SAR 0	0.00%	SAR 0
		Total	SAR 16,000,000
Total Property Revenues			SAR 16,000,000
Total Property Expenses			SAR 0
Net Operating Income			SAR 16,000,000.00

Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 16,000,000.00	7.50%	213,333,333.33 SAR	213,330,000.00 SAR

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4.2 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Comparable	Land	SAR 59,661,000	Fifty-Nine Million Six Hundred Sixty-One Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 162,830,000	Seventy Million and Four Hundred Twenty Thousand Saudi Riyals
Income- Contracts	Property	SAR 213,330,000	two hundred thirteen million three hundred thirty thousand Saudi Riyals

4.3 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 DRC Approach is:

Property Value: **SAR 213,330,000**
Two hundred thirteen million three hundred thirty thousand Saudi Riyals

4.4 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.

4.5 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.

4.6 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.

4.7 ACCREDITED VALUERS

Essam M. Al Husaini Owner	Nabeel M. Al Husaini CEO	Farah E. Al Husaini Valuation Manager	WHITECUBES Stamp
Fellow Member of (Taqeem) License No. 1210000474	Member of (Taqeem) License No. 1210002782	Member of (Taqeem) License No. 1210001964	مكتب المكعبات البيضاء للتقييم العقاري س ت: ١٠١٠٤٦٩٠٧١ * ترخيص رقم: ١٢١٠٠٠٠٤٧٤

GENERAL NOTES

WHITE CUBES

5.1 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 valuator is competent to carry out the valuation task and has sufficient skills and market knowledge concerned to conduct the valuation.

5.2 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:

	No	*If Yes*		*Remarks*
		Client	Date	
The subject property was previously valuated by White Cubes		Awal Al Malqa Real Estate Company	12/2021	--------------------------------------
White Cubes was previously involved in selling activities related to the property	✓	-------------------	---------	--------------------------------------
White Cubes was previously involved in advisory services related to the property	✓	-------------------	---------	--------------------------------------

5.3 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes. 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.

5.4 ENVIRONMENTAL MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.