

Valuation Report

Private & Confidential

SUBMISSION TO:

SNB Capital

Vacant Raw Land, Khomrah District, South Jeddah

Valuation Report

VACANT RAW LAND (500,000 sq. m),
AL KHOMRAH DISTRICT, SOUTH JEDDAH, KSA

SNB Capital

REPORT ISSUED 25 MARCH 2026

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1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

SNB Capital,
Riyadh,
Kingdom of Saudi Arabia

1.2 THE PURPOSE OF VALUATION

This valuation is for investment fund purposes.

1.3 INTEREST TO BE VALUED

The following property is part of the scope for this valuation exercise.

The subject is vacant raw land with details as follows:

Title Deed No.	Title Deed Date.	City	Owner	Land Area (sq. m)
320227006098	06/04/1438 H	South Jeddah	SNB Capital Real Estate Fund	500,000

We have also assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

1.3.1 PROPERTY'S LOCATION

Details	Location – South Jeddah
GPS Co-ordinates	21°18'46.66"N 39° 6'38.66"E

Source: ValuStrat 2025

1.4 INTENDED USER'S - PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

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 authorised.



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1.5 VALUATION APPROACH

We have undertaken the Residual Land Value (RLV) Approach to valuation.

1.6 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 31 December 2025.

Note that the inspection was external and visual in nature only.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

1.7 OPINION OF VALUE

Type	Land Area (sq. m)	Land Rate SAR/sq. m	Fair Value (SAR) [Rounded]
Vacant Raw Land	500,000	260	130,000,000

1.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject properties are valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report; that no contaminative or potentially contaminative use has ever been carried out on the site; we assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoing, restrictions or other encumbrances.

Information regarding tenure and tenancy must be checked by your legal advisors; this subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment.

We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order; we have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect.



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For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent; that, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work); we have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building.

We would recommend that the client makes their own enquiries in this regard; and the market value conclusion arrived at for the property reflects the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

This valuation report's preparation, data analysis, market interpretation, and opinion of value were all done without the aid of artificial intelligence (AI), and / or machine generated analytical tools. The valuer's independent skills, experience, and professional evaluation led to all of the analyses, assumptions, professional judgements, and findings presented here. This valuation was undertaken without special assumptions.

1.8 SALIENT POINTS (GENERAL COMMENTS)

The real estate sector cannot ignore mega trends affecting the global economy. Today's macroeconomic forces are shaping the way we think about price and value. From inflation and interest rate volatility to geopolitical surprises, climate risks, digital currencies and Artificial Intelligence (AI) breakthroughs and therefore we are operating in a fast-moving, complex global environment. The global economic trends are influencing real estate price / value inputs, and expectations across asset classes and regions.

Whilst most global markets remain disrupted along with the effects of the extraordinary market conditions affected by rising inflation, conflict in regions (Ukraine & Middle East) and unhinged geopolitics, the Kingdom of Saudi Arabia's (KSA) macroeconomic projections remain strong and continues to demonstrate robust economic momentum following the approval of the 2025 state budget, which emphasizes fiscal sustainability and economic diversification under Vision 2030.

The significant support measures for the SME sector have been introduced, resulting in a substantial rise in new commercial registrations across the Kingdom. This aligns with the government's commitment to fostering entrepreneurship and private-sector growth. The Saudi Central Bank (SAMA) has also launched a new e-commerce payments interface, enhancing digital financial infrastructure and promoting a more secure and efficient online commerce ecosystem.

In terms of foreign investment, the Kingdom recorded a 38% increase in new investment licenses during Q2 2025, reflecting strong global confidence in Saudi Arabia's market reforms and strategic opportunities. Additionally, the government is



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intensifying efforts in key growth sectors, including technology and tourism, supported by international collaborations with bilateral agreements, aimed at strengthening innovation, infrastructure, and cross-border partnerships.

The KSA investment climate is competitive as the country continues to be positioned and as the region looks to digitize, decarbonize, localize, privatise and also continues to completely modernize the society. It appears the KSA economy remains stable and strong on the back of higher oil demand back in 2023-24 and private consumption along with KSA's Vision 2030 which looks to diversify the economy away from oil through focusing on direct foreign investment, tourism and the increase of locals in the workforce. As mentioned, the cost of risk is also likely to stay elevated in 2026 reflecting the volatile global health situation, high inflation, conflicts in the region and rising interest rates, etc.

Following trends in top-line performance, the KSA profitability levels are recovering more quickly from the Pandemic's disruption – 5 years onwards and general consensus reveals strong and stable investment and business climate over the foreseeable future subject to a strong geopolitical region/world. Escalation of conflict in the region could impact matters considerably.

Equally, the real estate traditional determinants of location and value for money continue to be a key success influencing property and accommodation preference though investors in KSA are also no less sensitive to asset classes and the location of property providing investor expectations and stable long-term income for portfolios and funds. Therefore, strong investor appetite remains for 'best in class' / 'Institutional Asset Class – Grade A' / good quality property providing long term income.

With all the positive activity and investment by the government creating opportunities through projects across the Kingdom's Vision 2030 and through the creation of the Giga projects has meant a stable KSA economy with a positive outlook going forward throughout 2026 subject to a stable geopolitical region.

Unless otherwise stated in our engagement letter dated 28 December 2025, you (the client) acknowledge the limitations, qualifications and assumptions set out in the Valuation Report and as set out in our Engagement Letter, including our General Terms of Business for Valuation.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.



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We confirm that on-site measurement exercise was not conducted by ValuStrat, and we have relied on the site areas specified by the Client. In the event that the areas of the masterplan and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make. We are unaware of any adverse conditions which may affect future marketability for the subject property/apartments. It is assumed that the subject property is freehold and is not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect then the figures presented in this report may also need revision and should be referred back to the valuer.

Property Values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not easily achievable in the event of an early re-sale. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.



2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services. We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for **SNB Capital** ('the client') of providing valuation services for the properties mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

Vacant Raw Land:

Title Deed No.	Title Deed Date.	City	Owner	Land Area (sq. m)
320227006098	06/04/1438 H	South Jeddah	SNB Capital Real Estate Fund	500,000

Source: Client 2025

2.3 PURPOSE OF VALUATION

This valuation is for investment fund purposes.

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taaqem Regulations (Saudi Authority for Accredited Valuers) in conformity with International Valuation Standards Council (IVSCs') incorporating International Valuations Standards (IVS) 2025.

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the **Market Value** basis of valuation in compliance with the above mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. **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**



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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” 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” 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 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 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” is one between parties who do not have a particular or special relationship, e.g. 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” means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably



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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*;

'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' 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.

2.5.2 FAIR VALUE FOR FINANCIAL REPORTING

Definition of Fair Value for financial reporting

Fair Value for financial reporting purpose is undertaken in compliance to International Financial Reporting Standards (IFRS) which state that an asset must be valued and reported in financial statements in accordance with IFRS 13 requirements. IFRS 13 requires the reporting of an asset in accordance with the "Fair Value Measurement" definition.



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IFRS 13 - Fair Value Measurement is defined as: -

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

(IRFS 13 – Effective date 1 January 2013)

Objective of “Fair Value Measurement”-

“The essential principle in this basis of measurement is that Fair Value is regarded as an exit price resulting from the perspective of market participants who hold the asset or owe the liability at the date of measurement. In this regard fair value measurement requires the determination of the following four key factors: -

- a. the asset or liability that is the subject of the measurement (consistently with its unit of account);
- b. for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use);
- c. the principal (or most advantageous) market for the asset or liability;
- d. the valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.”

2.5.3 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mishari Ahmed Al Moataz (Taqeem Member), having sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently. We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment.

2.5.4 STATUS OF VALUER

Status of Valuer	Survey Date	Valuation Date
External Valuer	*05 July 2025	31 December 2025

**The inspection was external and visual in nature only.*

2.6 EXTENT OF INVESTIGATION

In accordance with instructions received we have carried out an external inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property. Our site inspection was limited to the visual assessment of the external features of the subject property including its



facilities. For the purpose of our report, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession; written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report; that no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors. This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment.

We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order; we have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent; that, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, Bye-Laws, Health and Safety at work).

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard, and the market value conclusion arrived at for the property



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reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

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 authorised.

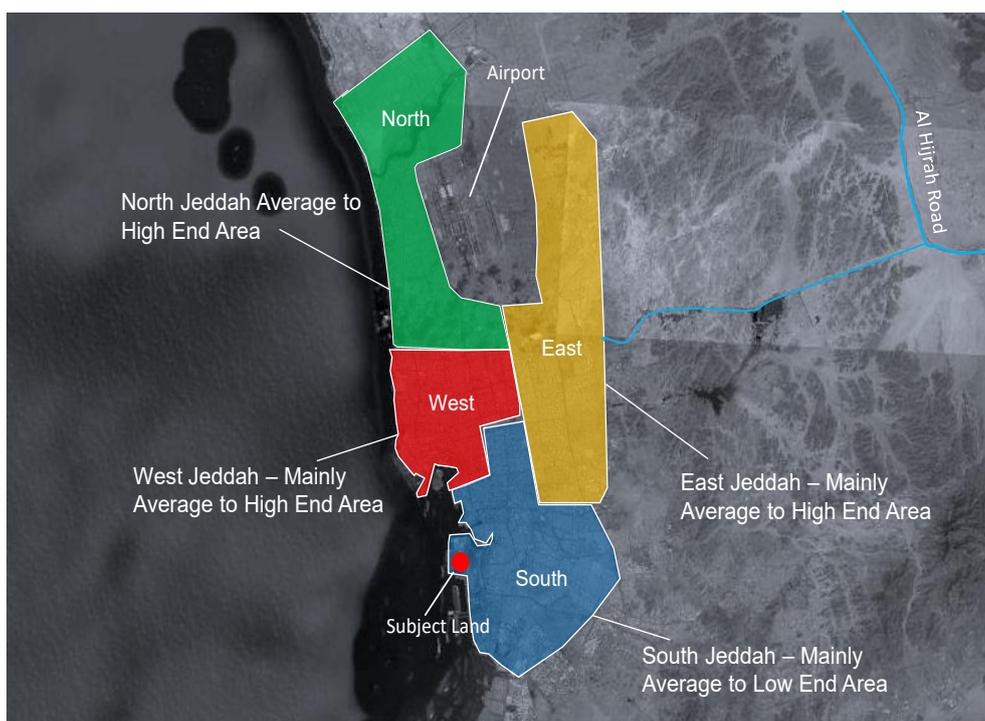
2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION OF PROPERTY

The subject vacant raw land is located within Al Khomrah District, south Jeddah. The subject land is close to Al Corniche Road South off an unnamed Road at the fringe of the Red Sea Coast. The total land area size is approximately 500,000 sq. m.

Details	Location – Khomrah District, South Jeddah
GPS Co-ordinates	21°18'46.66"N 39° 6'38.66"E

For ease of reference refer to the illustration below.



Source: Google Extract 2025 - For Illustrative Purposes Only



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The illustration below provides a closer illustrative location of the subject land in relation to south Jeddah.

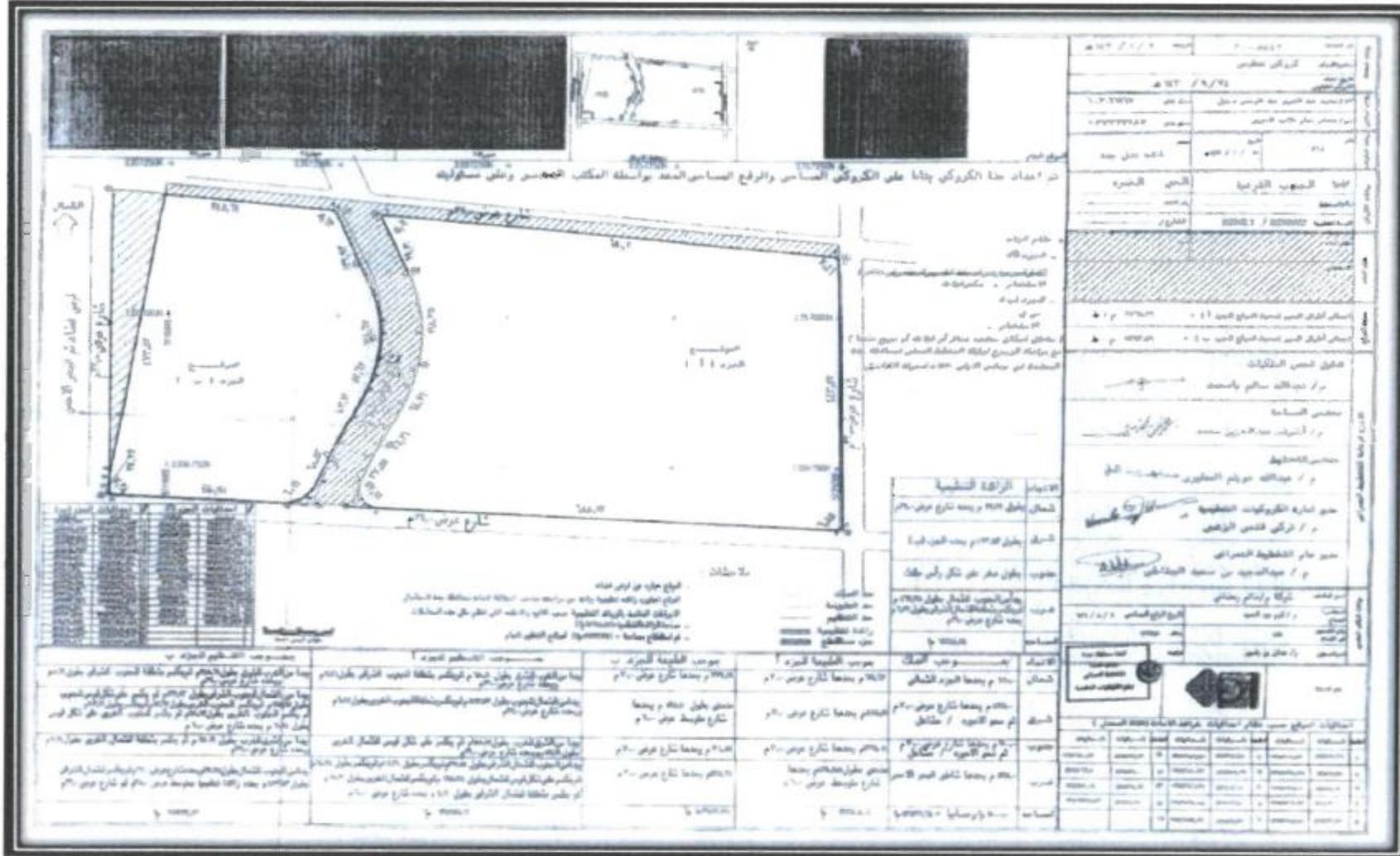


Source: Google Extract 2025 - For Illustrative Purposes Only



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2.9.2 MASTERPLAN AFFECTION PLAN



Source: Client 2023-24



2.10 ENVIRONMENT 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 use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details	
Area	ValuStrat has been advised the subject property is a raw desert land plot area is of approximately 500,000 sq. m.
Topography	Regular shaped within a raw desert land and appeared uneven land area.
Drainage	Assumed feasible and available for any future urban development.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood liable. A formal written submission will be required for any further investigation which is outside of this report's scope of work.
Landslip	ValuStrat's verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.
Exposure	Limited exposure due to the subject currently within a desert area raw land area away from main road situated on the southeastern coastal area of Jeddah.
Utilities	ValuStrat has assumed that future development will have access to all major utility services including electricity, water, telephone, sewer, drainage, and gas.
Sustainability	Reports have not been provided relating to sustainability and allowances have not been made for any potential costs of complying with legislation.
Site Identification	ValuStrat assumes that there does not appear to be any encroachments. Although, no warranty can be provided without the provision of an identification survey.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are, we aware of any planning proposals which are likely to directly adversely affect this property. In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particular onerous or adverse conditions which would affect our valuation.

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In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a “Lawful Development” Certificate under the Saudi Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation. For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject masterplan referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

Presently the subject is raw desert land and there are no services. We have assumed services are feasible and available for any future urban development. Should they not be available, we reserve the right to amend our valuation and report.

2.10.3 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

In accordance with the valuation scope of work, we have assumed that there were no significant environmental, social and governance (ESG) factors based and supported by the prevailing market evidence that has an impact to the value of property based on the comparable benchmarks assessed. Our comments in respect of the impact on our valuation and this valuation report (if any) should not be regarded as an ESG risk assessment, ESG rating or for any other use beyond the scope of the valuation. We have not reported or documented ESG factors which in the professional judgement of the valuer are not deemed significant.

2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors’ local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation. We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that the solicitors investigate the title in order to ensure this is correct.

Vacant Raw Land (GPS Co-ordinates - 21° 18'46.66"N 39° 6'38.66"E):

Title Deed No.	Title Deed Date.	City	Owner	Land Area (sq. m)
320227006098	06/04/1438 H	South Jeddah	SNB Capital Real Estate Fund	500,000

NB: All aspects of tenure/title should be checked by the client’s legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.



2.12 ECONOMIC AND DEMOGRAPHIC OVERVIEW

2.12.1 GLOBAL ECONOMIC OUTLOOK – GDP COMPARISON

The Global outlook remains subdued by historical standards and is characterized by differences among industries and regions. The Global Economy has been passing through a volatile period: economic, geopolitical, and ecological changes all impact the global outlook.

The World Economic Outlook (WEO) report published in 2023, the IMF raised its estimate for global growth to 3.5% in 2022 from 3.4% and expects that it will decline to 3% in 2023 and 2.9% in 2024 as forecasted. While supply chain interruptions are largely resolved and decisive policy actions in the US have reassured bank depositors and contained cross-country spillovers, inflation continues to erode the purchasing power of consumers. At the same time, high interest rates weigh on economic activity by curbing credit supply.

Real GDP Growth in Advanced Economies					
Economies	2022 (Estimate)	2023 (Forecast)	2024 (Forecast)	Q1- 2023 (Y-O-Y)	Q2- 2023 (Y-O-Y)
Global	3.5%	3.0%	2.9%	-	-
Advance Economies (AE)	2.6%	1.5%	1.4%	-	-
USA	2.1%	2.1%	1.5%	2.0%	2.4%
Eurozone	3.3%	0.7%	1.2%	1.1%	0.6%
UK	4.1%	0.4%	1.0%	0.2%	0.4%
Japan	1.0%	2.0%	1.0%	2.0%	2.0%

Source: IMF - World Economic Outlook, 2023

2.12.2 ADVANCE ECONOMIES – GDP COMPARISON

The growth in advanced economies is expected to drop from 2.7% in 2022 to 1.5% in 2023, with 93% of the economies in the group projected to slow down. Lower growth reflects a weaker manufacturing sector that will more than offset a stronger service sector.

The expansion in the US economy accelerated to 2.4% Y-o-Y in Q2 2023, after expanding by 2% Y-o-Y in Q1 2023. The faster growth was mainly driven by improvements in consumer expenditure and business investment, as the tight labor market and the depletion of excess saving continued to support consumption. This was partially offset by a decline in exports.

While economic progress in the eurozone moderated to 0.6% Y-o-Y in Q2 2023 from 1.1% Y-o-Y in Q1 2023. While the easing of price pressures supported real income, higher interest rates took a toll on the overall growth of the area. Weakness in the manufacturing sector led to stagnant economic activity in Germany, while stronger services and tourism benefited Italy and Spain. In the UK, Q2 2023 growth was 0.4%



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Y-o-Y, up from the 0.2% Y-o-Y expansion of the previous quarter, driven by increases in household consumption and manufacturing output.

The growth in Japan remained steady at 2% Y-o-Y in Q2 2023, unchanged from the previous quarter. Japan experienced a relatively less severe impact from the pandemic compared to other countries. Nonetheless, supply chain disruptions took a toll on economic activity, with currency weakness contributing to a slowdown in domestic spending.

2.12.3 EMERGING AND GCC ECONOMIES – GDP COMPARISON

According to the IMF-WEO Report 2023, the Growth is also expected to increase in emerging and developing Europe, from 0.8% in 2022 to 1.8% in 2023.

The IMF growth outlook for emerging markets and developing economies is unchanged for 2022 and 2023, with growth holding steady at 4%. However, as China's growth momentum weakened in light of the real estate sector's issues and since spillovers from the ongoing monetary policy tightening in advanced economies started to materialize, regional shifts in the growth composition appeared. For instance, in emerging and developing Asia growth is projected to accelerate to 5.3% in 2023 from 4.4% in 2022.

Real GDP Growth in Emerging Markets					
Economies	2022 (Estimate)	2023 (Forecast)	2024 (Forecast)	Q1-2023 (Y-O-Y)	Q2-2023 (Y-O-Y)
Emerging & Developing Economies (EMDEs)	4.0%	4.0%	4.1%	-	-
Brazil	2.9%	2.1%	1.2%	4.0%	-
India	7.2%	6.1%	6.3%	6.1%	-
China	3.0%	5.2%	4.5%	4.5%	6.3%
South Africa	1.9%	0.3%	1.7%	0.2%	-

Source: IMF - World Economic Outlook, 2023

However, as commodity prices soften and the post pandemic momentum fades, growth in Latin America is projected to fall from 4% in 2022 to 1.9% in 2023. In Q2 2023, the Chinese economy expanded by 6.3% Y-o-Y, up from 4.5% Y-o-Y growth in Q1. Despite consumption and net exports proving resilient, economic activity in the second quarter was affected by a downturn in real estate sector investment in absence of action to restructure leveraged property developers.

Data for India, Brazil, and South Africa is only available up to March 2023 at the time of writing. The Indian economy performed strongly in Q1 2023, with growth increasing to 6.1% Y-o-Y from 4.5% in the preceding quarter.

The expansion was primarily fueled by strong private consumption, increased service exports, and a robust manufacturing sector, aided by moderating input price pressures. The service industry also benefited from strong demand.

The Brazilian economy expanded by 4% Y-o-Y in Q1 2023, owing to the robust performance of the service sector. In South Africa, growth in Q1 2023 fell to 0.2% Y-o-Y owing to unprecedented power shortages.



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The GCC region's economic activity is expected to fall sharply, from 7.7% in 2022 to 2.9% in 2023. The downturn reflects lower oil prices, tighter financial constraints, and a weaker global economy. Even in the face of rising borrowing costs, the non-oil private sector within the GCC showed resilience, with growth being supported by a domestic demand, which triggered new orders and led to an increase in employment.

Real GDP Growth in GCC Markets			
GCC Economies	2022 (Estimate)	2023 (Forecast)	2024 (Forecast)
GCC	7.7%	2.9%	3.3%
UAE	7.9%	3.3%	4.3%
Saudi Arabia	8.7%	1.9%	2.8%
Qatar	4.2%	2.4%	1.8%
Kuwait	8.2%	0.9%	2.7%
Oman	4.3%	1.7%	5.2%
Bahrain	4.2%	3.0%	3.8%

Source: IMF - World Economic Outlook, 2023

2.12.4 WORLD INFLATION RATES TREND

Global Inflation remains elevated but is declining, with energy and food prices dropping significantly from their 2022 highs as a result of China's weak demand and Europe's gas supply buildup. While the monetary policy tightening in many countries is expected to help with the disinflation process, the largest contribution so far came from the decline in commodity prices.

According to the IMF-WEO Report 2023 the global inflation is projected to decline to 6.8% in 2023 from 8.7% in 2022.

2.12.5 ADVANCE ECONOMIES INFLATION RATES TREND

The annual inflation rate in the eurozone fell to 5.3% Y-o-Y in July 2023 from 6.9% Y-o-Y in March, owing to a decline in prices of both food and energy. As inflation remains still far from its 2% target, the European Central Bank (ECB) increased its key interest rate for the main refinancing operations by 25 bps to 4% in June 2023 and to 4.25% in July.

In the US, headline inflation fell to 3% Y-o-Y in June 2023 from 5% Y-o-Y March, largely owing to a 16.7% Y-o-Y drop in energy prices. July's data reported inflation at 3.2% Y-o-Y, again reflecting softness in energy prices. While the Federal Funds Rate remained unchanged at 5%-5.25% in June 2023, the Federal Reserve raised it to 5.25-5.5% in July 2023 amid concerns of sticky underlying inflation.

In June 2023, the annual inflation rate in the UK fell to 7.9% Y-o-Y from 10.1% Y-o-Y in March, largely as a result of the decline in fuel prices. In July 2023, the annual inflation rate continued to decline to 6.8% Y-o-Y. As core inflation proved persistent, the BoE raised its Bank Rate further by 50 bps to 5% in June 2023 and by 25 bps to 5.25% in August. The annual inflation rate in Japan marginally increased to 3.3% Y-o-Y in June 2023 from 3.2% Y-o-Y in March, reflecting increased utility bills and daily necessity prices. In July 2023, the annual inflation rate remained unchanged at 3.3%



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Y-o-Y. The Bank of Japan (BoJ) maintained its policy rate at -0.1% during its monetary policy meetings in June and July 2023.

2.12.6 EMERGING AND GCC ECONOMIES INFLATION RATES TREND

Saudi Arabia's inflation rate remained constant at 2.7% Yo-Y in June 2023, with most items reporting stable or gradually declining inflation, and eased to 2.3% Y-o-Y in July. The inflation in Qatar fell from 4% Y-o-Y at the end of March 2023 to 2.5% Y-o-Y in June due to some easing in prices of food, culture & recreation, and housing & utilities, but reverted to 3.1% Y-o-Y in July.

On the other hand, Kuwait's inflation marginally increased to 3.8% Y-o-Y in June 2023 from 3.7% Y-o-Y in March, and remained unchanged in July. Oman's inflation eased to 0.7% Y-o-Y in June 2023 from 1.6% Y-o-Y in March, and further to 0.4% Y-o-Y in July. Bahrain's inflation increased to 0.4% Y-o-Y in June, following a 0.1% Y-o-Y decline in March.

In June 2023, the central banks in the GCC whose currencies are pegged to the USD maintained their policy rates at stable levels in line with the US federal funds rate. As the Federal Reserve increased rates by 25 bps in July 2023, they also increased their policy rates by the same amount. Notably, Kuwait, whose currency is pegged to an undisclosed basket of currencies, also mirrored the US decision in July 2023, marking the first increase in several months.

In China's annual inflation entered negative territory in July 2023, recording a -0.3% Y-o-Y, down from 0.7% in March, mainly due to the energy price deflation. The fall in prices in China also reflects the difficulties of the world's second largest economy in stimulating growth. The People's Bank of China (PBoC) lowered its benchmark lending rate by 10 bps to 3.55% in June 2023 and by a further 10 bps to 3.45% in August. Moreover, the PBoC decreased its one-year medium-term lending facility rate by 10 bps to 2.65% in June 2023 and by 15 bps to 2.50% in August.

In June 2023, inflation in India reached 4.8% Y-o-Y compared to 5.7% Y-o-Y in March 2023, closer to the central point of the 2%–6% range set by the Reserve Bank of India (RBI), largely reflecting a moderation in food inflation to 4.5% Y-o-Y. In July 2023, inflation rebounded sharply to 7.4% Y-o-Y, due to a surge in food inflation to 11.5% Y-o-Y caused by irregular monsoon patterns across the country. In the monetary policy meetings of June and August 2023, the RBI maintained its benchmark policy repo rate at 6.5% aiming at holding inflation in check without risking growth.

The drop in fuel prices also contributed to reduce inflation pressures in Brazil and South Africa. In Brazil, inflation fell to 4% Y-o-Y in July 2023, marginally up from 3.2% Y-o-Y recorded in June, but below the 4.7% Y-o-Y of March of the same year. In July 2023, the Central Bank of Brazil maintained its Selic rate at 12.75%. Inflation in South Africa declined to 5.4% Y-o-Y in June 2023 from the 7.1% Y-o-Y in March. The South African Reserve Bank maintained its repo rate at 8.25% in July 2023, after raising it in ten successive sessions.



2.12.7 GEO-POLITICAL OUTLOOK

The global geopolitical risks affect global market outlook across different sectors, and industry stability throughout the countries and business operations across large corporations & small to medium entities, including variations in prices, supply chains and investment flows around the world. During the years 2022-2023 the world witnessed some of the key geopolitical risks which includes cross-border and international conflicts.

Middle East Gaza Conflict: This conflict started back in October-2023 which has greatly impacted the middle east in general and the neighboring countries (surrounding the conflict area) which are already witnessing its economic impacts.

According to a recent article by IMF, The Tourism, which accounted for 35 percent to almost 50 percent of goods and services exports in Egypt, Jordan, and Lebanon in 2019, it is a critical source of foreign exchange and employment. Tourism-dependent markets like Lebanon, where hotel occupancy rates fell by 45 percentage points in October 2023 on the Y-o-Y basis compared to last year. The Middle East region currently accounts for 35 percent of the world's oil exports and 14 percent of gas exports, the impact of a potential production disruption looms considerable. However, unlike in past incidents, even if prices were to spike in response to such events, oil producers, particularly those in the region, can tap into sufficient spare capacity to quickly boost production, helping to mitigate the impact. If this conflict gets more prolonged it is likely to impact tourism, trade, investment, and financial markets across the region. It would also mean that the refugee flows could increase significantly thus adding to social and fiscal pressures in the countries that receive them and potentially causing more disruptions to their economies.

Russia-Ukraine Conflict: This conflict started back in early part of the year 2022 and triggered severe disruptions to global markets for critical raw material (produced in Russia) coupled with the succeeding economic sanctions on Russia and its potential retaliation have severely affected global economies. As a result of this conflict the prices of oil, gas and certain agricultural products have risen, intensifying inflation pressures and threatening food security in some developing economies.

Another significant point in the middle of this conflict was Europe's reliance on Russian natural gas for energy. According to a publication by natural gas intelligence, As of March 2022, Europe received about 45% of its natural gas via Russian pipelines. This supply shortage has resulted in significant price increases. For example, in the first six months after the start of the conflict, natural gas prices rose by 120-130% and coal prices rose by 95-97%.

2.12.8 KINGDOM OF SAUDI ARABIA (KSA) ECONOMIC OUTLOOK

The Kingdom's economic outlook ended with a surplus in 2022 having to contain a fiscal deficit or the past 8-years till the year 2021. The Kingdom seeks to achieve the goals of Saudi Vision 2030 through several investment arms including Public Investment Fund (PIF), which is one of the main drivers of the economy and

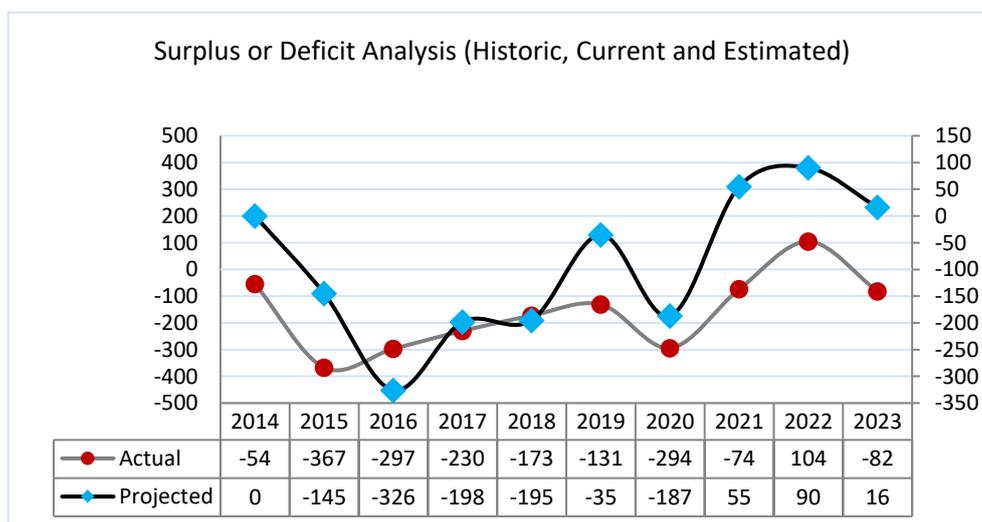


investment in the Kingdom. Among the several initiatives a KSA economy witnessed the launch of four special economic zones each with its own competitive advantages. These economic zones will foster innovation and support the domestic economy and assist small and the medium enterprises in different regions of the Kingdom.

Year	Revenue		Expenditure		Surplus or Deficit	
	Projected	Actual	Projected	Actual	Projected	Actual
2014	855	1,046	855	1,100	0	-54
2015	715	608	860	975	-145	-367
2016	514	528	840	825	-326	-297
2017	692	696	890	926	-198	-230
2018	783	906	978	1,079	-195	-173
2019	975	917	1,010	1,048	-35	-131
2020	833	782	1,020	1,076	-187	-294
2021	1,045	965	990	1,039	-141	-74
2022	1,045	1268	955	1,164	90	104
2023	1,130 (budgeted)	1,193 (estimates)	1,114	1,275	16	-82

Source: Ministry of Finance (MOF); all amounts are in SAR Billion

While the updated estimates for the FY 2023 Budget show a deficit of SAR 82 billion (equivalent to 2.0% of GDP) while the deficit for FY 2024 Budget is expected to be SAR 79 billion (equivalent to 1.9% of GDP). It is also expected to be at these levels in the medium term due to the Government’s strategic expansionary spending.



Source: Ministry of Finance (MOF)

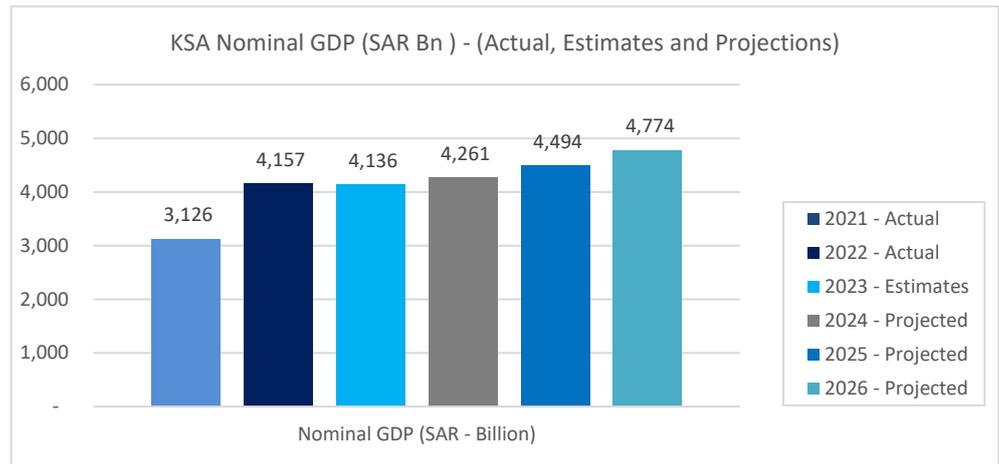


2.12.9 ECONOMIC INDICATORS – CURRENT & PROJECTED TREND

KSA NOMINAL GDP TREND

The upward trend in the Normal GDP is expected to take a slight dip and the estimated nominal GDP to fall to SAR 4,136 billion in 2023 before soaring back to SAR 4.2 billion in 2024 and SAR 4.4 billion in 2025 as per the projections in the budget statement.

According to the estimated figures, the KSA’s Nominal GDP is expected to be SAR 4,136 billion in 2023 when compared to the actual figure of SAR 4.157 billion in 2022 on a Y-O-Y basis.



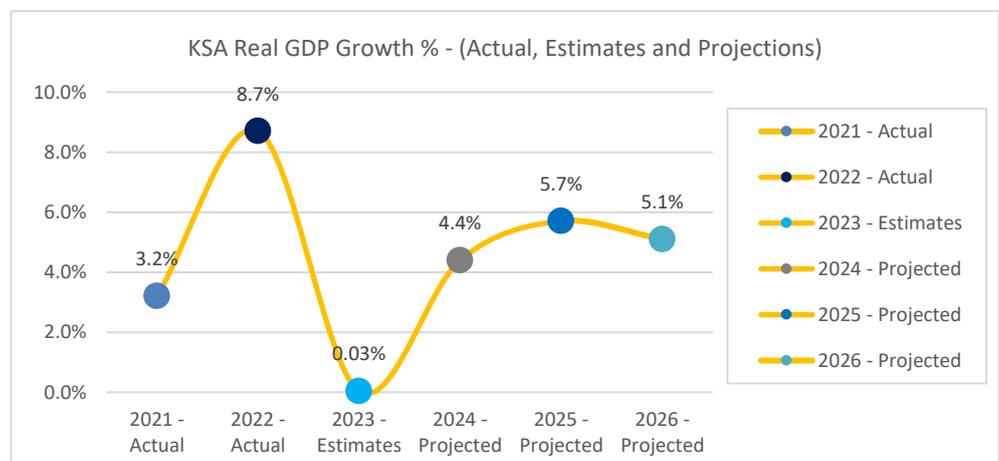
Source: Ministry of Finance (MOF)

KSA REAL GDP GROWTH RATES

Overall, the year 2023 has fallen short of the expected growth targets as the economy witnessed a real GDP growth of 0.03% as per the 2023-estimated figure. However, the KSA Government has taken initiatives and structural reforms that support economic diversification, increasing the contribution of the private sector to achieve the goals of Saudi Vision 2030, ensuring economic stability, and achieving sustainable development.

Hence, as a result an overall positive outlook is expected in the coming years. The initial estimates for FY 2024 indicate a growth of real GDP at 4.4%, supported by GDP growth of non-oil activities.

KSA economy took a dip in the year 2023 as the real GDP growth rate was only 0.03%. While the estimates suggests that the economy will reach the GDP levels of 4.4% in 2024 and 5.7% by 2025 respectively.



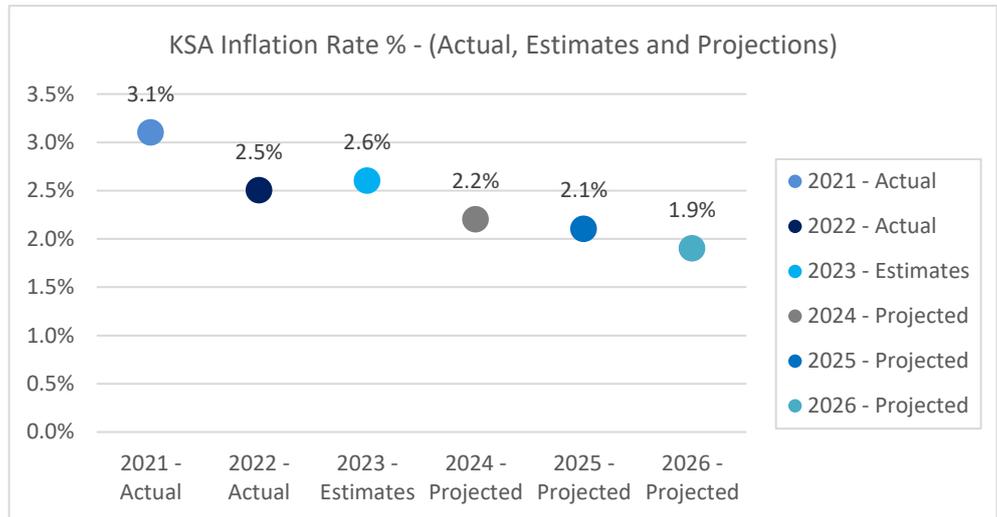
Source: Ministry of Finance (MOF)



KSA INFLATION RATES

The current fiscal and monetary policies followed in the Kingdom have limited the impact of inflation, and the inflation rate has decelerated in a relatively stable way. The inflation average is expected to reach 2.6% at the end of FY 2023, which is relatively low compared to the global inflation.

Overall, on Y-O-Y basis the inflation rate marginally increased from 2.5% in 2022 actual figures to 2.6% in 2023 as per the estimated figures. The inflation rate is expected to stabilize at 2.0% on average in the coming three years respectively.

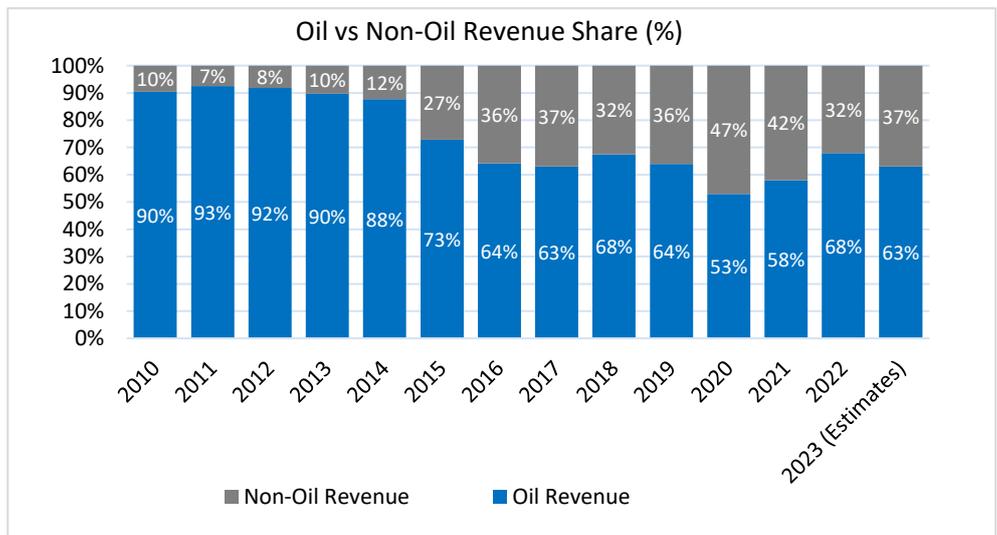


Source: Ministry of Finance (MOF)

2.12.10 OIL VS NON-OIL REVENUES TREND ANALYSIS

The year 2023 witnessed an upsurge in the Non-Oil Revenues by 5% on a Y-o-Y basis compared to last year. The non-oil revenues were recorded the highest at 47% in 2020.

The Kingdom seeks to complete the implementation of fiscal and economic initiatives and reforms that enhance the growth of non-oil GDP and achieve fiscal sustainability in the medium term.



Source: Ministry of Finance (MOF)

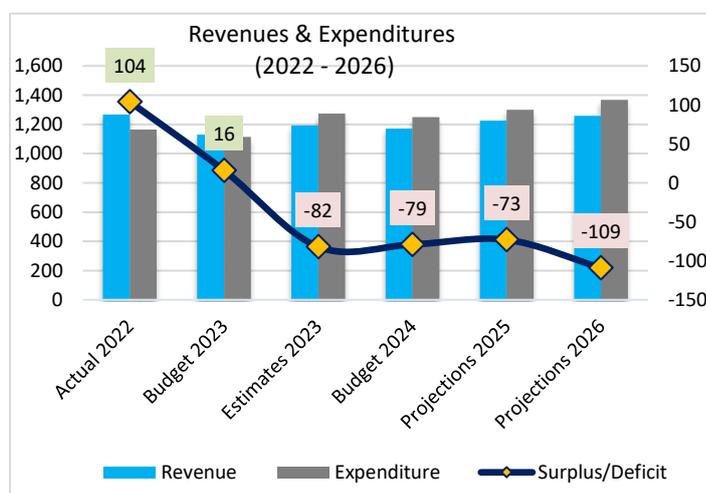
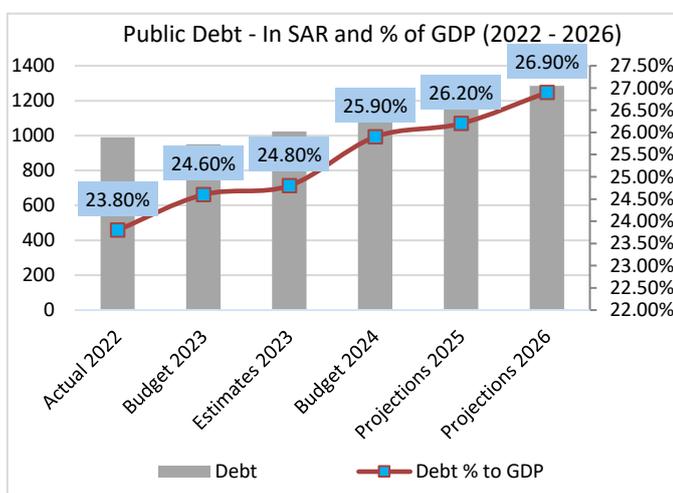


2.12.11 KSA FISCAL PROJECTIONS

- KSA Economy witnessed a downward curve in the year 2023 and beyond as per the projections in the recent budget statement 2024 by the Ministry of Finance (MOF). While the year 2022 ended on a positive note with a surplus recorded at SAR 104 billion based on the actual figures.
- The KSA government has estimated the total expenditures for FY 2023 to reach nearly SAR 1,275 billion, which is an increase of 14.5% compared to the approved budget. This rise is mainly a result of the Government’s keenness to protect citizens from the global inflation through enhanced social spending. This increase is also attributable to the development of public services for citizens and residents, in addition to completing the implementation of many sectoral and regional projects and strategies that will achieve positive structural changes as well as expand and diversify the economic base.
- Total revenue is expected to reach SAR 1,193 billion for FY 2023, a decrease of 5.9% compared to the last year, mainly due to the decline of oil prices for the current year compared to FY 2022. Other Revenues, which included oil revenues, profits from government investments, sales of goods and services, in addition to penalties and fines, are expected to reach around SAR 841 billion for FY 2023, a decrease of 11.0% compared to previous year due to the expected decline of oil revenues.

Indicators	Actual 2022	Budget 2023	Estimates 2023	Budget 2024	Projections	
					2025	2026
Revenues	1,268	1,130	1,193	1,172	1,227	1,259
Expenditures	1,164	1,114	1,275	1,251	1,300	1,368
Budget Deficit/surplus	104	16	-82	-79	-73	-109
% to GDP	2.5%	0.4%	-2.0%	-1.9%	-1.6%	-2.3%
Public Debt	990	951	1,024	1,103	1,176	1,285
% to GDP	23.8%	24.6%	24.8%	25.9%	26.2%	26.9%

Source: Ministry of Finance (MOF)



2.12.12 KSA SPENDING COMPARISON (2022 & 2023)

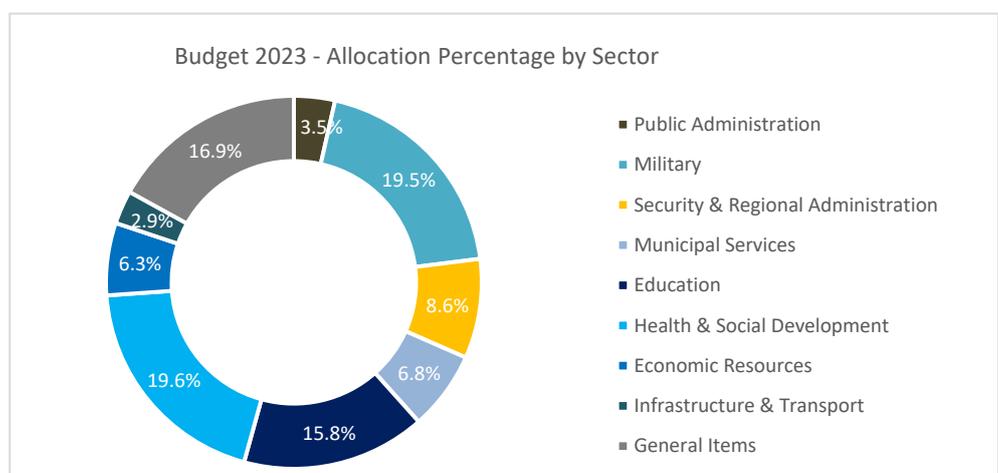
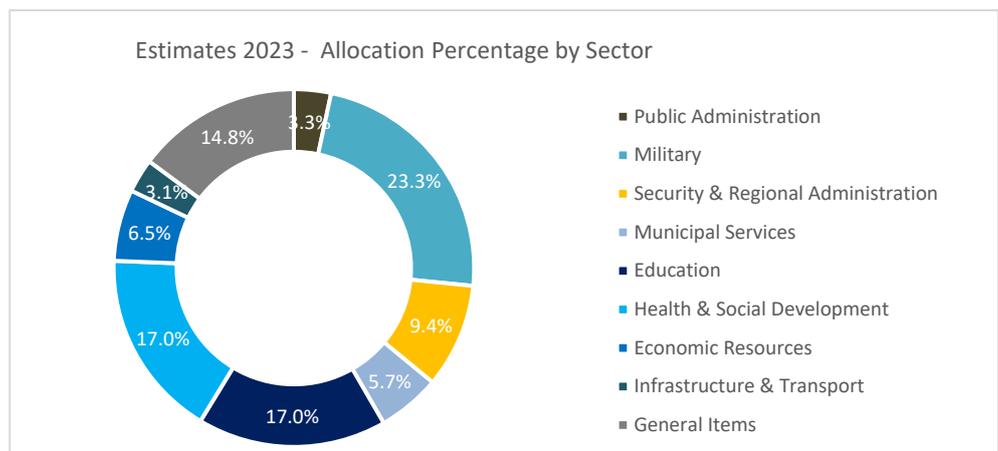
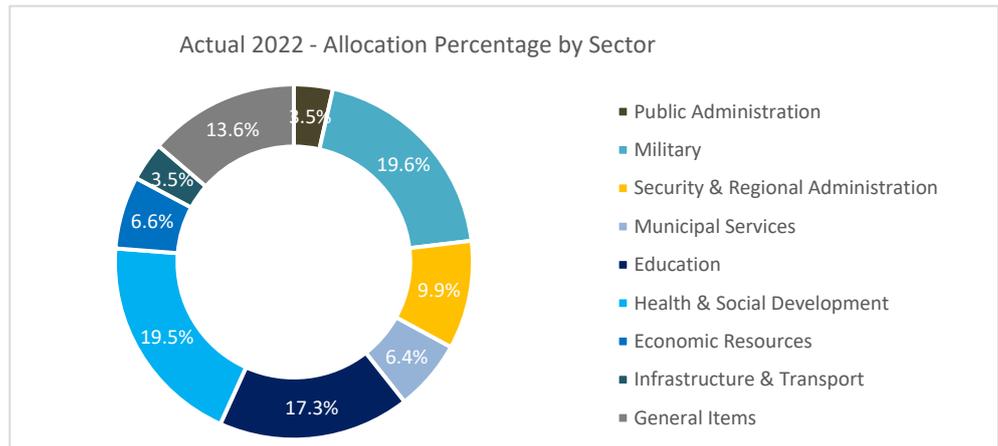
The estimated figures for the year 2023 reflect a spending of around SAR 1.2 billion which represents an increase of 9.5% on a Y-o-Y when compared to the actual figures of year 2022 at SAR 1.1 billion respectively. Overall, the General Items Sector represents an increase of 36.0% in the year 2023 on a Y-o-Y basis when compared to the last year.

According to the estimates for 2023, the Military sector still tops with the highest allocation at 23.3% followed by Education and Health sectors both at 17% respectively.

Overall, on a year-on-year basis increase of 8.6% has been observed for the Military sector and 9.7% for Public Administration sector, between the 2022-actuals and 2023 estimated figures.

While the infra-structure and transportation sector spending dropped by 10% on a y-o-y basis between 2022-actuals and 2023 estimated figures.

While spending on the Security & Regional Administration sector plummeted by 4.2%.



Source: Ministry of Finance (MOF)



2.12.13 KSA BUDGET SUMMARY – YEAR 2024

According to the budget statement, the total revenues for the year 2024 will reach nearly SAR 1,172 billion, a decrease of 1.7% from what is expected to be achieved in the year 2023. This is due to the approach adopted by the government in building estimates of oil and non-oil revenues in the budget based on standards that are of a conservative nature, being cautious of any developments that may occur in the domestic and global economy.

While With regards to other revenues, which include oil revenues, profits from government investments, sales of goods and services, in addition to penalties and fines, are estimated to reach around SAR 812 billion for FY 2024, a decrease of 3.5% in comparison to the projected outcomes of FY 2023. The rationale for this is the conservative nature adopted by the government when developing revenue estimates in the budget, in case of any developments that may arise in the domestic or global economies.

Other Taxes (including zakat) are estimated to reach around SAR 30 billion in FY 2024, a decrease of 6.1% compared to what is expected for FY 2023. This is attributed to the completion of the collection of non-recurring revenues from bank zakat settlements by the end of FY 2023.

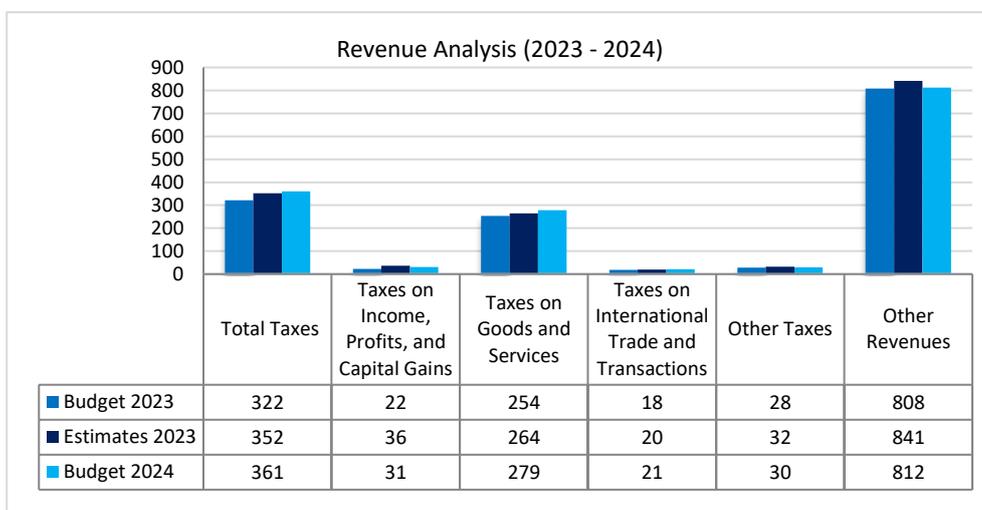
Revenue Summary: In the 2024, the KSA government aims at enhancing non-oil revenues that are inherently linked to economic activities to achieve growth resulting from the increase in the growth rates of non-oil GDP. Thus, it ensures the existence of stable sources of revenues in the medium and long term to finance development projects and expenditures with a social and economic dimension.

Revenues collected from taxes in FY 2024 are estimated to reach around SAR 361 billion, an increase of 2.5% compared to FY 2023 estimates, as a result of the continued improvement in economic activity, the positive impact of continuous development in tax administration, and the improvement of collection processes, which in turn contributed to raising total tax revenues.

While the tax revenues on Income, Profits and Capital Gains are expected to reach SAR 31 billion in FY 2024, a decrease of 14.3% compared to what is expected to be collected in FY 2023. This decline is attributed to the collection of non-recurring revenues related to previous years during FY 2023, in addition to the effect of the initiative of Cancellation of Fines and Exemption of Financial Penalties that ends at the end of 2023, which contributed to motivating taxpayers to pay taxes due from previous periods.

The taxes on Goods and Services are estimated to reach around SAR 279 billion in FY 2024, an increase of 5.8% compared to the expected results of FY 2023, because of positive expectations for consumer spending indicators, in addition to progress in the e-invoicing project, which will contribute to raising compliance rates and improvement in the collection of tax revenues.

While the taxes on International Trade and Transactions (customs duties) are expected to generate SAR 21 billion in FY 2024, an increase of 3.0% over what is expected to be collected by the end of FY 2023, driven by the continued growth of imports next year and the impact of global inflation on the prices of imported goods.



Source: Ministry of Finance (MOF)



According to the budgeted figures the total expenditures for the year 2024 will reach the levels of SAR 1,251 billion.

The KSA Government is committed to continuing its efforts to support social expenditure, which is one of the most important government expenditure priorities, through periodic reviews and improvement of the programs of the social support and subsidies system to ensure access to the target groups. In addition, the continuing efforts to raise the quality level of services, as well as develop government facilities and infrastructure in various regions of the Kingdom, contribute to the quality of life for citizens and residents, empowering the private sector, and stimulating the investment environment in KSA.

CAPEX is estimated to reach around SAR 189 billion in FY 2024, which constitutes 15.1% of the total expenditure, as CAPEX is estimated to decrease by 7.1% compared to expected outcomes of FY 2023.

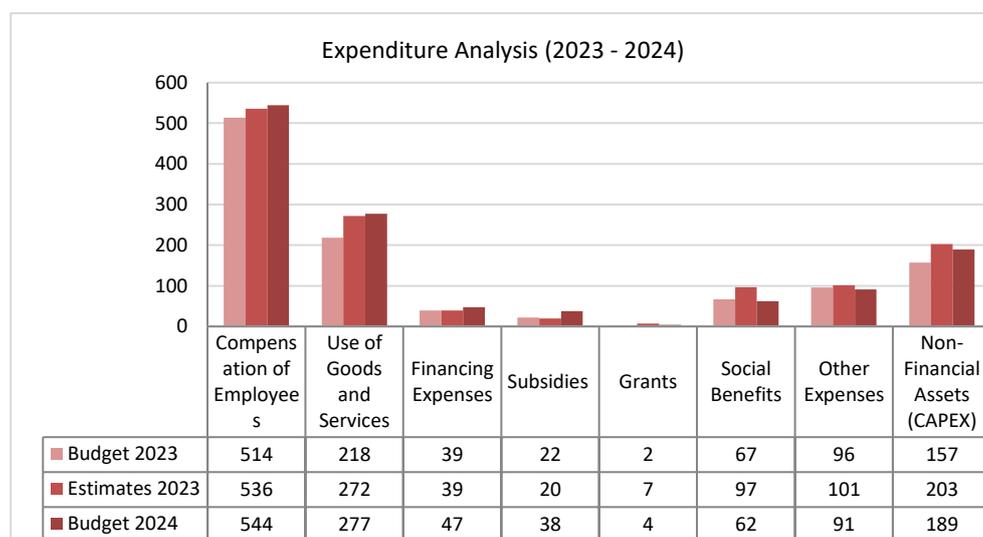
Expenditure Summary: In the 2024, due to the structural economic, and fiscal reforms that the Kingdom has witnessed over the past years, the Budget for FY 2024 and the medium term is higher than what was published in the Budget Statement for FY 2023, with considering the fiscal position and financing capacity of the Kingdom.

The Government continues to direct expenditure for FY 2024 and in the medium term mainly to regional and sectoral strategic expenditure of a developmental nature, which will contribute to achieving purposeful and sustainable economic and social returns to diversify the economic base in the medium and long term.

For the Year 2024 the operating expenses are projected to reach around SAR 1,062 billion, a decrease of around 0.9% compared to the expected outcomes of FY 2023, which constitutes 84.9% of the total expenditures. Compensation for employee expenses is estimated at around SAR 544 billion, an increase of 1.6% compared to the predicted results of FY 2023, reflecting the impact of the annual increment.

While the expenditure on goods and services is expected to reach around SAR 277 billion, an increase of about 1.6% from the forecast of FY 2023, as a result of implementing and operating programs and strategies related to promising sectors. Financing expenses for FY 2024 are estimated approximately at SAR 47 billion, an increase of 21.7% compared to projected targets for FY 2023. The rationale of this increase is the impact of debt portfolio rise due to the adoption of the expansionary spending to accelerate the implementation of some programs and projects that produce economic and social returns and enable the realization of Saudi Vision 2030 goals.

Expenditure on subsidies is estimated to reach approximately SAR 38 billion, an increase of 88.1% compared to the expected outcomes of FY 2023. This rise attributed to the amendment of the budget classification of some government agencies to be a subsidy instead of including it in other categories. Social Benefits are estimated to reach around SAR 62 billion.



Source: Ministry of Finance (MOF)

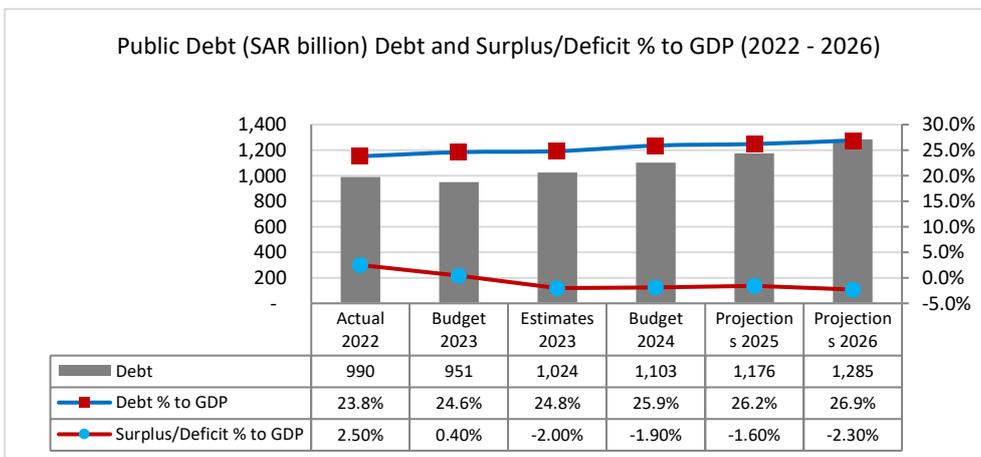


2.12.14 KSA PUBLIC DEBT AND SURPLUS/DEFICIT COMMENTRY

The KSA government is completing the implementation of initiatives and structural reforms for both the economic and fiscal aspects under Saudi Vision 2030. It includes development of the public finance by achieving the objectives of fiscal sustainability as well as adopting fiscal policies that contribute to achieving stability and sustainability of the budget. In this context, FY 2024 and the medium-term Budget reflects the progress in implementing comprehensive structural reforms that boost sustainable economic growth, enhance the level of public services, and implementing further new strategies. Thus, the budget is estimated to record a deficit of SAR 79 billion (equivalent to 1.9% of GDP) in FY 2024. The budget deficits is expected to continue at similar levels in the medium term. due to the government’s adoption of expansionary spending policies that support sustainable economic growth.

In FY 2024, the debt is projected to be around SAR 1,103 billion (equivalent to 25.9% of GDP). Financing of the expected budget deficit and the repayment of debt principal shall be through annual issuances, Also, the available market opportunities shall be utilized to implement additional proactive financing activities to pay the debt principal due in the coming years and to finance some strategic projects. It also can be used to implement alternative government financing transactions that would enhance economic growth, such as financing capital projects and infrastructure, with the aim of diversifying financing channels to maintain market efficiency and enhance its depth.

The MOF and the National Debt Management Center (NDMC) has prepared an annual borrowing plan in accordance with the medium-term debt strategy in order to meet the Kingdom’s financing requirements. It aims to maintain debt sustainability, diversify funding sources between domestic and external sources, and access the global debt market to enhance the Kingdom’s position in the international markets within well-considered foundations and frameworks of risk management. This strategy takes into consideration the objectives of Saudi Vision 2030 that promote growth of the financial sector and deepen the domestic debt market.



Source: Ministry of Finance (MOF)



2.12.15 KSA INTERNATIONAL TRADE ANALYSIS

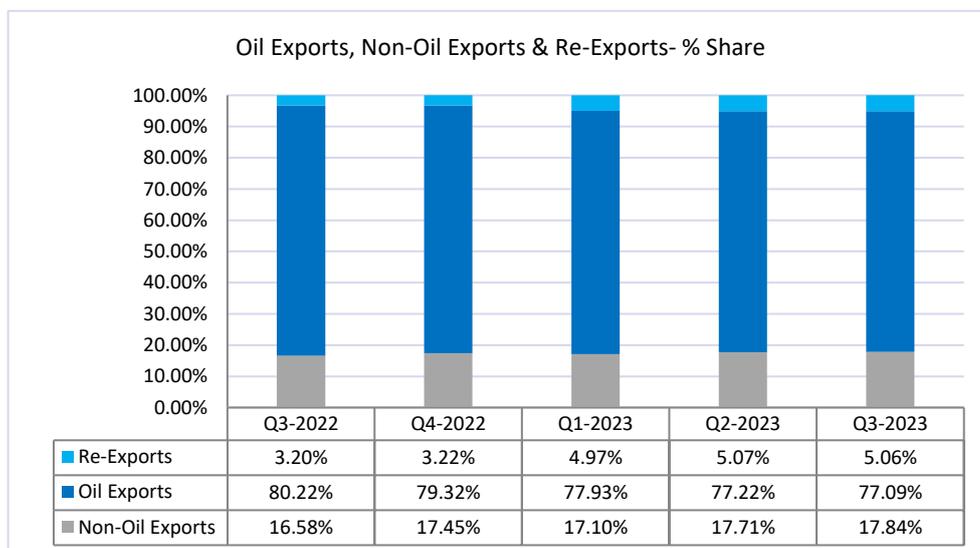
When compared on a year-on-year basis the merchandise exports plummeted by 24.9% in Q3 2023, compared to Q3 2022. The value of exports amounted to SAR 299.8 billion in Q3 2023, down from SAR 399.1 billion in Q3 2022. This decline originated mainly from oil exports, which fell by SAR 89.0 billion or 27.8% in the same period, decreasing to SAR 231.1 billion from SAR 320.1 billion in Q3 2022.

Quarter	Exports (SAR billion)	Imports (SAR billion)	Total Trade Volume (SAR billion)	Total Trade Balance (SAR billion)
Q3-2022	399	183	582	216
Q4-2022	348	196	544	152
Q1-2023	315	194	509	121
Q2-2023	295	193	488	102
Q3-2023	300	200	500	100

Source: International Trade Report 2023, GSTATs

The share of oil exports in total exports decreased from 80.2% in Q3 2022 to 77.1% in Q3 2023. Compared to Q2 2023, total merchandise exports increased by SAR 5.0 billion or 1.7%. Non-oil exports (including re-exports) decreased by 13.0%, compared to Q3 2022, decreasing to SAR 68.7 billion from SAR 78.9 billion in Q3 2022. Non-oil exports (excluding re-exports) decreased by 19.2% as re-exports also rose by 18.9% in the same period. Non-oil exports (including re-exports) increased compared to Q2 2023 by SAR 1.5 billion or 2.3%.

Merchandise imports surge by 9.4% (SAR 17.1 billion) in Q3 2023. The value of imports amounted to SAR 200.0 billion in Q3 2023 compared to SAR 182.8 billion in Q3 2022 on a Y-o-Y basis. Imports also increased compared to Q2 2023 by SAR 7.3 billion or 3.8%.



Source: International Trade Report 2023, GSTATs



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The most important non-oil export goods were "products of the chemical and allied industries" (28.0% of non-oil merchandise exports), which decreased by 33.7% SAR 9.7 billion, and "plastics and articles thereof; rubber and articles thereof" (26.6% of nonoil merchandise exports) which decreased by 18.5% SAR 4.1 billion from Q3 2022. The most important imported merchandise goods were "machinery and mechanical appliances; electrical equipment; parts thereof" (22.0% of total merchandise imports), and "transport equipment and parts thereof" (18.1% of total merchandise imports).

Imports Breakdown by Each Port			
Sea Ports	Q3-2022	Q2-2023	Q3-2023
Jeddah Islamic Sea Port	27.72%	27.94%	27.78%
King Abdulaziz Sea Port in Dammam	19.89%	19.20%	19.78%
Ras Tanura Sea Port	3.53%	6.80%	5.64%
King Abdullah Sea Port	2.98%	1.87%	1.79%
Baish Sea Port	0.00%	1.94%	2.16%
King Fahd Ind. Sea Port in Yanbu	2.32%	1.84%	1.71%
King Fahad Ind Sea Port in Jubail	1.78%	1.34%	1.00%
Jubail Sea Port	1.68%	0.74%	0.66%
Jazan Sea Port	1.50%	0.43%	0.32%
Yanbu Commercial Sea Port	1.22%	0.74%	0.44%
Rabigh Sea Port	1.09%	0.86%	1.04%
Deba Sea Port	0.87%	0.59%	0.98%
Ras Al Khair Sea Port	0.34%	0.27%	0.14%
Al Khafji Sea Port	0.03%	0.04%	0.09%

Source: *International Trade Report 2023, GSTATs*

Jeddah Islamic Sea Port is one of the most important ports through which goods crossed into Saudi Arabia at a value of SAR 55.5 billion of imports, corresponding to 27.8% of the total, in Q3 2023. Among the other major ports of entry for the imports were King Abdulaziz Sea Port in Dammam (19.8%), King Khalid Int Airport in Riyadh (11.4%), King Abdulaziz Int. Airport (6.5%), and King Fahad Int Airport in Dammam (6.1%). Those five ports together accounted for 71.6% of the total merchandise imports of Saudi Arabia.

No.	Imports by Nature of Items	Q3-2022 (SAR Million)	Q2-2023 (SAR Million)	Q3-2023 (SAR Million)
1	Raw Materials	5.38%	3.87%	3.28%
2	Semi-Finished Goods	26.56%	23.18%	23.23%
3	Finished Goods	68.06%	72.95%	73.49%

In Q3-2023, the Finished goods represent the highest percentage of import followed at 73.49% by semi-finished goods at 23.23% respectively. Overall, an increase of 3.81% has been observed on Q-o-Q basis between Q2-2023 and Q3-2023.



2.12.16 PIF AND ITS KEY ACCOMPLISHMENTS

The Public Investment Fund (PIF) is Saudi Arabia's sovereign wealth fund and among the largest SWFs globally based on the large leaps it has made at the local and global economic levels. This was accomplished through several large investment projects that have contributed to advancing the national economic transformation and deepening the concept of sustainable positive change in the context of global investment efforts.

The PIF has achieved exceptional performance and pioneering achievements since the inception back in 2017. So far it has established 66 companies in several diverse sectors, and the volume of assets under management (AUM) surpassed 2.23 trillion riyals (\$594.43 billion) as per their last annual report. In addition to its contribution to the creation of more than 500 thousand jobs directly and indirectly.

The PIF has generated a total shareholders' return of 8% and locally deployed 120 billion riyals in that year in strategic sectors. The fund also announced its opening of three new regional offices, with the aim of continuing its global expansion in parallel with its local investments. As a responsible and significant investor with a pivotal role in realizing Vision 2030, PIF holds itself to the highest global standards of governance while adjusting to a fast-changing worldwide economy and remaining as a supporter of creative organizations. PIF aims to be the investment partner of choice for global opportunities and enable the economic development and diversification of the Saudi economy.

PIF Vision Realization Program (VRP) was launched by CEDA in 2017 as part of an integrated programs to achieve the Kingdom's Vision 2030, and to work in joined forces with other VRPs to contribute to the Kingdom's economic social growth, further its global position, and uncover its pioneering investment power. PIF VRP is directly mandated to realize the Vision's second pillar "Thriving Economy". During the first edition of the program (2018-2020), PIF contributed in achieving tangible impact at the investment and economic levels, transforming mindsets, international performance, planning and implementation.

PIF has come a long way since its beginning, achieving many of its ambitious investments and institutional plans, and now is ready for the next stage of growth by setting its policies, strategies, plans and vision for the coming years (2021-2025) through identifying its main objectives on the local and international investments levels.

PIF aims to act as an economic diversification engine, developing strategic sectors and solid economic partnerships that deepen the Kingdom's regional and global influence. The fund has established 79 companies, such as the Saudi Coffee Company. The Company, formed in May 2022, is a testament to the Program's support of the local private sector and celebration of Saudi heritage. Dan Company was announced in 2023 which will specialize in agritourism and ecotourism.



2.12.17 KSA GIGA-PROJECTS OVERVIEW

Under the PIF umbrella, the five giga-projects are redefining the Kingdom's future and pioneering a new way of sustainable living for the world. These include: NEOM, boasting the world's smartest technology and unparalleled support for entrepreneurship; ROSHN, promoting modern societies and lifestyles, the captivating Red Sea project, introducing a new era of tourism in the Kingdom and beyond; Qiddiya, the hub of entertainment, sports, and the arts in the Kingdom; and Diriyah, a one-of-a-kind project showcasing rich cultural heritage and tourist attractions. At home and abroad, the PIF continues to shape and deliver an exciting future that elevates the Kingdom and positively impacts the world.

In the next sections we have discussed the key highlights of each project: -

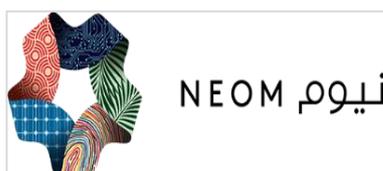
NEOM

The Project developed its strategy in 2017, with the company established in 2019 on the Red Sea in Its strategy revolves around developing 14 diverse sectors: Energy, Water, Mobility, Biotech, Food, Manufacturing, Media, Entertainment Culture and Fashion, Technology and Digital, Tourism, Sport, Design and Construction, Services, Health and Well-Being, Education, and Livability.

In 2020, the company's headquarters moved from Riyadh to NEOM, and more than 450 employees relocated to live and work in the company's main village. NEOM is distinguished by a unique design and infrastructure built from scratch that supports development and improvement in the surrounding environment. NEOM launched its first phase to build a 5G based infrastructure while signing an agreement with Bechtel International to develop the infrastructure for the NEOM project.

The Project splits across '5' regions: -

- **Gulf Of Aqaba:** It consists of '4' destinations i.e.
 - 1) **Leyja** - The three hotel properties will offer 120 elegant boutique rooms and suites, split equally with 40 keys at each.
 - 2) **Epicon** - It will feature two striking towers, one 225 meters tall and one reaching 275 meters. The towers will be home to an ultra-premium 41 key hotel and luxury residences that comprise of 14 suites and apartments. A short distance from the hotel is the Epicon resort, which blends tranquility with indulgence and features 120 rooms and 45 stunning residential beach villas.
 - 3) **Siranna** - It is a space where elegant and innovative living meet to facilitate a lifestyle without compromise. Situated on the Gulf of Aqaba coastline, this ultra-luxurious destination will be home to a 65-key hotel, as well as 35 exclusive residences.
 - 4) **Utamo** – based in a mountain located along the Gulf of Aqaba coastline, Utamo creates a unique backdrop for music events, exhibitions, and art activations that will transform traditional entertainment experiences. Guests will arrive at Utamo via an



extended pathway of a garden promenade, featuring more than 50 species of shrubs, herbs and flowers, before reaching the grand hall. The 64-meter-high entrance, which pays homage to art and design, sets the scene for the awe-inspiring experiences awaiting guests inside.



- **Sindalah:** It consists of three hotels, offering 413 rooms – including 88 villas – as well as 333 serviced apartments, Sindalah will combine world-class hospitality, fine dining and curated events in one perfect destination. Sindalah's Red Sea location makes it a perfect hub for the international yachting community. The close proximity to Europe and the Mediterranean means easy access to our stunning 86-berth marina and the 75 additional offshore buoys for superyachts. Sindalah is a 840,000m² playground for the world's luxury travelers. With sophisticated cultural events, adrenaline-fueled sporting spectacles and glamorous social happenings, our exquisite island will always deliver something unique.



- **Oxagon:** It is a floating industrial city under development in the southwest corner of NEOM. Strategically located on the coast of the Red Sea, through which 13% of the world's trade passes, the city includes an integrated port, a logistics center and advanced manufacturing facilities. Sitting at the crossroads of 3 continents, Oxagon is place where people, nature and technology come together in harmony.



- **THE LINE:** This project strives to foster an attractive environment for inventors, entrepreneurs, and investors, with a future vision centered on people and nature, and a city unmatched in any of the global smart cities. Everyday life will be seamless through invisible AI-enabled infrastructure. Some of the key elements which are part of the Line project includes:
 - Zero automobile community that preserves 95% of the natural environment.
 - The longest journey on The Line will never be more than 20 minutes, via an ultra-high-speed transit system.
 - A project completely powered by clean energy.
 - Everything needed for daily life will be just a 5-minute walk away.



- **Trojena:** It is a new destination for sustainable mountain tourism. It is a place where nature, architecture and technology come together to offer world-class experiences and host unique festivals and events, such as the 2029 Asian Winter Games. Further details includes:-
 - 1,413km² of mountain region
 - 2.8km² – the length of an artificial lake which offers water adventure sports.
 - 2,600 m – height of the highest mountain.
 - Splits across '6' districts namely Gateway, Discover, Valley, Explore, Relax and Fun.
 - 30 km of Ski-Slopes planned.
 - 3-Months of winter skiing
 - 700,000 annual visitors by 2030

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- 3,600 Hotel rooms + apartments
- 7,000 permanent residents

REDSEA GLOBAL - REDSEA AND AMAALA PROJECTS

Red Sea Global (RSG) is one of the world's most ambitious developers and wholly owned by the Public Investment Fund (PIF) of Saudi Arabia.

The company's portfolio includes two world-leading destinations The Red Sea and Amaala. Collectively, these responsible and regenerative tourism destinations will enhance Saudi Arabia's luxury tourism and sustainability offering, going above and beyond to not only protect the natural environment, but to enhance it for future generations to come.

REDSEA PROJECT: A luxurious experience in the tourism sector that combines nature, culture and adventure, the Red Sea Project will enhance the Kingdom's position within the global tourism landscape and provide an array of opportunities for companies to be part of one of the world's fastest growing tourism markets.

The Project's masterplan was approved back in December 2018. The Red Sea is surrounded by the world's fourth-largest barrier reef system and spans over 28,000-square-kilometers with an archipelago of more than 90 untouched islands, pristine beaches, dormant volcanos, sweeping desert dunes, mountain canyons and historical cultural sites. By 2030 it will be home to 50 hotels, 8,000 rooms, up to 1,000 residential properties. Below are the project highlights:-

- Red Sea International Airport
- 100-hectare Landscape Nursery
- Waste Management Facility
- Hotel Destinations
- Construction Village with a Central Medical Facility
- Coastal Village
- Use of Glass over Plastic
- 50 Resorts offering 8000 Hotel keys
- 1300 Residential properties to be built
- Phase 1-16 luxury hotels and 3000 keys
- Largest Solar Power Facility of its kind
- Zero Environmental impact
- First Maritime Museum to exhibit under water archaeology
- Use of Glass over Plastic

Today, significant works are being completed by 10,000 workers on-site. Today, much construction is underway. Sheybara and Shaura Islands are among the first islands to be developed upon, along with a beautiful new Red Sea Airport, the Southern Dunes development, a Coastal Village, Turtle Bay Hotel, and the Coral Bloom development, to name a few.

AMAALA PROJECT: The company was established to develop and manage AMAALA resorts on the Red Sea, as a super-luxury tourist destination specialized in rehabilitation, health, and treatment; and placed among the best luxury tourist destinations. AMAALA revealed the design of its international airport, applying a set of unique design practices inspired by its location and its picturesque desert nature.



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AMAALA is dubbed the 'Riviera of the Middle East' and is a \$1 billion USD mega-project managed by the Red Sea Development Company. AMAALA is being developed just north of the Red Sea Project and spans an additional 13,000 km² of land and sea focused on bringing a luxury health and wellness community to life. AMAALA plans on being completed by 2028, by which time it hopes to be a world leading luxury wellness retreat destination, with a community of artists and healers in residence.

- 4155 km² of Pristine Landscape
- More than 3000 Hotel Rooms
- First Phase 1300 hotel Rooms by 2024
- 900 Luxury Villas and Apartments
- 100% Renewable Energy with zero connection to the National Grid

QIDDIYA



The project was launched in April 2018 as one of the Saudi Giga projects with a total size of 360+ km². It aims to make Qiddiya the capital of entertainment, sports, and arts in the Kingdom – an integrated destination that provides unmatched experiences. The company's vision is to develop a creative destination that is internationally recognized as a unique combination of the most innovative experiences and establish distinctive buildings to host these activities.

Qiddiya operates on a large scale with local companies to build infrastructure, roads, bridges, site security, and other support operations. It includes 25 distinct districts masterplans offering entertainment, sports and culture with mixed-use areas, residential communities, and nature.

- **Entertainment:** A collection of branded theme parks such as Six Flags and Qiddiya Water theme park are at the heart of Qiddiya City's leisure offering. Together they form the world's leading cluster of high-energy tourist attractions set within breathtaking natural landscapes.
- **Sports:** It will be a world's leading sports destination. With a FIFA compliant 40,000 seat stadium that is home to Saudi's Al Nassr and Al Hilal football clubs, a dedicated motorsport precinct, two championship golf courses and the world's largest esports and gaming experience, Qiddiya City becomes the natural choice to host global sporting events.
- **Culture:** It will have a heritage that weathers the shifting sands of time. Culture at Qiddiya will be life changing, as it will educational, all while celebrating and sharing the rich cultural heritage of the Kingdom and its people with the world.
- **Liveability:** Qiddiya City will become one of the top livable cities in the world. Set to redefine our way of life, this incredibly inspirational city will champion an active and healthy lifestyle that redefines every aspect of city living. It will feature 160,000 residences, 30+ educational facilities, 15+ hospitals and clinics and around 8+ metro stations for better connectivity.



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ROSHN

A PIF portfolio company and a national real estate developer, ROSHN is dedicated to developing modern and aspirational communities for the people of Saudi Arabia. It was launched in 2020, ROSHN is dedicated to supporting the ambitious goal of 70% homeownership by 2030, and is doing so by making positive contributions to the nation's real estate and infrastructure sectors.

In a short span, since its inception in mid-August 2020, ROSHN announced its first residential neighborhoods in Riyadh, spread over an area of more than 20 million square meters and more than 30,000 housing units -- the first milestone in a plan to develop communities and residential neighborhoods across the Kingdom over the next ten years to meet society's aspirations.

Overall, ROSHN aims to contribute with 400,000+ homes by 2030, around 2400+ schools, 850 masjids and 1 million trees.

ROSHN currently has three neighbourhood projects in the pipeline:-



- **Sedra Community Riyadh: The project is** located in the North-Eastern part of Riyadh, SEDRA comprises beautifully designed homes complemented by mosques, local shops, cafes and restaurants, parks, schools, fitness and sports facilities, and neighborhood entertainment spaces - a living community. The project is adjacent to the shops and restaurants of ROSHN FRONT. Princess Nourah Bint Abdul Rahman University and King Khalid International Airport are a short drive away. and Airport Road and Al Thumama Road provide easy access to the rest of the city. The project splits across 8-phases, offering 30,000 homes with varying unit sizes coupled with a number of amenities and services.



- **Al Arous Community Jeddah:** It is situated in north Jeddah, south of King Abdullah Sports City, and north of King Abdulaziz International Airport. Its strategic location offers convenient access to the city's major landmarks and main roads.

It spreads across 4 million sqm with 18,000+ homes and all the essential amenities such as hospitals and medical centers, schools, mosques, shops, cafes, restaurants and event spaces all close by. ALAROUS will provide a pedestrian-friendly humanized environment, giving a wonderful quality of life for all residents.



- **Al Fulwa Community Hofuf:** the project spreads across 10.8 million Sq.m land size, 18,000 residential units (townhouses, duplexes and villas), schools, retail centres, parks and open spaces. located 7 kilometres from the centre of Al Ahsaa Governorate, the major urban centre in the Al Ahsaa Oasis in the Eastern Province. The project will feature a population capacity of over 100,000 people.



2.12.18 OTHER INITIATIVES

The PIF has several initiatives across major cities in the Kingdom. Below are the details of some key projects:-



Saudi Seasons Project: The Project was launched in FY-2019. The project aims to increase the quality of life in cities and their economies through holding events that increase the entertainment choices available to citizens and residents, thereby enhancing the status of the Saudi cities in the rankings among the best global cities. In addition, these seasons contribute to raising the GDP and increasing the number of tourists. They also enhance the role of the private sector to invest in the events sector. The project also includes several initiatives, one the most important of which is building the national calendar for several cities and tourist destinations distributed throughout the Kingdom.



Green Riyadh Project: It was launched in FY 2019 and is considered one of the largest urban afforestation projects in the world. The project aims to plant more than 7.5 million trees to raise the per capita share of green space in the city of Riyadh from 1.7 square meters to 28 square meters, which is equivalent to 16 times.

It also aims to increase the proportion of total green spaces in the city from 1.5% to 9% through the rehabilitation and afforestation of the main roads. The program also includes the afforestation of more than 120 residential neighborhoods in the city of Riyadh, which includes the construction of more than 3-thousand new parks, planting trees lining the streets and the circumference of mosques, schools and parking lots; and constructing sidewalks to provide shaded walking paths that stimulate healthy movement patterns among the city's residents.



Sports Boulevard Project: It was launched in FY 2019, and it is one of the four Giga projects for the city of Riyadh. The project, which extends for more than 135 km in length and it aims to cover 4.4 million sqm of green spaces, more than 70 sports sites, and about 2.3 million sqm of areas designated for investment. The Project consists of 8 main areas: the Wadi Hanifa District, the Arts District, Wadi Al-Yasen District, the Entertainment District, the Athletics District, the Eco District, the Wadi Al-Sulai District, and the Sands Sports Park.

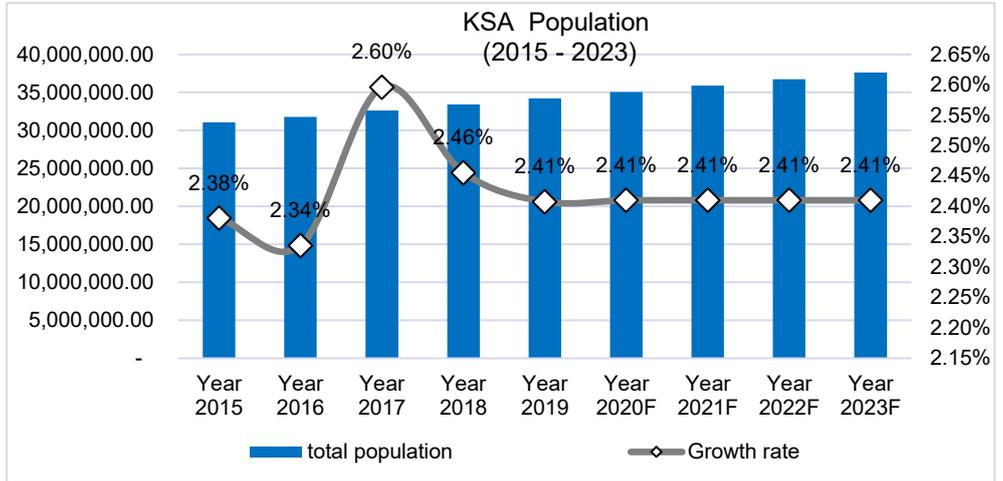


King Salman Park Project: The Project was launched in FY 2019, and the project works to transform the current King Salman Air Base (the old Riyadh Airport) into one of the largest city parks in the world.

Among the most prominent objectives of the project the increase of the green space in Riyadh for each inhabitant by 80% and placing the city of Riyadh in the ranking of the 100 most livable cities, which contributes to raising the level of quality of life in the city in line with the goals of the Kingdom's Vision 2030 for a vibrant and healthy society.

2.12.19 KSA POPULATION AND ITS GROWTH

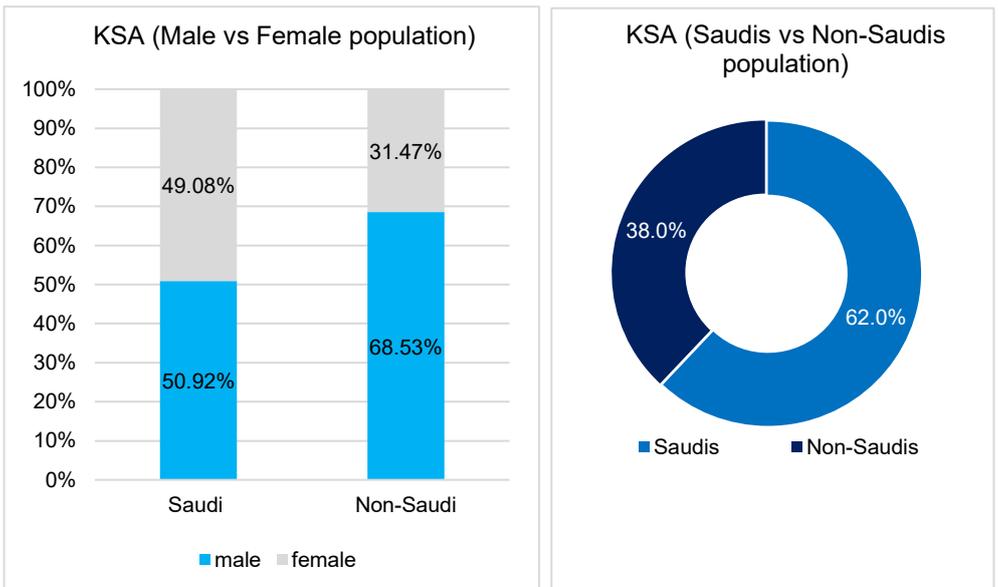
The growth in population has been steady, rising at a CAGR of 2.42% during 2015-23. The population growth rate was the highest in 2017 at 2.60% but plummet to 2.46% in 2018.



• Source: (GSTATs)

2.12.20 KSA POPULATION BREAKDOWN

The population of Kingdom of Saudi Arabia (KSA) splits across approximately 62% Saudis and 38% Non-Saudi population. The Saudi population is more skewed towards male at 50.92% compared to female at 49.08% respectively. While non-Saudi population is more skewed towards male at 68.53% compared to female at 31.47% respectively.

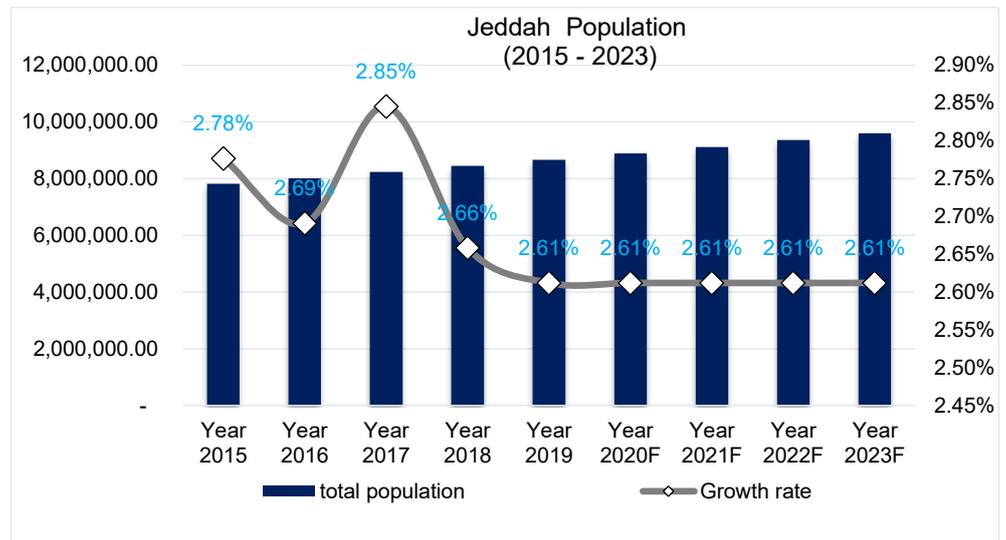


Source: (GSTATs)



2.12.21 JEDDAH POPULATION AND ITS GROWTH

The growth in population has also been steadily, rising at a CAGR of 2.67% during 2015-23. The population growth rate was the highest in 2017 at 2.85% but plummeted to 2.66% in 2018.

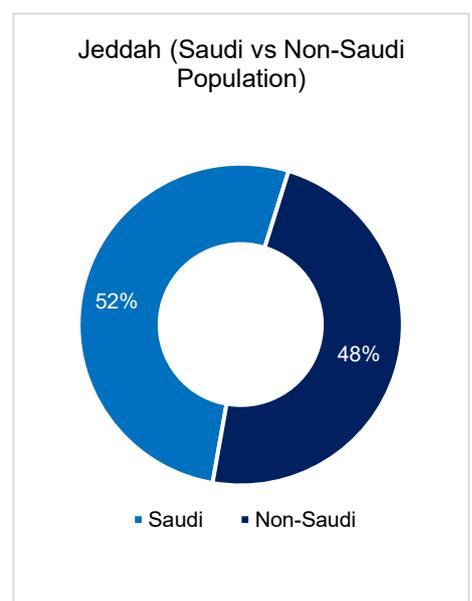
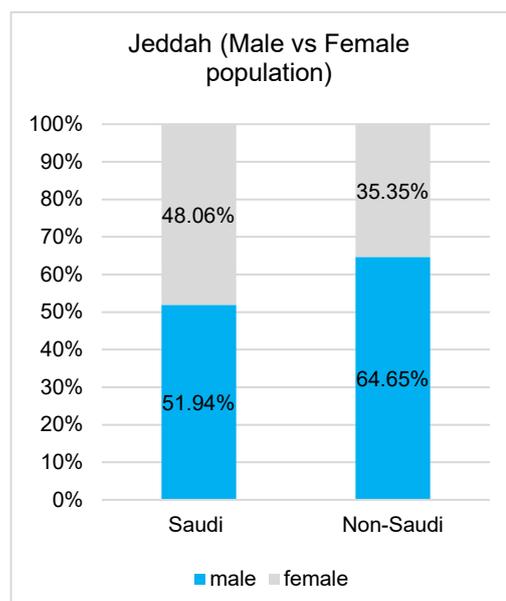


Source : (GSTATs)

2.12.22 JEDDAH POPULATION BREAKDOWN

The population of Jeddah splits across approximately 52% Saudis and 48% Non-Saudi population.

The Saudi population is more skewed towards male at 51.94% compared to female at 48.06% respectively. While non-Saudi population is more skewed towards male at 64.65% compared to female at 35.35% respectively.



Source : (GSTATs)



2.13 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject plots we have utilized the Residual Land Value (RLV) Approach to valuation.

2.13.1 RESIDUAL LAND VALUE (RLV) APPROACH

We have also conducted a dynamic residual land value on the subject land referred to within this report, giving cognisance to the residual method calculating the maximum price that a hypothetical developer would pay for the subject land to achieve acceptable hurdle rates based on the highest and best use of the land and in line with current market expectations.

The current market expectations are such that large land would be divided to form the commercial and residential components referred within this report. We have undertaken our RLV based on the masterplan being sub-divided into which we assume represents the highest and best use of the site given the large size, characteristics of the land and the potential land holding equity available in the land.

We have initially calculated the project revenue of the proposed development to determine the hypothetical Gross Development Value (GDV) of the subject land as a completed project. The comparative approach to valuation is used to determine the key inputs to the RLV and so in this instance sales/prices for end-user service plots are compiled and analysed in relation to the proposed development on the subject land. The GDV is calculated allowing the deduction of costs associated with developing the land including construction costs, professional fees, contingency and amongst other fees. The client has provided construction cost (infrastructure to sub-divide as end-user service blocks) which we have not independently verified. The calculated revenue and costs have been systematically arranged in a cash flow with revenue and cost being recorded in the time they are forecasted. The cash flow has then been discounted using a market related Internal Rate of Return (IRR) to reflect the developer/investor required return on the potential project. This provides a Gross Present Value which represents the Gross Residual Land Value. We have further deducted a developer's profit reflecting the sub-divided masterplan for potential investors/sub-developers. This in turn provides a Net Present Value (NPV) which represents the Net Residual Land Value. The Net Residual Land Value represents the Market Value which is a reflection of the price a rational developer / investor would pay for the subject development land based upon the masterplan provided.

In arriving at our opinion of the GDV, we have looked at end user service plots in and around the areas focusing on the immediate districts to the east as follows:

2.13.2 SERVICE PLOT PRICES IN ADJACENT DISTRICTS

Generally, market conditions remain subdued for large land trading, throughout the Jeddah real estate market, although it appears residential service plots have increased in price and therefore have been reflected appropriately in this report.



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Refer to market evidence extracted from the Ministry of Justice (MoJ) as follows:

Transaction #	Category	Type	Transaction Value (SAR)	Area (sqm)	Price per sqm (SAR)	Transaction Date	City	District
31096574	Commercial	Land	680,000.00	400.00	1,700.00	29/07/2025	Jeddah	Alkhomrah
34068983	Commercial	Land	10,650,000.00	6,558.64	1,623.00	25/12/2025	Jeddah	Alkhomrah
22649060	Commercial	Land	750,000.00	400.00	1,875.00	25/02/2024	Jeddah	Alkhomrah
22320504	Commercial	Land	1,000,000.00	800.00	1,250.00	05/02/2024	Jeddah	Alkhomrah
25253668	Commercial	Land	21,813,915.00	25,663.43	850.00	17/09/2024	Jeddah	Alkhomrah
Average Land Rate SAR per sqm (Rounded)					1,450.00			

Transaction #	Category	Type	Transaction Value (SAR)	Area (sqm)	Price per sqm (SAR)	Transaction Date	City	District
30468749	Residential	Land	503,744.00	400.00	1,259.00	03/07/2025	Jeddah	Alkhomrah
27905308	Residential	Land	458,056.00	400.00	1,145.00	19/02/2025	Jeddah	Alkhomrah
33233235	Residential	Land	200,000.00	200.00	1,000.00	12/11/2025	Jeddah	Alkhomrah
33233181	Residential	Land	200,000.00	200.00	1,000.00	12/11/2025	Jeddah	Alkhomrah
30401732	Residential	Land	400,000.00	400.00	1,000.00	30/06/2025	Jeddah	Alkhomrah
31443814	Residential	Land	2,903,522.00	3,150.00	921.00	14/08/2025	Jeddah	Alkhomrah
31444241	Residential	Land	3,226,136.00	3,500.00	921.00	14/08/2025	Jeddah	Alkhomrah
31444424	Residential	Land	3,870,340.00	4,198.89	921.00	14/08/2025	Jeddah	Alkhomrah
22101060	Residential	Land	1,000,000.00	800.00	1,250.00	14/01/2024	Jeddah	Alkhomrah
24546796	Residential	Land	431,022.00	400.00	1,077.00	23/07/2024	Jeddah	Alkhomrah
22282084	Residential	Land	400,000.00	387.50	1,032.00	31/01/2024	Jeddah	Alkhomrah
22282144	Residential	Land	400,000.00	387.50	1,032.00	31/01/2024	Jeddah	Alkhomrah
Average Land Rate SAR per sqm (Rounded)					1,000.00			

Also, the subject masterplan does not have approval and have assumed approval is forthcoming in the overall masterplan's land areas and the allocated land typology. From our research service plots from the above evidence in the Khomrah District the prices range as follows:

- Sale Price (Commercial Plots) – SAR 1,400 per sq. m to SAR 1,500 per sq. m. A slight increase in commercial prices since our last exercise.
- Sale Price (Residential Plots) – SAR 950 per sq. m. to SAR 1050 per sq. m. No change in price since our last exercise.

For the sake of this exercise, we have used SAR 1,450 per sq. m for the commercial element, SAR 1,000 per sq. m for the residential villa element reflecting the subject area. There is significant growth in land prices in KSA post pandemic era with the economic conditions presently buoyant in Saudi Arabia.



2.13.3 COST PHASING AND ASSUMPTIONS

For the purposes of our valuation, we have assumed that the potential development is in order and works are commencing to satisfactory timeframe' from the date of valuation. We assume all is in order especially relating to land surveys given that the infrastructure works have commenced.

We also assume studies such water management, flooding, etc. satisfy planning requirements. Equally should this not be the case we reserve the right to amend our valuation and report. Further assumptions referred below:

Infrastructure Costs – SAR 111 per square metre.

Professional fees & Contingency – 12.5% [broken as follows 5% for professional fees year 1 and contingency fees for each subsequent year is 2.5% (Yr. 2), 2% (Yr. 3) and 1% (Yr. 4) based on year plan with a total of 7.5% over 3 years).

The 4-year plan is based on 24 months infrastructure works completion (potential off-plan sales and 3-year sell-out)]. Agents Commission has been omitted given that there is no real set practice in KSA, although the customary practice has been agents charging potential investors, etc.

2.13.4 PHASING AND REVENUE ASSUMPTIONS

For the purpose of this valuation, we have assumed that the 'sub-division' will be formed successfully with a view to considering potential investors/sub-developers given that large landowners will look to the easiest opportunity and option due to the high land prices in KSA.

We understand that the market remains slightly depressed due to economic decline across all land types (residential and commercial); hence we believe that the subject location and proposed masterplan will require good internal organization, professional marketing, etc. for investor / sub-developer consideration and investment.

Gross land less 48.8% for roads, services and other (non-developable land - landscaping, etc.).

Sellable Land Area – forming sub-division:

- Commercial Plots – 26.56%
- Residential Plots – 73.44%

Sales Phasing - A simultaneous 4-year infrastructure and sell out programme for the creation of the sub-division along with the sellout phasing of both the commercial and residential components.

The infrastructure cost has been spread over a 2-year period as follows.

- Year 1 – SAR 27,750,000
- Year 2 – SAR 27,750,000



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Gross Development Value (GDV)

The GDV of the subject land is SAR 286,597,120 excluding agents commission fees.

Discount Rate Developers Profit and Residual Land Value

For this valuation analysis, we have utilized a discount rate of 15% which we believe reflects the risks associated with the proposed master planning of the subject land and the sales absorption in Jeddah.

We have also allowed a 15% developer's profit in line with general market conditions and the potential sophistication of mainly residential market masterplan in obtaining approval will be formed for potential investors/sub-developers.

Based upon the above assumptions the resultant Residual Land Value of the subject land is SAR 130,000,000 (rounded) which reflects circa. SAR 260 per sq. m of developable land reflecting the infrastructure work carried out.



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We understand work carried out on the subject land to date is as follows:



شركة عقارات للتطوير والتنمية

AQARAT REAL ESTATE DEVELOPMENT CO.

الموافق 2024/06/30م

المحترمين ...

السادة صندوق الاهلي العقاري

السلام عليكم ورحمة الله وبركاته ...

الموضوع : بيان التكاليف والمصروفات الفعلية لمشروع ديراب وكنوز جدة

بالإشارة إلى الموضوع أعلاه ، فإنكم بتفاصيل تكاليف التطوير الفعلية كما هو موضح أدناه :

م	النسبة	مشروع ديراب	مشروع كنوز جدة
1	أعمال مساحية وفرارات ترعة وكروكيات	114,189	243,336
2	أعمال حراسة وتعديات	74,999	
3	أعمال قطع وردم وتسوية		9,344,873
4	دراسات هندسية وأثرية وفحص تربة	69,333	145,000
5	مصرفات دراسة هندسية واستشارات ومتابعة اثرات	1,022,861	282,466
	إجمالي التكاليف الفعلية	1,280,402	10,015,675
1	تعاب التطوير لشركة عقارات 20% من التكاليف الفعلية	255,463	2,002,356
	إجمالي التكاليف الفعلية شاملة تعاب التطوير	1,535,864	12,018,031
	المبلغ المستلم من صندوق ساميا العقاري مقابل تكاليف التطوير الفعلية	0	(7,500,000)
	حصة صندوق ساميا العقاري من تكاليف التطوير الفعلية تعادل 50% من المشروع	767,932	6,009,016
	الرصيد	767,932	(1,490,984)
	ساقى الرصيد لصالح صندوق الأهلي العقاري		(723,052)

وتفضلوا بقبول خالص تحياتنا ...

المدير العام
م/ عبدالهادي الرشيدى

Limited Liability Company - C.L 4010081261 - Paid-Up Capital: SR 2,000,000
Head Office: Jeddah, Tel.: +966 12 234 8888, Fax: +966 12 234 8880
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Unified Number: 92 000 8185

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Source: Client 2024



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The analysis is as follows referred below:

Site Area	500,000
Less	48.8%
Services & Roads	244,000
Net Sellable Area	256,000

Commercial	26.56%	67,994	1,450	98,590,720
Residential	73.44%	188,006	1,000	188,006,400
Other Residential	0%	-	-	-
	100.00%	256,000		286,597,120

Less infra cost	111	per sqm		55,500,000
Commission	2.5%	of sales		7,164,928
Professional Fees	5.0%	of services		2,775,000
				65,439,928

	Year	Year	Year	Year
	1	2	3	4
Sales				
Commercial /Resi	-	80%	20%	-
Residential	-	60%	30%	10%
Residential Other	-	-	-	-
Gross GDV	-	191,676,416	76,120,064	18,800,640
Commercial /Resi	-	78,872,576	19,718,144	-
Residential	-	112,803,840	56,401,920	18,800,640
Residential Other	-			
Less				
Infrastructure	50%	50%	-	-
Commission	0%	2.5%	2.5%	2.5%
Professional fees	5%			
Infrastructure	27,750,000	27,750,000		
Commission	-	4,791,910	1,903,002	470,016
Professional fees	2,775,000			
Costs	30,525,000	32,541,910	1,903,002	470,016
Net GDV	(30,525,000)	159,134,506	74,217,062	18,330,624



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Discount Rate - 15%	NPV	153,064,587
	Rate per sqm	306
Developer's Profit - 15%	Less Dev Profit	46
	Net	260
	Fair Value (SAR)	130,000,000

2.13.5 VALUATION SUMMARY

Type	Land Size (sq. m)	Rate per sq. m	Fair Value SAR (Rounded)
Vacant Raw Land	500,000	260	130,000,000

**ValuStrat would stress that we are not Quantity Surveyors, and the reported construction cost is only an estimate and is based upon reported costs of other similar construction in the market area of the subject and/or by recognized costing services.*

Market instability is one of the main causes of Valuation uncertainty (that is, the probability that the valuer's opinion would be the same as the price achieved by an actual sale at the valuation date) and it can arise when certain macroeconomic events cause a sudden and dramatic change on markets.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.

This evidence shortage, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

Valuation considered full figure and may not be easily achievable in the event of an early re-sale.

2.14 VALUATION

2.14.1 FAIR VALUE

ValuStrat is of the opinion that the Fair Value of the freehold interest in the subject vacant raw land referred within this report, as of the date of valuation, based upon the Residual Land Value Approach and assumptions expressed within this report, may be fairly stated as follows;

Fair Value (rounded and subject to details in the full report):

SAR 130,000,000

One Hundred Thirty Million Saudi Arabian Riyals



2.14.2 MARKET RISK, SUPPLY & DEMAND & COMPETITION

In the valuing the subject land, we have considered the following:

Unless otherwise stated in our engagement letter dated 28 December 2025, you (the client) acknowledge the limitations, qualifications and assumptions set out in the Valuation Report and as set out in our Engagement Letter, including our General Terms of Business for Valuation.

The global economy is experiencing uncertain times due rising inflation, rising energy prices and the conflict in Middle East and Ukraine. Any major threat from Global economic conditions can impact the regional and KSA economy and therefore create market deterioration later in 2025-2026. The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property. Though recent KSA's approval of statutory provisions to control rent (rent freeze for 5 years) is now effective from 25 September 2025 and the land tax now is updated whereby owners who keep land undeveloped must pay annual fees:

- 10% in central strategic areas
- 7.5% in high-value zones
- 5% in middle zones
- 2.5% in outer zones

The Kingdom of Saudi Arabia's economic reforms, Vision 2030, and technological investments are driving the country's rise as an investment powerhouse. With continued diversification and infrastructure development, Saudi Arabia is positioned to be a key player in the global investment landscape.

Equally, perceptions of high security risks (geopolitics in the region) deter some investors and the possibility of change in governmental procedures causing an effect on investment value and general business activity.

There is significant growth in land prices in KSA post pandemic era with the economic conditions presently buoyant in Saudi Arabia.

The large land banks or stockpile of lands are benefitting from the current growth in Saudi Arabia along with the support and diversification of the economy in a rising market in the current time or period; however, any downfall or dip in market conditions will be when real estate values slump, or rising interest rates will incur large holding costs and burden of liability increases in a developing market where rising competition i.e. KSA Giga Projects, private market and PIF's extended plans.

The high probable of such vast land bank risks are as follows:

- Owners/Investors cannot secure finance upon favourable terms and therefore cannot proceed with developments.



- Experience unwarranted construction costs for development(s) exceeding the original contractual agreements due to increased material, labour or other costs making the completion uneconomical.
- The owners may not be in a position to increase rents or selling prices to compensate for the increase in construction costs due to subdued market conditions or general market competition.
- The owners are unable to obtain or renew, or face delays in obtaining or renewing, required zoning, land-use, building, occupancy, and other governmental permits and authorizations, which could result in increased costs. This could lead to abandon its activities entirely with respect to a particular development / project.
- The owners are unable to complete construction, leasing or sale of a property on schedule, resulting in increased debt service expense and construction or renovation costs, resulting in termination of existing investment agreements or resulting in claims by third parties for damages and termination of the respective property leases or sales contracts.
- The lease developed properties at below market rental rates or sell developed properties below market sales prices.
- The occupancy rates and rents at newly completed properties may fluctuate depending on a number of factors, including market and economic conditions resulting in the investment not being profitable.
- It is not feasible to undertake the development of the large land banks in an area at one given time / period. It is likely to sell serviced plots to unrelated third parties who will be contractually obligated to develop those plots in line with the requirements of the Master Plan which can cause delays in development, etc.
- The prospects for large lands are based on the assumption that the Saudi Arabian economy will continue to grow with no permanent or material deficiency. They are also based on the assumption of increased direct foreign investment into the Kingdom as well as a continuing diversification of the economy. Any material adverse variation from such expectations may have a negative impact on the subject lands expected returns.
- The KSA's oil production and business is a major contributor to Saudi income and strong economic conditions. Therefore, any major fluctuations in oil prices can have a similar effect on the local economy impacting KAEC and the overall long-term development.
- The growth of the economy is also subject to numerous other external factors, including continuing population growth, increased direct and foreign investment in the local economy and Government and private sector investment in infrastructure, all of which could have a significant



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impact on the economy and therefore the Company's operations and profitability.

- Large lands are facing stiff competition from other regional masterplans, giga projects and the private market.
- To sell a reasonable portion of the land for the development to unrelated third parties, the subject land will face heavy competition from third parties in their capacity as owners, operators and developers of retail, commercial, residential and other properties in the area.
- The subject land will face competition with other property owners in the city in their efforts to dispose of assets in the future as the city develops, which may result in lower sales prices. Any such decrease in prices for properties to be sold could impair the growth prospects or reduce its available capital, which could result in a decline in the market value of the company.
- Marketability - We are unable to provide the time period (absorption rate) due to size of the masterplan and the lands available in the western region and therefore we would expect the client to build into their business plan and financial commitments. Property values are subject to fluctuation over time as market conditions may change.
- Saleability - In brief, we would foresee there being limited interest in the subject land from potential purchasers. Given the size of the asset and complexity of the asset it is likely that it would take several months/years to complete a sale.

There are unlikely to be significant numbers of purchasers due to the lot size and the availability of debt finance. Purchasers are likely to be high net worth Saudis keen to own such an asset.

Due to nature of the property, we would anticipate that parties may form joint ventures to allow themselves access to the larger lot size. Given the prominence of the subject property, it is probable that there would be political influence determining any potential purchaser.

Large land banks like for the subject land should only be considered as part of long-term business plan.

- Large land banks are considered full figure(s) and may not be easily achievable in the event of an early re-sale in the short term.
- That the subject assets/land is owned by the subject fund ([SNB Real Estate Fund](#)) on the date of valuation. Should this not be the case, we reserve the right to amend our valuation and report.
- The overall supply at city level could impact revenue projections. Equally proposed supply within the same masterplan causing the land inventory to compete causing a price competition; hence impacting potential value(s).



- Overall, it must be noted the figures are provided on a high-level concept and methodology given there is no approval for the lands mentioned in this report. So ultimately, it will be highly reliant on the feasibility of the proposed development reflecting the revenues, operational expenses, construction costs, payback and project returns.
- We assume the subject lands are cleared and no compensation is due to residents/inhabitants.
- We have assumed that the subject land and subplots are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good marketable title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.
- Any interested party or investor are advised to make their own independent enquires as to the above assumptions.
- We have relied on information provided by the client which we assumed is updated, although should this not be the case, we reserve the right to amend our valuation and report.
- The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.
- This report and valuation should not be considered other than as part of the entire report.

Any adverse change in one or more of the above factors could negatively affect the business, financial condition and results of cut down operations and excessive delays in the overall development of the subject land.



2.15 MARKET CONDITIONS SNAPSHOT

The Kingdom of Saudi Arabia continues to demonstrate robust economic momentum following the approval of the 2025 state budget, which emphasizes fiscal sustainability and economic diversification under Vision 2030.

2.15.1 MARKET ASSESSMENT, TIMES OF UNCERTAINTY AND VALUATION COMMENTARY OVERVIEW

Despite a challenging economic global backdrop and rapidly changing market dynamics, the robust economic growth in KSA has resulted in the real estate sector maintaining growth presently. The surge of capital values and rental prices largely continued over 2025.

With the current momentum, it is likely the surge will remain stable, which has carried out throughout 2025 as mentioned and therefore so long as the region remains geopolitically strong and resilient will remain stable over 2026.

Since the launch of Saudi Vision 2030 in 2016, the pace of economic diversification has moved at a brisk pace with focus on business growth, tourism, education, manufacturing, entertainment, healthcare and other sectors. The Vision 2030 will contribute greatly going forward in increasing non-oil GDP growth. Equally with the hike in oil price and revenue back from 2023-2024 and the stability of oil price going forward will be a major driver of the Kingdom's economic growth.

The world is rapidly changing with ongoing structural shifts, population growth, urbanization, climate change and the digital revolution continues to profoundly impact our world and societies. Also, Global supply chain disruption, loose monetary policy, pent-up demand and an unfolding energy, food and commodities crisis are among the factors driving consumer prices to their highest levels in decades. Therefore, price increases, inflation and uncertain supply chains and the food logistics sector is experiencing difficult times. Though the Kingdom of Saudi Arabia has shown resilience with high oil price revenues in 2022 showing surplus of SAR 57 billion and Public Investment Fund (PIF) – sovereign wealth fund going from strength to strength. Since the lifting of travel bans, the KSA real estate market is in a healthy position with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

Also, the government has now allowed the full foreign ownership of retail and wholesale operations along with previously opening up of the Tadawul Stock Market to foreign investment supported by current energy reforms, cutting subsidies, creating jobs, privatizing state-controlled assets and increasing private sector contributions to the country's economy, etc. With all the opportunities throughout the Kingdom and the creation of the Giga projects, there was an ambitious resilience which suddenly shutdown overnight due to the initial lockdown period. With all the current uncertainty, market stagnation and short-term challenges whereby force



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majeure (as a result of the pandemic's cause beyond anyone's reasonable control) had created inactivity.

As mentioned above the KSA market's ambitions and resilience, we understand investor sentiment remains strong as it was prior to the pandemic and the KSA was on an upward course showing growth in the last quarter of 2019 after a period of subdued market conditions. The current global crushing of liquidity in economies will have impact on markets and real estate market and this maybe the case with many economies across the globe; however, the KSA market has shown resilience in previous years through a period of downward trend (2016-18), a correction allowing for the market to bottom out with 2019 experiencing growth in the first quarter and subdued market conditions throughout 2019. The latter part of Q4 – 2019 saw positive growth with strong investor appetite, though the market lacking good quality stock. Now with the Saudi government confirming a stimulus package of SR 120 billion plus, we understand the market will bounce back with investors underlying strong appetite. This will delay any evidence in the short term of declining prices and with the government stimulus will assist any short-term losses on transactions, private and public funds, although will need to be sustained in the short-term. The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut, though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

The Kingdom of Saudi Arabia (KSA) - world's largest exporter of crude oil, embarked four years (2016) ago on an ambitious economic transformation plan, "Saudi Arabia Vision 2030". In a hope to reduce its reliance on revenue from hydrocarbons, given the plummeting oil price revenues and global competition from 2014. Through the current vision 2030 and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contributions to the country's economy. Despite economic uncertainty across the globe, KSA has shown resilience through global volatility. The real estate sector again generally follows the greater economy and whilst Saudi Arabia is undergoing structural reforms politically, economically and socially will transform the Kingdom towards a service economy post-oil era. These changes along with significant amounts of investment - estimated to soon be over 1 trillion US dollars - will create vast amounts of opportunities for the public and private sectors across all businesses segments.

General consensus anticipates a strong Saudi economy in the period ahead (2025-2026), supported by both the oil and non-oil sector. So ultimately it appears the



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economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 2-3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall.

Accordingly, in the short term KSA needs to rely on oil revenue and this reliance is being channelled into public spending. The reforms that have been pushed through to date have led to important changes aiding the economy. The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce.

Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars. A due enactment of law will encourage public-private partnerships to herald more foreign investment.

The economic transformation that the KSA has embarked upon is complex and multidimensional and will certainly take time to turn around a non-oil serviced economy, although there have been recent positive signs, but it will remain in the short term with the support of oil revenues.

On the other hand, the KSA was resilient in the previous recession in 2007/2008 on strong oil reserves and not only can the Saudi government be relied upon to step in to rescue troubled lenders, reliable institutions for procedural reasons but crucially, it can also afford to do so, although has suffered due to previous oil price declines and it has meant increased spending.

PIF and its Vision

Ambitions (Medium-term by 2025)

- The overall contribution of the PIF, and its subsidiaries, to the non-oil GDP to reach SAR 1.2 trillion*
- The annual investment in new domestic projects to reach at an average of SAR 150 billion.*
- The PIF, and its subsidiaries, target to utilize the local content at a percentage of 60%*

Strategic Targets (Long-term by 2030)

- To diversify and enrich the experience of tourism, entertainment and sports sectors in the Kingdom. PIF's owned hospitality projects are expected to add 136,000 keys by 2030*
- To develop the utilities and renewable energy sector by reaching a renewable capacity of 58.5 gigawatts in 2030*
- To develop the residential sector through the launch of ROSHN. It is expected to add more than 395,000 housing units on a total area of 181 km2, hosting more than two million residents by 2030. This project is targeting to contribute SAR 200+ billion to the GDP by 2030.*



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The PIF by a clear mile is heading in the right and assertive direction with substantial achievements both on the local and global economic levels. With launch of quite a few mega investment projects such as Red Sea Project, Amaala, Neom, Alula, Qiddiya, that have contributed to advancing the national economic transformation, as well as deepening the concept of sustainable positive change in the context of global investment efforts.

Vision 2030 to diversify the economy from reliance on oil, has only just commenced in previous years and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region.

Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAJD) along with 4 VOX screens opening at Riyadh Park Mall.

The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF. With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030.

As part of wider reforms to overhaul the economy and to allow for deep-rooted diversification, the Public Investment Fund (PIF) have initiated plans to bolster the tourism / entertainment industry by forming ambitious plans such as the following:

Giga Projects and its Entities

The infographic is divided into two main sections: PIF Subsidiaries and Non-PIF. The PIF Subsidiaries section lists various entities such as NEOM, The Red Sea Development Company, BOUTIQUE GROUP, AMAALA, Saudi Downtown Company, Qiddiya, Soudah Development, JEDDAH CENTRAL, and Ruq'at Al Madinah Holding. The Non-PIF section lists entities like Sports Boulevard, Royal Commission for AlUla, Royal Commission for Riyadh City, and GREEN RIYADH. Each entity is accompanied by its respective logo and name in both Arabic and English.

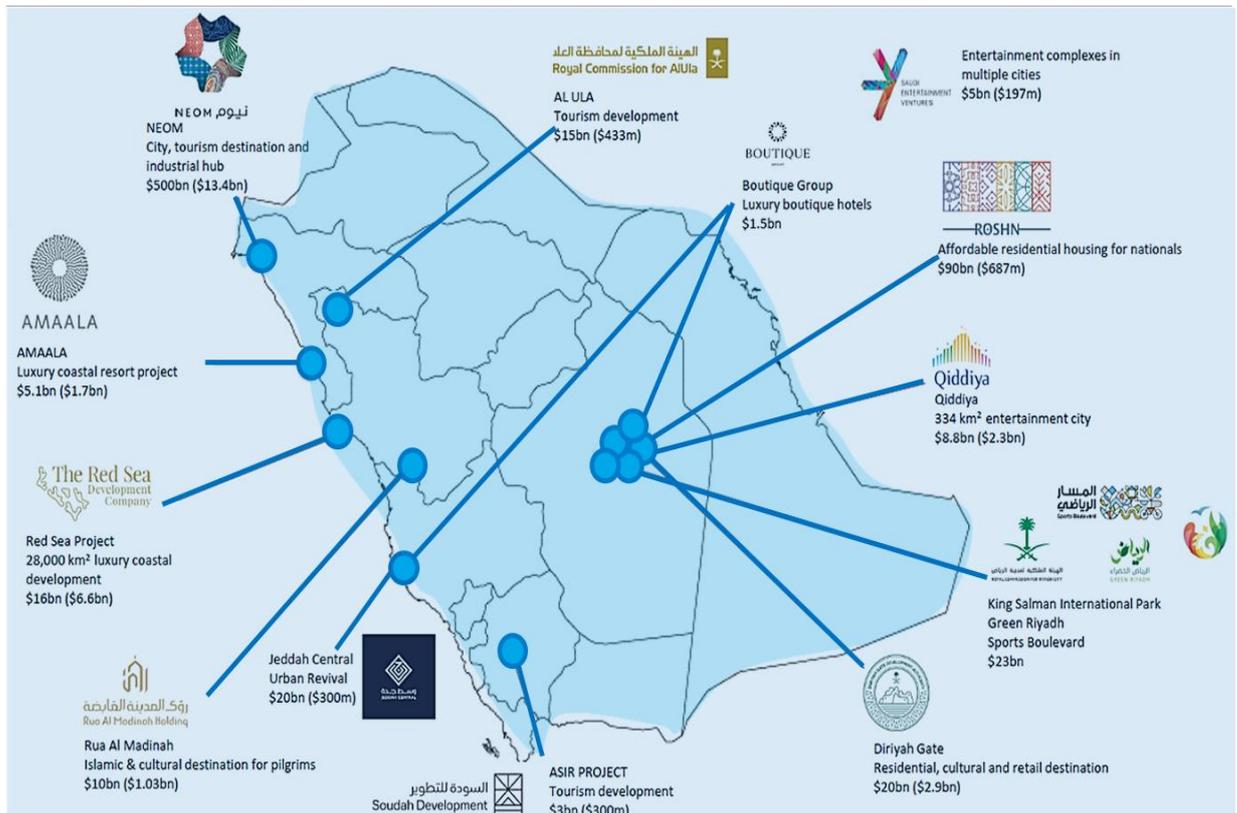


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The PIF currently has ‘12’ entities under its umbrella which are associated with key giga projects in KSA as per the above illustration. While non-PIF initiatives include the Royal Commission of AIUla and many others.

These giga-projects are planned to fuel the economy and their benefits are expected to expand significantly beyond the real estate and infrastructure sectors, helping to diversify the economy away from oil, especially given their steep scale.



The total targeted value for these giga-projects exceeds \$700+ billion across the KSA. While the total work awarded by these projects comes to around \$29.8 billion. NEOM represents the highest value among them followed by Red Sea project respectively. For ease of reference, refer to the illustration for each project location.

Red Sea Tourism Project

To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination. For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

Al Faisaliyah Project

The project will consist of 2,450 square kilometres of residential units, entertainment facilities, an airport and a seaport. Refer to the illustration below for the location.

Qiddiya Entertainment City

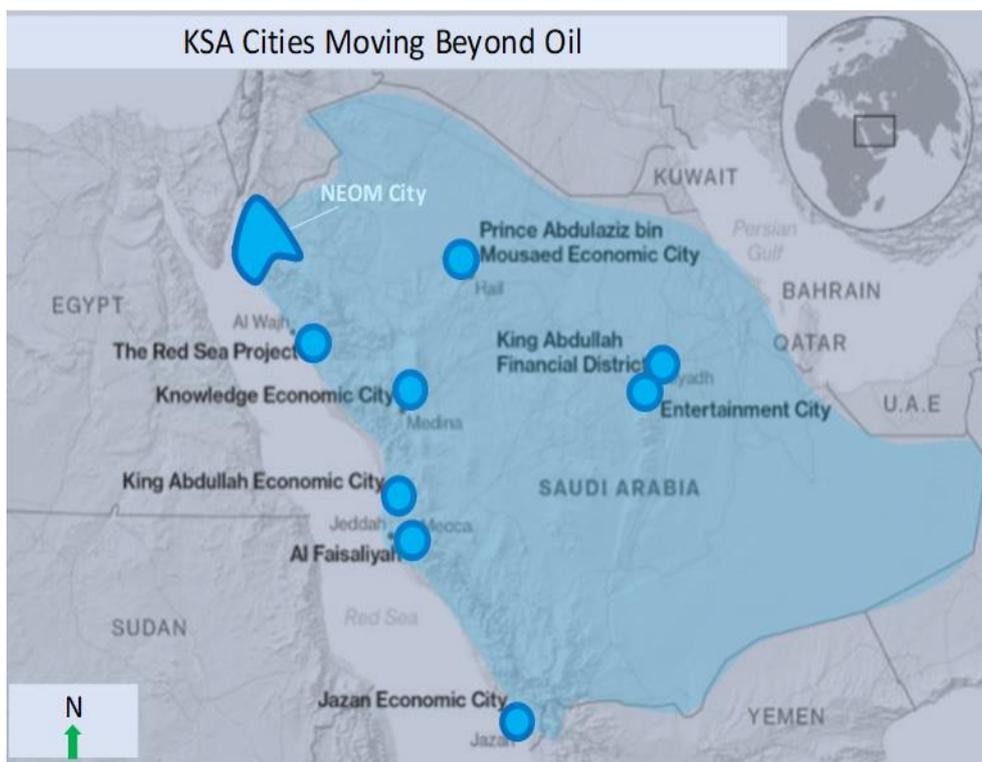
Qiddiya Entertainment City will be a key project within the Kingdom’s entertainment sector located 40 kilometres away from the center of Riyadh. Currently alleged for



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“The First Six Flags-branded theme park”. The 334 square kilometre entertainment city will include a Safari Park too. The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels.

The project will also consist of around 4,000 vacation houses to be built by 2025-26 and up to 11,000 units by 2030. Again, for ease of reference refer to the below illustration for the location.



Neom City

The NEOM city project will operate independently from the “existing governmental framework” backed by Saudi government along with local and international investors.

The project will be part of a ‘new generation of cities’ powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to increase in both sales and rental values.

We expect demand to remain stable due to the fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.



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Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above.

Moreover, tax on development land implemented in 2017/18 has kept the construction sector afloat and with rent increase of the tax to 10%, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan. In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing. This initiative created stability and growth in the Kingdom's housing sector by injecting liquidity and capital into the market.

Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part. The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past decade plus.

The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy. The real estate market performance in 2024-25 and the general trend in KSA for most sectors have remained strong given high activity levels. The real estate sector remains strong, and we expect in the medium to long term for the market to remain stable with further growth given the reforms and transformation in KSA, although we expect the growth to be stable and steady subject to a stable political environment in KSA and across the region.

The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation. The KSA has experienced continued demand for good quality property which is set to continue into 2025 with a strong occupational market appealing investors. A watching brief should be kept on the economy, although we expect the economy to keep a pace in 2025-26 subject to a stable geopolitical region.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It must be borne in mind that both rental and capital values can fall as well as rise.



2.16 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.

The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

2.17 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will 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.

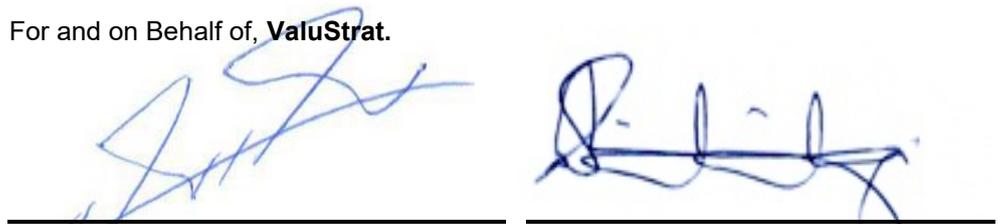


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2.18 CONCLUSION

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. No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction. This report is issued without any prejudice and personal liability.

For and on Behalf of, **ValuStrat**.



Ramez Al Medlaj (Real Estate Basic -
Taqeem Member No. 1210000320)
Associate Director - Valuation

Yousuf Siddiki (Real Estate Basic -
Taqeem Member No. 1210001039)
Director - Real Estate, KSA



رامز بن عبدالله بن محمد المدلج
RAMEZ ABDULLAH M ALMEDLAJ



يوسف اكرم وحيد صديقي
YOUSUF AKRAM W SIDDIKI

Membership Type: Main	فئة العضوية : أساسي
Membership No: 1210000320	رقم العضوية: 1210000320
ID No: 1003858360	رقم الهوية \ الإقامة: 1003858360
Membership Exp: 2026-12-31	تاريخ الانتهاء: 2026-12-31

Membership Type: Main	فئة العضوية : أساسي
Membership No: 1210001039	رقم العضوية: 1210001039
ID No: 1001904570	رقم الهوية \ الإقامة: 1001904570
Membership Exp: 2026-12-31	تاريخ الانتهاء: 2026-12-31



حاصل على شهادة الزمالة
للمزيد من التفاصيل نرجو الاطلاع
على الباركود



حاصل على شهادة الزمالة
للمزيد من التفاصيل نرجو الاطلاع
على الباركود



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2.18.1 TAQEEM COMPANY LICENSE




وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: جدة فئة العضوية: أساسي

رقم الترخيص 1210001039 تاريخ إصداره 1438/5/1 هـ تاريخ انتهائه 1448/5/13 هـ

يرخص **يوسف اكرم وحيد صديقي** (سعودي الجنسية) سجل مدني رقم 1001904570 لمزاولة المهنة وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (140/3ق/43) وتاريخ 1443/5/11 هـ

رئيس لجنة قيد المقيمين
أ. وليد بن عبدالله الرويشد

ختم الوزارة
وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



2.18.2 COMPANY COMMERCIAL REGISTRATION (CR)



وزارة التجارة
Ministry of Commerce

شهادة السجل التجاري

شركة خبير التثمين للتقييم العقاري

البيانات الأساسية للسجل التجاري



7007454668

الرقم الوطني الموحد: 7007454668

تاريخ الإصدار: 17/05/2009

نوع الكيان: شركة

1900
mc.gov.sa

mcgovsa

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2.18.3 VALUATION REPORT FILING CODE AT SAUDI AUTHORITY FOR ACCREDITED VALUERS

بوابة الخدمات الالكترونية

رقم التقرير:	1678710
منشأه التقييم:	شركة خبير التقييم العقاري
العميل:	SNB Capital
الغرض من التقييم:	الاستثمار
عدد الأصول:	1
نوع التقرير:	Detailed Report
تاريخ إصدار التقرير:	Wed 25 Mar, 2026

للتحقق من صحة شهادة التسجيل:



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APPENDIX 1 - PHOTOGRAPHS



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APPENDIX 2 – TITLE DEED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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

الرقم: ٣٢٠٢٢٧٠٠٠٦٠٩٨
 التاريخ: ١٤٣٩ / ٤ / ٦ هـ

صكك

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

فإن ٢٠ / ٧ وتعادل ٢٥٠٠٠٠ متر مربع مشاعاً من الجزء الجنوبي من قطعة الأرض رقم يدون من المخطط رقم ٢٧٨ / ب/ العدل الواقع في حي الخمرة بمدينة جدة وحدودها وأطوالها كالتالي:

شمالاً: جزء الشعاعي بطول (١٠١٠) ألف و عشرة متر

جنوباً: شارع عرض ٣٠ متر سمو الأميرة مشاعل بطول (١١٠٠) ألف و مائة متر

شرقاً: شارع عرض ٣٠ متر سمو الأميرة مشاعل بطول (٤٧٥) أربعمائة و خمسة و سبعون متر

غرباً: شاطئ البحر الأحمر بطول (٥٢٥) خمسمائة و خمسة و عشرون متر

ومساحتها (٥٠٠٠٠) خمسمائة ألف متر مربعاً فقط الواقعة جنوب جدة . بناء على شرح رئيس كتابة العدل الول بجدة المقيد برقم ٣٥١٤٦٨٤٢ في ١١/٧/١٤٣٥ هـ بعد إحاطته للجنة ويدخل النطاق الشامل والمستند في الفراغها على الصك الصادر من هذه الإدارة برقم ٣٢٠٢٢٨٠٠٠٩٨٧ في ٤ / ١٢ / ١٤٣٦ هـ

قد انتقلت ملكيتها مشاعاً ل : شركة ساميا الاستثمارية العقارية الشركة شخص واحد) بموجب سجل تجاري رقم ١٠١٠٧١٥٠٢٢ في ٢٢ / ١٠ / ١٤٣٨ هـ ونسفي في ٢٢ / ١٠ / ١٤٤٣ هـ ، بسن وقدره ٦٢٥٠٠٠٠٠ [ثنتين وستون مليوناً و خمسمائة ألف ريال

وعليه جرى التصديق تحريراً في ٦ / ٤ / ١٤٣٩ هـ لاعتماد ، ورضي الله على نبينا محمد وآله وصحبه وسلّم.

