Mohamad Haidar, CFA
mohamad.haidar@arqaamcapital.com
+961 3 813486

Soha Saniour
Soha.saniour@arqaamcapital.com

Hussein Fares, CFA
Hussein.fares@arqaamcapital.com

Mohamad Oussama

Nour El Moghrabi

KSA Infrastructure & Real Estate Conference

Management Feedback

- **Arqaam hosted its first Infrastructure and Real Estate Conference in partnership with Saudi Exchange, featuring eight corporate sessions which attracted 125 investors across 71 asset managers, with an average 40+ attendees per meeting. Retal was the most attended meeting of 50 investors, followed by AWPT and MASAR at 43 and 41 attendees, respectively.**
- **KSA real estate market remains structurally undersupplied, with annual housing demand at 115k-120k units vs. c.55k average supply. Northern Riyadh remains the most sought-after submarket, while Makkah and Madinah continue to benefit from religious-tourism growth and persistent hospitality and retail supply shortages.**
- **Management tone was constructive but cautioned about affordability risks, with focus centred on Riyadh's undersupplied prime districts, affordable products and the Holy Cities, while high mortgage rates, weaker secondary markets and land-price volatility tempered the near-term outlook. Developers are increasingly shifting toward capital-light funds, JVs and fee income.**

Arqaam hosted its first KSA Infrastructure and Real Estate Virtual Conference on 1 September 2026 in partnership with the Saudi Exchange, bringing together eight companies and 125 investors across 71 asset managers, including 495 investor registrations and 321 personal attendances. The conference averaged 40+ attendees per session across eight back-to-back meetings, with Retal drawing the largest audience of 50 investors, followed by AWPT at 43 and MASAR at 41. Discussions focused on housing affordability, Riyadh land pricing, development opportunities in Makkah and Madinah, water scarcity and the cement market outlook.

Saudi Arabia's housing market remains structurally undersupplied, with annual demand of 115k to 120k homes against c.55k new supply and a cumulative shortage of 1.0m to 1.2m units by 2030e. Home ownership reached 66.2% in 2025 compared to a 2030 target of 70%, preserving a multi-year volume opportunity, but structural demand has been interrupted by a cyclical and reform-led slowdown. Real estate volumes peaked in 2024 then slipped 50% through H1 2026 following a series of policy reforms to boost supply including hikes in white land fees, the introduction of Tawazon initiative, and a 5-year rent freeze in Riyadh, further pressured by high mortgage rates and geopolitical uncertainty. Demand remains strongest in Riyadh and the holy cities, while the Eastern Province, Al Ahsa and Qassim are experiencing a slow activity, with Jeddah broadly stable. The overall corporate tone was constructive, highlighting medium-term catalyst from incremental demand from foreign buyers and lower interest rates, with confidence focused on supply-constrained locations, well-connected districts, and affordable absolute ticket sizes.

Northern Riyadh remains the most sought-after submarket, with demand concentrated in established, supply-constrained districts such as Al Malqa, Al Nada, Hittin, Al Muhammadiyah, Al Raed, Al Rayyan and Qurtubah. Demand is led by upper-middle and lower-high-income households earning SAR 30k to 50k monthly, with well-located, lower-ticket units selling fastest. Cash buyers account for 50% to 60% of purchases in prime projects vs. c.30% market-wide, partly insulating these districts from high mortgage rates. Land price corrections are concentrated in the far north and northeast of Riyadh, where greater supply, weaker purchasing power and Tawazun exposure have driven cuts of up to 50% in land prices, while higher white land fees are encouraging more owners to sell. Foreign-ownership reforms should broaden demand mostly from resident expats, while interest from overseas buyers remain limited due to the slow mortgage activity.

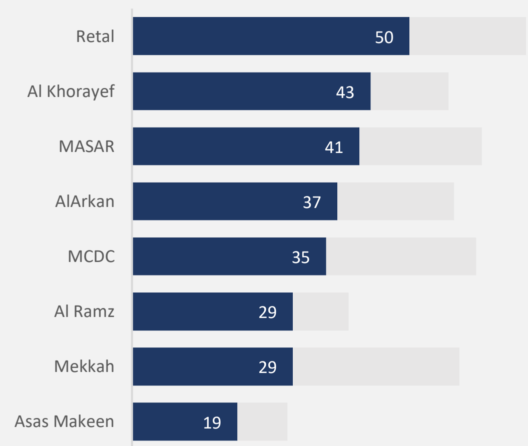
Makkah and Madinah offer the strongest structural growth story outside Riyadh, supported by steadily growing religious-tourism and persistent shortages across hospitality, residential and retail offerings. Visitor numbers are expected to grow at an 11% CAGR through 2030e, with Makkah facing a 60k-80k hotel-key shortfall and c.1m sqm retail GLA deficit. Foreign ownership adds a new demand pool across designated projects in both cities, with early signs of interest (from retail investors and developers) strongest in residential and mixed-use projects, potentially accelerating plot monetisation and project launches, although transaction evidence remains limited.

Gas-fired production supports YACCO's margins, but elevated clinker stocks keep price competition a risk. YACCO operates three production lines at 10k tpd each for a total capacity of 30k tpd, with production rotated between the lines to save on manpower, utilities and maintenance costs, and the third line pending handover from the contractor. Aramco's 2026 price hike lifted HFO and other fuel prices but excluded gas, leaving Yamama's production cost unchanged vs. 2025 for its 100% gas-fired plant. Price wars remain a risk due to the excess supply in the sector but will likely not sustain for long, if triggered. YACCO is studying several plans for the use of its idle land in Riyadh, eyeing a preliminary decision in 2027e.

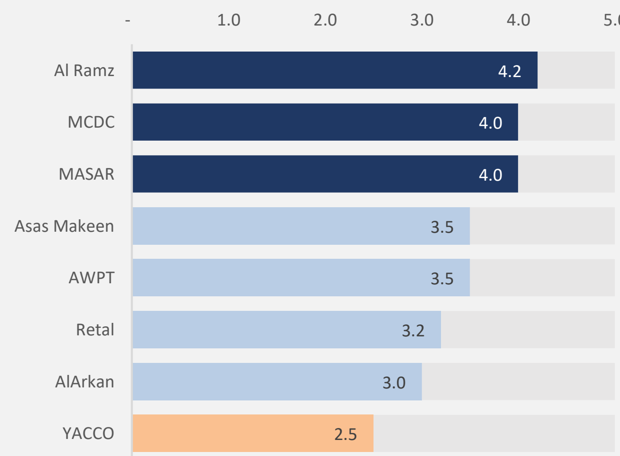
KSA's rising water demand and scarcity underpin a multi-year infrastructure build-out, with urban demand rising from 15.5m to 17.1m m^3/day by 2030e and desalination already supplying c.87%. Sharakat plans to raise desalination capacity from 11.1m to 16.7m m^3/day, while potable-water coverage is targeted at 95% by 2030e vs. 87% currently. Transmission requirements include c.2.2k km of projects worth USD 6.5bn, while wastewater coverage is targeted to rise from 67% to 95%, supporting the ISTP pipeline. Planned water projects total SAR 279bn over 2025-30e, the GCC's largest pipeline. A mature PPP framework and rising Saudization and local-content requirements favour established local players across both CapEx and longer-term O&M opportunities.

KSA Infrastructure & Real Estate

Investor attendance per meeting



Meeting Sentiment Score (5 = strongest)



Contents

Feeback from Al Khorayef Water and Power Technologies meeting

- **Guidance points to c. SAR 2.2bn in revenue for FY 26 at a 9-12% net margin and a 20-22% gross margin for the year.**
- **Management flagged SAR 4bn in LTOM revenue expected beyond FY 30, tied to existing BOT concessions.**

- AWPT management outlined the company's sustainable model, underpinned by a robust LT backlog, strong balance sheet, and cash conversion cycle.
- Backlog stood at SAR 9.7bn at H1 26, vs SAR 10bn at YE 25, split 73% LTOM, 19% short term O&M, and 9% EPC, plus c. SAR 3bn in associate company revenue, which is not included in the headline backlog figure.
- The company has won over SAR 21bn in projects over the past three years. AWPT is currently the preferred bidder for the Jizan, Maaden, and Zakat and Customs Authority projects.
- There is also a pending overseas entry via the Dubai Strategic Sewage Tunnel, with related opportunities emerging in Oman.
- Management highlighted the geopolitical backdrop and budget pressures, noting the water sector's resiliency has been tested through the pandemic, oil price volatility, interest rate hikes, and inflation, reinforcing water's importance alongside oil.
- The Jizan BOT is a precedent-setting, run without partners, with AWPT handling full development and execution, covering a sewage collection network and treatment plants over c. 3.5 years of construction and 25 years of O&M.
- The Maaden gold mine BOT covers pumping and transmission of treated sewage effluent, marking the first BOT project of its kind in Saudi Arabia's mining sector, with AWPT now closing the process after being named preferred bidder.
- The Zakat and Customs Authority project spans multiple facilities along border crossings, excluding the Yemen crossing, combining brownfield rehabilitation and greenfield installation under a long-term O&M structure, another first of its kind.

Feedback from Al Ramz Real Estate meeting

- **Sales momentum accelerated in Q2 to a record c.360 units (SAR 440m), despite the wider market slowdown, with c.350 units already sold in Q3. FY 26e contracted-sales guidance remains c.1.2k to 1.24k units and SAR 1.5bn.**
- **The portfolio is concentrated in established Riyadh districts with limited supply and stronger purchasing power, while cash buyers represent 50% to 60% of sales. Normalised residential GPm remains 20% to 25%, despite near-term dilution from project transfers and legacy inventory clearance.**

- **Riyadh demand remains concentrated in established districts:** over 90% of the portfolio is located in areas with limited competing supply and higher purchasing power. Land-price weakness is concentrated north of King Salman Road and in far-eastern Riyadh, where Al Ramz has no exposure.
- **Buyer demand remains resilient at c.SAR 1.2m tickets:** the target customer earns SAR 30k to 50k a month, with cash buyers accounting for 50% to 60% of sales. Investors represent c.35% to 50% of apartment buyers, while villas are entirely end-user driven.
- **Regional demand remains mixed outside Riyadh:** the Eastern Province, Al Ahsa and Qassim are slow, while Jeddah is broadly stable and demand in Makkah and Masar remains healthy. Legacy inventory outside Riyadh has been cleared at discounted prices.
- **H1 26A revenue growth was driven by fund transfers:** revenue rose 309% y/y to c.SAR 910m, including c.SAR 541m from transferring projects into funds. GP more than doubled to SAR 87m, but GPm fell to 9.6% from 16.3%.
- **Low-margin transfers will continue to affect Q3 26A:** in-kind project transfers generated c.7% GPm, while discounted legacy inventory created an additional drag. Normalised residential GPm remains 20% to 25%, with 22% to 23% viewed as sustainable across the c.13k-unit backlog.
- **Eight new projects added c.7k units in H1 26A:** the additions include Qurtubah 2 with over 2k units, Alramz Towers 2 on King Salman Road and Alramz Park with 3.3k units, with delivery scheduled between 2027 and 2030.
- **Retained commercial assets should add c.SAR 340m of annual rent by 2030e:** the seven Riyadh projects cover c.350k sqm of GLA and 2.7k units, with recurring assets targeted at 10% to 20% of the portfolio.
- **Funds provide fee income with limited balance-sheet funding:** Al Ramz typically earns a development fee equal to 10% of cost and a 2.5% brokerage fee, alongside its share of fund profits. Average fund LtV is 50% to 60%.
- **Balance-sheet capacity remains available for growth:** equity stands at c.SAR 1.8bn, debt/equity at 0.48x and the current ratio at 3.2x, with fund investments of up to SAR 1.25bn. RoE of 5.9% should improve as IPO capital is deployed.

Feedback from Asas Makeen meeting

- **Asas Makeen, established in 2010 and listed on Nomu in 2025, is an integrated Riyadh developer and contractor. The company develops and sells apartments, residential floors and townhouses, undertakes third-party construction and development, and leases a smaller portfolio of residential and office assets.**
- **The model remains predominantly development-led, with real estate sales and contracting and third-party development contributing c.97% of H1 26 revenue. Contracting and third-party development generated SAR 124.9m, property sales c.SAR 82.8m and recurring leasing and administrative income SAR 5.6m (+178% y/y), with projects concentrated across north, northeast and east Riyadh.**

- **Development remains the core business, with recurring income beginning to scale:** real estate sales and contracting and third-party development contributed c.97% of H1 26A revenue. Recurring leasing and administrative income reached SAR 5.6m (+178% y/y), compared with SAR 124.9m from contracting and third-party development and c.SAR 82.8m from property sales.
- **The SAR 325m for-sale portfolio is concentrated in north and northeast Riyadh:** locations south of King Salman Road benefit from stronger demand and higher pricing, while lower land costs farther north allow the company to offer more affordable ticket sizes.
- **Flexible pricing is supporting demand while preserving positive project margins:** the company continues to generate acceptable returns after price adjustments, unlike some competing projects where discounts of up to 50% are placing greater pressure on the market.
- **Affordable tickets continue to attract the widest buyer pool:** demand is strongest below SAR 1.0m/unit and cash buyers account for c.30% of the market. Buyers continue to prioritise price, location and services, with resident expatriates also active.
- **Al Mashriqiyya remains the main sales-ramp opportunity:** 60 of 450 units were sold within six months of launch, with pricing adjustments intended to improve velocity as demand continues to favour lower-ticket products.
- **A light land bank limits exposure to further price corrections:** new purchases are being deferred until development economics become more attractive, while the existing land bank includes two King Salman Road plots earmarked for hotel and office towers.
- **The 10 to 12 month acquisition-to-launch cycle provides flexibility to redeploy:** Tawazun-related supply has already reduced selected land prices by up to 50%, with further normalisation potentially creating more attractive acquisition opportunities.
- **Development margins should remain profitable despite market repricing:** margins could moderate from 20% to 25% toward 15% to 20% as selling prices adjust, with higher costs for imported materials and equipment remaining the main pressure on project economics.

Feedback from Dar Al Arkan meeting

- **Dar Al Arkan holds SAR 8.5bn of cash and c.SAR 11bn of cash and receivables, providing more than two years of funding coverage. A further c.SAR 4.4bn of Shams Ar Riyadh revenue remains subject to final government approval.**
- **Riyadh land prices have not fallen by 20% to 30% across the city, with CBD and established northern districts remaining stable. The correction is concentrated in newly opened upper-north areas, where negotiating power has shifted towards buyers and cash offers are 5% to 8% below negotiated prices.**

- **KSA housing demand remains structurally supported:** population growth is c.2.5%, 61% of the population is below 30 and annual housing demand is c.115k to 120k units. Home ownership reached 66.2% in 2025, while the shortage could reach c.1.2m units by 2030e.
- **Housing transactions slowed after reaching SAR 267bn in 2024 (+33% y/y):** activity weakened in 2025 following changes to white land fees and the Riyadh rent freeze, while Ramadan timing and geopolitics extended the slowdown into 2026.
- **Peripheral Riyadh recorded the largest land correction:** asking prices in selected upper-north areas rose from SAR 2k to SAR 3.2k/sqm within one month before correcting. Retail and resale prices across Dar Al Arkan's own developments have continued to improve.
- **Q2 26A earnings benefited from property and land-sale mix:** revenue rose 38% y/y to SAR 1.2bn, including c.SAR 1.1bn from property and bulk-land sales. EBITDA margin reached 53%, GPm was 29% and property-sale margins remained above 45%.
- **The SAR 26.3bn property portfolio remains recorded at cost:** SAR 17.4bn, or 66%, is land held for bulk sale, while c.SAR 8bn is allocated to project development. The implied book value was indicated at SAR 21/share.
- **Leverage remains within the mid-40% ceiling:** gross debt stands at c.SAR 17.5bn and debt/capital at 43.8%. The effective cost of debt remains below 7%, with maturities spread across a three to nine-year schedule.
- **Shams Ar Riyadh recognition depends on final government approval:** zones 1, 3 and 5 contain c.SAR 4.4bn of unrecognised revenue, expected over two years after approval, potentially beginning within the next two quarters.
- **Project execution remains mixed outside Shams Ar Riyadh:** Shams Ar Rose has booked 297 of 469 released plots, with phase 1 substantially complete, while the 8.2m sqm Juman reclamation project remains delayed pending municipal design approval.
- **Recurring assets cover most central costs:** Al Qasr Mall is 99% leased and c.1.8k adjoining apartments are fully occupied, generating annual investment-property income of c.SAR 150m and covering most of the SG&A base.
- **International development provides medium-term visibility:** Dar Global has c.USD 23bn of GDV scheduled for recognition over three to five years, with international expansion following demand from Saudi buyers. No dividend guidance was provided.

Feedback from Makkah Construction and Development Company meeting

- **MCDC targets doubling revenue, EBITDA and net profit by 2032e as it expands beyond its existing Haram assets through Ajyad, MASAR Gardens and Madinah. The fully funded SAR 6bn pipeline should nearly triple hotel keys and retail space, with the mall expansion beginning to contribute from 2027e.**
- **Makkah requires 230k to 250k hotel keys against c.170k of announced supply, implying a 60k to 80k shortage, while retail faces a c.1m sqm GLA deficit. Foreign interest is increasing, but completed transactions remain limited.**

- **The Makkah Hotel and Towers renovation targets a 10% RevPAR uplift:** c.SAR 420m of CapEx will add c.69 keys to the existing 1,433, with the hotel completing before Ramadan 2027 and the towers before Ramadan 2028.
- **The mall extension offers a payback below two years:** c.SAR 60m of CapEx will add 4.5k sqm and SAR 40m to 50m of annual rent, taking total GLA to c.23k sqm when income begins in 2027.
- **MASAR Gardens adds residential exposure:** the c.SAR 6bn development covers c.1m sqm, including c.SAR 3bn of land. Maximum landowner compensation exposure is c.SAR 1.5bn if participation follows the c.50% achieved on the comparable Al Kidwa structure.
- **The SAR 6bn pipeline is fully funded:** capacity comprises SAR 2.5bn of liquid assets, SAR 3bn of borrowing capacity and c.SAR 1.6bn of cumulative free cash flow, covering asset enhancements, Ajiad, Masar Gardens and future opportunities.
- **Ajyad adds a second major mixed-use development near the Haram:** the c.SAR 2.2bn project is planned with 2k four-star hotel keys and 16k sqm of retail, with the best-use study and design due by year-end.
- **Madinah is the next potential market:** three to four prime mixed-use opportunities near the Haram are under review, alongside possible financial-partner roles in Qibaa, Al Sih and Al Masani. No investment has been approved.
- **Foreign interest remains ahead of completed transactions:** developers with ready inventory have reportedly raised prices by c.30% since the reform announcement, but only one completed foreign hotel transaction was identified. Madinah is seeing greater residential interest due to lower entry prices.
- **MCDC Mall remains close to full occupancy on c.40m annual visitors:** revenue increased from SAR 181m in 2023 to SAR 272m in 2025, with H1 26A reaching SAR 167m and GPm expanding by 5.5ppts.
- **H1 26A growth extended beyond Hajj calendarisation:** revenue increased more than 53% y/y and net profit rose 14% to SAR 335m, with RevPAR and average lease rates both up 13% across the core hospitality and retail businesses.

Feedback from Retal Urban Development meeting

- **Sales continue to recover into Q3, led by the affordable segment and six advanced projects where new sales convert immediately into revenue. Annualised GPm guidance remains c.20%-22% from FY 26e, supported by pricing discipline, project contingencies and higher-margin fund fees.**
- **Saudi housing remains structurally undersupplied, but high mortgage rates are shifting demand towards lower-ticket units and established markets. Retal is positioning around this trend through its NHC and ROSHN partnerships, capital-light funds, the Ajdan transaction and selective expansion into Makkah and Madinah.**

- **High mortgage rates remain the main constraint on housing demand:** c.50k mortgage contracts were recorded in H1, with the latest monthly volume down 9% y/y. Lower absolute ticket sizes are clearing faster, supporting the recent improvement in affordable-product sales.
- **Northern Riyadh remains the most sought-after submarket:** the northeast provides a more affordable entry point, with 250 to 300 sqm BUA homes requiring prices below SAR 2m, compared with SAR 2m to 2.5m in northern Riyadh.
- **Q3 project sales have improved:** Khuzam 1 and 2 are seeing healthy demand, although Khuzam 2 has not started construction, while Fursan 2 is c.80% sold. Two projects at 25% sales should reach the 30% construction trigger in Q4.
- **H1 26A revenue reached a record SAR 1.2bn (+14% y/y):** GP was broadly stable at SAR 228m with c.19% GPm, while attributable profit reached SAR 42m. Earnings were affected by c.1.1k handovers, limited fund fees, higher OpEx, weaker associate income and no repeat of the prior-year c.SAR 33m disposal gain.
- **The funds platform should support group margins:** more than SAR 220m of fees has been recognised, with c.SAR 644m expected over three to five years at c.60% GPm and limited capital deployment. H1 included SAR 36.3m of Q1 performance fees.
- **The Ajdan share swap remains fixed at SAR 16/share:** there is no price reset or increase in share count, while the transaction is expected to be accretive and create a combined platform with 21 funds and SPVs.
- **Foreign ownership provides upside once financing becomes available:** c.SAR 3.5bn of unsold inventory lies within the 40 designated zones, while purchases by resident expatriates have increased following relaxed eligibility rules. Non-resident interest is rising, but completed sales remain limited without mortgage financing.
- **Kuwait remains an early-stage expansion opportunity:** developing mortgage regulations and demand for mass-market housing support the market case, but no timing, investment commitment or opportunity size was provided. Expected margins would sit near the middle of Retal's existing range.

Feedback from Umm Al Qura Development (MASAR) meeting

- **MASAR's near-term outlook is supported by 10 plots worth SAR 4.6bn targeted for transaction in H2 26e and at least one foreign-developer JV expected before year-end. Packages A and B, alongside parking, media and transport income, should lift recurring revenue towards c.SAR 1.0bn by 2030e.**
- **Makkah's foreign-ownership reforms have increased international interest, but completed transactions and valuation evidence remain limited. Zone 3 is almost sold out, with demand moving towards Zone 2 as infrastructure, Masar Mall and the first residential towers make the destination more established.**

- **The c.SAR 40m quarterly financing charge should fall from Q3 26A:** borrowing costs on packages A and B were expensed after the previous contractor's termination. Capitalisation should resume as construction restarts, with substantial completion targeted by 2028.
- **Ten plots worth SAR 4.6bn remain targeted for H2:** transaction activity slowed during the summer, but the pipeline remains sufficient to support FY 26e revenue guidance. Quarterly results will remain sensitive to the timing of land-sale completion.
- **Recurring revenue is targeted at c.SAR 1bn by 2030e:** packages A and B will provide most of the income, supplemented by parking, media, bus transport, land leases and JVs. Hospitality assumptions use independently validated 2030 rates.
- **Foreign demand has not yet materially changed land prices:** published prices predate the ownership reforms and have not been updated, although international interest has increased. Only three to four developers are currently selling residential units within the destination.
- **Zone 3 is almost sold out at the lowest pricing within MASAR:** progress at Masar Mall and the first two Diyar Al Arabiya towers has helped establish the destination, with most upcoming announcements expected in Zone 2.
- **A foreign-developer JV is expected before year-end:** the transaction would bring a developer into the Makkah market for the first time, although JVs generally take longer to complete than direct land sales.
- **Debt declined by c.SAR 2.5bn over 18 months:** total debt fell from c.SAR 9.9bn at end-2024 to c.SAR 7.4bn at end-H1 26A, supported by land-sale proceeds and ongoing deleveraging.
- **Q2 26A revenue increased 37% y/y to c.SAR 916m:** GP rose 38% y/y at c.49% GPm, while net profit declined by c.SAR 21m to SAR 216m due to higher financing costs.

Feedback from Yamama Cement meeting

- **Yamama remains the sector leader holding 16% of domestic market share on total capacity of 30k tpd across three production lines, supported by a 100% gas fuel mix.**
- **Demand is normalizing through Q3 26e after a geopolitically driven slowdown, with upcoming expected growth driven by central megaprojects and management ruling out a price war like 2025.**
- **The idle c.4.9m sqm Riyadh land awaits a final decision by H1 27e. R&D runs on green cement and fast hardening cement, and products management expects Yamama to be alone in offering in the market.**

- **Capacity and utilization:** YACCO operates three production lines at 10k tpd each for a total capacity of 30k tpd, with production rotated between the lines to save manpower, utilities, and maintenance, and the third line still pending final handover from the contractor.
- **Market position:** market share stood at 16% in H1 2026 against 15% in 2025 and production capacity share at 16% against 13%, both the highest in the sector, driven by continued leadership rather than gains.
- **Demand backdrop:** management attributes the H1 26A slowdown to geopolitics rather than pricing or central demand softness, with recovery taking place in upcoming months, and expected growth conditional on projects carrying fixed deadlines.
- **Central region pipeline:** The expo, King Salman Airport, Qiddiya and King Salman Park, with management expecting a high demand from the central projects on its leading position and most of the stake in any housing project.
- **Price war risk:** management does not expect a price war like Q3 25A, where discounts lasted two to three months and companies did not gain market share. Prices held steady throughout the first two months of Q3 26e, but a move closer to the SAR 240/ton ceiling will likely pull competitors into the central region.
- **Cost and fuel:** Aramco's 2026 price hike lifted HFO and other liquid fuel prices but excluded gas, leaving YACCO's production cost unchanged vs. 2025 on a 100% gas fuel mix and widening margins vs. peers running on HFO.
- **Dividends:** no formal dividend policy, with the board deciding annually on net profit, market position, and future sales, and having distributed for the past four years even through a CapEx build.
- **Old plant land:** c.4.9m sqm on the Southern Road in Riyadh, currently undergoing clearing with c.50% completed and funded by scrap sales, with the plot expected to be fully clear by H1 27e.
- **Land scenarios:** the outcome of the land depends on its inclusion in King Salman Industrial City. If it falls within the city, then the government would direct use toward a clean energy investment with sale permitted only for that purpose. Outside, the board retains wider development and sale options.
- **CapEx and new products:** the company has no dedicated maintenance CapEx as lines one and two are relatively newer and the third line is expected to need close to zero maintenance in the upcoming two years, while R&D is working on new products such as green cement and fast hardening cement.

Important Notice

1. Author, regulator and responsibility

Arqaam Capital Limited (“**Arqaam**”) is incorporated in the Dubai International Financial Centre (“**DIFC**”) and is authorised and regulated by the Dubai Financial Services Authority ("**DFSA**") to carry on various financial services in and from the DIFC. Arqaam publishes and distributes (i.e. issues) all its own research.

Arqaam Capital Research Offshore s.a.l. is a specialist research centre in Beirut, Lebanon, and Arqaam Securities Brokerage SAE in Cairo, Egypt, which on occasion, assist with the production of this research. But such research is issued solely by Arqaam unless issued and distributed in Egypt under the latter’s regulated entity name.

2. Purpose

This document is provided for information purposes only. Nothing contained in this document constitutes investment, legal, tax or other advice or guidance, and should be disregarded when considering or making investment decisions. In preparing this document, Arqaam did not take into account the investment objectives, financial situation, suitability, eligibility, and particular needs of any particular person. Accordingly, before acting on this document, investors should independently evaluate the investments and strategies referred to herein and make their own informed determination of whether it is appropriate in light of their own financial circumstances and objectives.

3. Rating system

Arqaam investment research is based on the analysis of regional and country economics, industries and company fundamentals. Arqaam company research reflects a long-term (12-month) fair value target for a company or stock. The ratings bands are:

Buy	Total return >15%
Hold	0-15%
Sell	Total return <0%

In certain circumstances, ratings may differ from those implied by a fair value target using the criteria above. Arqaam policy is to maintain up-to-date fair value targets on the companies under its coverage, reflecting any material changes to the analyst’s outlook on a company. Share price volatility may cause a stock to move outside the rating range implied by Arqaam’s fair value target. Analysts may not necessarily change their ratings if this happens, but are expected to disclose the rationale behind their view to Arqaam clients.

4. Accuracy of information

The information contained in this document is based on current trade, statistical and other public information sources we consider reliable. We do not represent or warrant that such information is accurate or complete and it should not be relied upon as such. Any mention of market rumours has been derived from the markets and is not purported to be fact or reflect our opinions. Arqaam has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. In accordance with Regulation AC of the 1934 Exchange Act in the US, and current DIFC and DFSA regulations in the DIFC, the views expressed in this research report accurately reflect the research analysts’ personal views about the subject securities or issuers and are subject to change without notice. No part of the research analysts’ compensation is related to the specific recommendations or views in the research report.

5. Recipients and sales and marketing restrictions

5.1 Nothing in this document should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment, asset and/or stock, or to engage in any other transaction, or to provide any investment advice or service.

5.2 This document is directed at Professional Clients and Market Counterparties only and not to any Retail Clients within the meaning of DFSA rules. Any investments or financial products referred to herein will only be made available to clients who Arqaam is satisfied qualifies as Professional Clients at minimum. Any other persons in receipt of this document must not rely upon or otherwise act upon it.

5.3 This document is only being distributed to investors who meet certain qualifications and to whom an investment or service may be offered or promoted in accordance with relevant country restrictions. This excludes the US except for SEC registered broker-dealers (or banks in permissible ”broker” or “dealer” capacity) acting on a principal or agency capacity, and major US institutional investors in accordance with SEC Rules 15a-6(a)(2). Details of other relevant country restrictions and other terms are set out on our website at https://www.arqaamcapital.com/terms-of-use/ Persons into whose possession this document comes are required to inform themselves about, and observe, such restrictions and should not rely upon or otherwise act upon this document where it is unlawful to make to such person such an offer or invitation or recommendation without compliance with any authorisation, registration or other legal requirements.

5.4 This document is subject to Arqaam’s data protection policies and privacy policies, as are regularly reviewed and updated on Arqaam’s website: https://www.arqaamcapital.com/data-protection-policy/ and https://www.arqaamcapital.com/privacy-policy/

6. Risk warnings

6.1 Any prices, valuations or forecasts are indicative and are not intended to predict actual results, which may differ substantially from those reflected.

6.2 The value of an investment may go up as well as down. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including, without limitation, foreseeable or unforeseeable changes in interest rates, foreign exchange rates, default rates, prepayment rates, political or financial conditions, etc.).

6.3 Past performance is not indicative of future results. Any opinions, estimates, valuations or projections (target prices and ratings in particular) are inherently imprecise and a matter of judgement. They are statements of opinion and not of fact, based on current expectations, estimates and projections, and rely on beliefs and assumptions. Actual outcomes and returns may differ materially from what is expressed or forecasted. There are no guarantees of future performance.

6.4 Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.

6.5 This document does not propose to identify or to suggest all of the risks (direct or indirect) which may be associated with the investments and strategies referred to herein.

7. Conflict

7.1 Arqaam and its affiliates provide full investment banking services, and they and their directors, officers and employees, may take positions which conflict with the views expressed in this document. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document.

7.2 Arqaam may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this document.

7.3 Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other Arqaam business areas, including investment banking personnel.

7.4 Emirates NBD PJSC owns 7.03%, and Commercial Bank International PSC owns 5.36% of Arqaam (subject to frequent change).

8. No warranty

Arqaam makes no representations or warranties and, to the fullest extent permitted by applicable law, we hereby expressly disclaim any and all express, implied and statutory representations and warranties of any kind, including, without limitation, any warranty as to accuracy, timeliness, completeness, merchantability, fitness for a particular purpose and/or non-infringement.

9. No liability

Arqaam will accept no liability in any event including (without limitation) negligence for any damages or loss of any kind, including (without limitation) direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with your use or inability to use this document, the third party sources of information used, or in connection with any error, omission, defect, computer virus or system failure, or loss of any profit, goodwill or reputation, even if expressly advised of the possibility of such loss or damages, arising out of or in connection with your use of this document. We do not exclude our duties or liabilities under binding applicable law.

10. Copyright and Confidentiality

The entire content of this document is subject to copyright with all rights reserved and the information is private and confidential for your own personal use only. This document and the information contained herein is subject to copyright, and may not be reproduced, distributed or transmitted to any other person or incorporated in any way into another document or other material without our prior written consent.

11. Governing law

English law governs this document and these disclaimers and any dispute in relation thereto shall be exclusively referred to the English Courts.