

Public Investment Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts in million ₪ unless otherwise stated)

13. INVESTMENT PROPERTIES (continued)

13.3 Other disclosures related to investment properties

- Land includes various land parcels which were initially contributed to the Fund at a nominal value of ₪ 1 each. All of these land parcels are in the Kingdom of Saudi Arabia.
- Investment properties include properties amounting to ₪ 4,225 million (2024: ₪ 4,300 million) constructed on land for which the Group neither directly owns nor does it have a finalized lease agreement. However, the Group has commenced utilization of the land based on the letter received from a Government Authority whereby the land has been assigned to the Group.
- During the year, depreciation charge of ₪ 1,078 million (2024: ₪ 849 million) was allocated to cost of revenue and ₪ 26 million (2024: ₪ 10 million) was allocated to general and administrative expenses.
- Investment properties amounting to ₪ 46,012 million (2024: ₪ 39,405 million) are held for the purpose of generating rental income and investment properties amounting to ₪ 10,932 million (2024: ₪ 8,815 million) are held for the purpose of capital appreciation. Investment properties with undetermined use amounts to ₪ 23,548 million (2024: ₪ 17,246 million).
- Non-cash additions during the year amounted to ₪ 884 million (2024: ₪ 1,940 million).

13.4 Fair value of investment properties

As at 31 December 2025:

Category of assets	Carrying value	Fair value hierarchy disclosure		
		Level 2	Level 3	Total fair value
Land	29,771	27,715	206,665	234,380
Buildings	33,973	2,061	43,339	45,400
Capital work-in-progress	16,748	1,641	19,384	21,025
Total	80,492	31,417	269,388	300,805

As at 31 December 2024:

Category of assets	Carrying value	Fair value hierarchy disclosure		
		Level 2	Level 3	Total fair value
Land	23,150	17,361	182,753	200,114
Buildings	31,064	647	38,802	39,449
Capital work-in-progress	11,252	3,720	7,532	11,252
Total	65,466	21,728	229,087	250,815

Fair values of investment properties are based on level 2 or level 3 of fair value hierarchy as there are no quoted prices in an active market for such assets. The fair values of the properties are based on valuations performed by independent valuers accredited by Saudi Authority for Accredited Valuers such as CBRE Advisory Services LLC, Deloitte, Knight Frank, Sima & Partner, Jones Lang LaSalle ("JLL"), Barcode Firm, Tibyan AlQima, etc. Valuation techniques as permitted by IFRS 13 "Fair Value Measurement" in accordance with recommendations of the International Valuation Standards Committee has been applied.

The fair value is based on significant judgment by management involving use of various valuation techniques and methods, which are based on assumptions and estimates specific to each parcel of land that impact the fair value allotted to each land parcel (refer to note 43).

13.5 Lands that cannot be fair valued

Following table summarizes the lands for which fair values cannot be determined reliably due to the size, location or absence of approved business plans. These lands are expected to be developed in phases over time:

Name	Area (km ²)		Location
	2025	2024	
Red Sea	37,493	37,504	Tabuk Region
Neom	26,387	26,387	Tabuk Region
Qiddiya	-	367	Central Region