

AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
A CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
(MANAGED BY AL WASATAH AL MALIAH COMPANY “WASATAH CAPITAL”)

FINANCIAL STATEMENTS AND THE INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

**AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
(MANAGED BY AL WASATAH AL MALIAH COMPANY “WASATAH CAPITAL”)**

**FINANCIAL STATEMENTS AND THE INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

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INDEPENDENT AUDITOR'S REPORT

To the unit holders
AL AZIZIAH REIT FUND (Formerly Sico Saudi REIT Fund)
Closed-ended real estate investment fund traded
(Managed by Al Wasatah Al Maliah Company "Wasatah Capital")

Opinion

We have audited the financial statements of **Al Aziziah REIT Fund (Formerly Sico Saudi REIT Fund) (Closed-ended real estate investment fund traded) ("the Fund")**, managed by Al Wasatah Al Maliah Company ("the Fund Manager"), which comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year than ended and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fund as at 31 December 2025 and its financial performance and its cash flows for the year than ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Fund in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Fund financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that audit evidence we have obtained sufficient and appropriately to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed the key audit matters during the audit
<p>Valuation of investment properties</p> <p>As at 31 December 2025, the net book value of the investment properties held by the Fund amounted to SAR 387,478,336, representing 97.8% of the Fund's total assets.</p> <p>Investment properties are held for rental income purposes and are recorded at cost less accumulated depreciation and any accumulated impairment losses, if any.</p> <p>For impairment assessment purposes and fair value disclosure in the Fund's financial statements, the investment properties are valued by independent and certified external valuers ("the valuers"), who perform the valuation using generally accepted valuation methods and approaches based on assumptions and estimates related to several factors affecting the fair value of the investment properties.</p>	<p>We performed the following procedures in relation to verifying the investment properties:</p> <ul style="list-style-type: none"> We obtained two valuation reports from independent, certified real estate valuers accredited by "Taqeem" for the investment properties as at 31 December 2025 and confirmed that the valuation methods are appropriate for use in determining the carrying values as at the reporting date. We obtained an understanding of the work of the valuation experts. We evaluated the suitability of experts' work as audit evidence for the relevant filings. We assessed the independence of the external valuers and reviewed the terms of engagement with the Fund to determine whether there were any matters that could affect their objectivity or impose limitations on the scope of their work.

Independent Auditor’s Report (continued)

To the unit holders

AL AZIZIAH REIT FUND (Formerly Sico Saudi REIT Fund)

Closed-ended real estate investment fund traded

(Managed by Al Wasatah Al Maliah Company “Wasatah Capital”)

Key Audit Matters (continued)

Key audit matter	How we addressed the key audit matters during the audit
<p>For impairment assessment of investment properties, in addition, the Fund Manager monitors fair value fluctuations of the properties by engaging independent certified real estate valuers to perform semi-annual valuations of the Fund’s investment properties.</p> <p>We considered this a key audit matter because the assessment of impairment requires significant judgment by the Fund Manager, and the potential impact of impairment, if any, could be material to the financial statements.</p> <p>Please refer to the significant judgments, estimates and relevant accounting policy information in Note (6) regarding the policy related to investment properties, and Note (12) for further details relating to investment properties.</p>	<ul style="list-style-type: none"> • We involved our valuation specialist to evaluate key assumptions and estimates such as the discount rate, capitalization rate, annual rental income, operating expenses, and occupancy rates used by the real estate valuers in determining the fair values of the investment properties. • We assessed the recoverable amount, i.e., the higher fair value, less costs to sell and value in use, for the relevant investment properties based on the valuation reports mentioned above. • We reconciled the average fair value of the investment properties as disclosed in Note (13) with the reports prepared by the external valuers. • We evaluated the adequacy of disclosures in the financial statements relating to investment properties.

Other Matter

The financial statements of the Fund for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those statements on 26 Ramadan 1446H (corresponding to 26 March 2025).

Other Information

Management is responsible for the other information, which includes the information included in the Fund’s annual report for the year 2025, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants, and in accordance with the Investment Funds Regulations issued by the Capital Market Authority and the Fund’s terms and conditions. The Fund Manager is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund’s ability to continue as a going concern and disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Fund Manager either intends to liquidate the Fund or cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Fund’s Board of Directors, are responsible for overseeing the Fund’s financial reporting process.

Independent Auditor's Report (continued)

To the unit holders

AL AZIZIAH REIT FUND (Formerly Sico Saudi REIT Fund)

Closed-ended real estate investment fund traded

(Managed by Al Wasatah Al Maliah Company "Wasatah Capital")

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit, and we also perform the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also confirm to those charged with governance that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the current period financial statements and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM Allied Accountants Professional Services.



Abdullah Bin Ahmed Al Faddaghi

License No. 706

Riyadh, Kingdom of Saudi Arabia

11 Shawwal 1447 AH (corresponding to 30 March 2026)



AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
(MANAGED BY AL WASATAH AL MALIAH COMPANY “WASATAH CAPITAL”)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	31 December 2025	31 December 2024
		SAR	SAR
<u>Assets</u>			
Cash and cash equivalents	8	6,763,775	1,428,042
Investments carried at fair value through profit or loss	9	-	11,617,649
Lease receivables, net	10	43,500	424,250
Advances and other receivables, net	11	1,852,740	10,815,255
Investment properties, net	12	387,478,336	388,098,407
Total Assets		396,138,351	412,383,603
<u>Liabilities</u>			
Unearned lease revenues	14	2,581,314	2,463,364
Short term loans	15	149,891,640	149,891,640
Accrued expenses and other payables	16	938,786	16,928,927
Due to related parties	17 - B	620,144	63,750
Total Liabilities		154,031,884	169,347,681
Unitholders' Equity			
Net assets attributable to the Unitholders		242,106,467	243,035,922
Units issued (number)	1	57,240,000	57,240,000
Book value of net assets attributable to unit holders	13 - 3	4.23	4.25
Fair value of net assets attributable to unit holders	13 - 3	5.30	5.64

The accompanying notes (1) to (26) form an integral part of these financial statements.

AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
(MANAGED BY AL WASATAH AL MALIAH COMPANY “WASATAH CAPITAL”)

STATEMENT OF PROFIT OR LOSS, AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

<u>Profit or loss</u>	<u>Note</u>	2025	2024
		SAR	SAR
<u>Revenues</u>			
Income from operating lease contracts	18	20,760,456	17,685,265
Income from Murabaha deposits	8	27,310	-
Realized gains from sale of financial investments at fair value through profit or loss	9	212,391	245,202
Unrealized gains from revaluation of financial investments at fair value through profit or loss	9	-	454,787
Other income		2,239	-
Total Revenue		21,002,396	18,385,254
<u>Expenses</u>			
Finance cost	15	(11,075,698)	(12,309,192)
Depreciation of investment properties	12	(9,706,363)	(9,732,955)
Write-off of other debit balances	11	(3,973,910)	-
Provision for impairment relating to value-added tax	11	(2,343,649)	-
Fund management fees	7,17	(469,230)	(155,693)
Property management fees		(1,036,419)	(1,032,589)
Legal and professional fees		(272,349)	(240,462)
Edaa fees		(400,000)	(400,000)
Rental collection fees		(282,875)	(181,900)
Custody fees	7,17	(194,524)	(225,313)
Provision for expected credit losses for lease receivables	10	(265,758)	-
Reversal/ (charge) of impairment on investment properties	12	9,086,292	(108,358,638)
Tadawul Fees		(77,318)	(89,279)
Board of Directors' Meeting Attendance Fees	7,17	(25,000)	(20,000)
Other expenses		(895,050)	(561,371)
Total Expenses		(21,931,851)	(133,307,392)
Net loss for the year		(929,455)	(114,922,138)
<u>Other comprehensive income for the year</u>		-	-
Total comprehensive loss for the year		(929,455)	(114,922,138)

The accompanying notes (1) to (26) form an integral part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	SAR	SAR
Net assets attributable to unitholders at the beginning of the year	243,035,922	357,958,060
Total comprehensive loss for the year	(929,455)	(114,922,138)
Net assets attributable to the unitholders at the end of the year	242,106,467	243,035,922

Unit transactions

The following is a summary of unit transactions during the year:

	2025	2024
	Units	Units
Units issued as at the beginning of the year	57,240,000	57,240,000
Units issued as at the end of the year	57,240,000	57,240,000

The accompanying notes (1) to (26) form an integral part of these financial statements.

AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	SAR	SAR
Cash Flows from Operating Activities		
Net loss for the year	(929,455)	(114,922,138)
Adjustments to reconcile the year’s loss to net cash available from operating activities:		
Provision expected credit loss provision	265,758	-
Provision for impairment relating to value-added tax	2,343,649	-
Realized gains from sale of financial investments at fair value through profit or loss	(212,391)	(245,202)
Written-off balances	3,973,910	-
Unrealized gains from revaluation of financial investments at fair value through profit or loss	-	(454,787)
Finance costs	11,075,698	12,309,192
Income from Murabaha deposits	(27,310)	-
Depreciation of investment properties	9,706,363	9,732,955
Reversal/ (charge) of impairment on investment properties	(9,086,292)	108,358,638
	17,109,930	14,778,658
Changes in operating assets & liabilities:		
Lease receivables	114,992	(424,250)
Other debit balances	2,644,956	(4,654,105)
Unearned lease revenues	117,950	309,625
Due to related parties	556,394	63,750
Accrued expenses and other payables	(16,108,214)	(595,190)
Paid from financing costs	(10,957,625)	(12,309,192)
Net cash generated from operating activities	(6,521,617)	(2,830,704)
Cash Flows from investing activities		
Proceeds from Murabaha deposit income	27,310	-
Payments for purchase of financial investments at fair value through profit or loss	(3,500,000)	(12,000,000)
Proceeds from sale of financial investments at fair value through profit or loss	15,330,040	12,837,580
Net cash generated from investing activities	11,857,350	837,580
Net change in cash and cash equivalents	5,335,733	(1,993,124)
Cash and cash equivalents at beginning of the year	1,428,042	3,421,166
Cash and cash equivalents at end of the year	6,763,775	1,428,042

The accompanying notes (1) to (26) form an integral part of these financial statements.

**AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
(MANAGED BY AL WASATAH AL MALIAH COMPANY “WASATAH CAPITAL”)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1- FUND AND ITS ACTIVITIES

Al Aziziah Reit Fund, is a closed-ended real estate investment fund traded on the parallel market (Nomu), compliant with Sharia standards approved by the Sharia Supervisory Committee. It was established in accordance with the applicable laws and regulations in the Kingdom and is subject to the rules and instructions of the Capital Market Authority and the provisions of the Real Estate Investment Funds Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-193-2006 dated 19/6/1427H (corresponding to 15/07/2006), based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/6/1424H, as amended by Capital Market Authority Resolution No. 1-135-2025 dated 3 Jumada Al-Thani 1447H (corresponding to 24 November 2025).

On 18 January 2018, the Fund is listed on the Saudi Stock Exchange (“Tadawul”) under ticker (4337), and its units are traded in accordance with the rules and regulations of the Capital Market Authority.

On July 29, 2025, the Capital Market Authority approved the appointment of the brokerage firm (Wasatah Capital) as the fund manager, effective October 22, 2025. During the year, the Board of Directors approved changing the fund’s name from "Seeko Saudi REIT Fund" to "Al-Aziziyah REIT Fund."

Fund Term:

The term of the Fund is 99 years, starting from the date of listing and availability of the Fund’s units for trading on the Saudi Stock Exchange (Tadawul) (the listing date) as of 1 November 2017, renewable for a similar period at the discretion of the Fund Manager, subject to the approval of the Fund’s Board of Directors and the Capital Market Authority.

The Fund commenced trading of its units on the Saudi Stock Exchange (Tadawul) on 12 Safar 1439H, corresponding to 1 November 2017, following the approval of the Capital Market Authority in the Kingdom of Saudi Arabia.

Fund subscriptions during the initial offering period and fund size coverage:

The target size of the Fund during the initial public offering had a minimum offering size of SAR 171,172,000 and a maximum offering size of SAR 400,680,000. As at 31 December 2025, the size of the Fund amounted to SAR 572,400,000, divided into 57,240,000 units with a nominal value of SAR 10 per unit.

Fund purpose and objectives:

The main objective of the Fund is to provide regular income to investors through investment in income-generating real estate assets, representing not less than 75% of the total value of the Fund’s assets according to the latest audited financial statements, in developed income-generating real estate assets within the Kingdom of Saudi Arabia.

The Fund may also invest in real estate outside the Kingdom of Saudi Arabia up to a maximum of 25% of the Fund’s total assets.

The Fund-raised SAR 572,400,000 through subscriptions in 57,240,000 units, resulting in total issued units of 57,240,000 units.

Custodian and Fund management:

Albilad Investment Company, a Saudi closed joint stock company, performs the custody functions for the Fund and its assets under license number (37-08100). The Fund is managed by Wasatah Capital (the “Fund Manager”), a Saudi closed joint stock company registered in the Commercial Register of the Kingdom of Saudi Arabia under number 7001506356 and licensed as a Capital Market Institution by the Authority under license number (08125-37).

Mashaer REIT Real Estate Company is a special purpose vehicle established to hold the fund’s assets, and it is owned by Albilad Investment Company (the custodian).

Fund address:

The Fund’s manager’s address is as follows:

Address: Al Wasatah Al Maliah Company (Wasatah Capital) Olaya Road – Short Address (RHGA7459) Riyadh 12283 – Kingdom of Saudi Arabia.

2- REGULATORY AUTHORITY

The Fund is subject to the Real Estate Investment Funds Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-193-2006 dated 19 Jumada Al-Akhira 1427H corresponding to 19 June 2006 based on the Capital Market Law issued by Royal Decree No. M/30 dated 2 Jumada Al-Akhira 1424H (corresponding to 31 July 2003G), and the Bylaws (the "Amended Regulations") were amended by the CMA Board Resolution No. 1-135-2025 dated 3 Jumada Al-Akhira 1447H (corresponding to 24 November 2025).

**AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
CLOSED-ENDED REAL ESTATE INVESTMENT FUND TRADED
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

2- REGULATORY AUTHORITY (CONTINUED)

The Zakat rules apply to investment funds licensed by the Capital Market Authority starting from the financial years starting on 1 January 2023, with the obligation to register with the Zakat, Tax and Customs Authority and submit a Zakat information declaration within 120 days of the end of the financial year and it shall be collected from the unitholders.

3- BASIS OF PREPARATION

3-1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, to comply with the Real Estate Investment Funds Regulations issued by the Capital Market Authority and the Fund's terms and conditions.

3-2 Basis of measurement

The accompanying financial statements have been prepared on the historical cost basis using the accrual basis of accounting, except for financial assets measured at fair value through profit or loss, which are measured at fair value, as described in the applied accounting policies (Note 6), and in accordance with the accrual basis and the going concern principle.

3-3 Functional and presentation currency

The items presented in the financial statements are reported using the primary currency in which the Fund operates (the “functional currency”). These financial statements are presented in Saudi Riyals, which is both the Fund's functional and presentation currency. Figures have been rounded to the nearest Saudi Riyal unless otherwise stated.

4- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

Amendments to existing standards issued that have not become effective as of the date of issuance of the financial statements as set out below, the Fund intends to apply these amendments to existing standards, if applicable, when they enter into force:

- Amendments to the classification and measurement of financial instruments, amendments to IFRS (9) "Financial Instruments" and IFRS (7) "Financial Instruments: Disclosures", applicable to annual periods beginning on or after 1 January 2026,
- Annual improvements to IFRS accounting standards, applicable to annual periods commencing on or after 1 January 2026 – Amendments to:
 - IFRS (1) "Applying IFRS for the first time",
 - IFRS (7) "Financial Instruments: Disclosures" and accompanying guidance for the application of IFRS 7;
 - IFRS (9) "Financial Instruments",
 - International Financial Reporting Standard IFRS (10) "Consolidated Financial Statements",
 - IAS (7) "Statement of Cash Flows"
- Contracts referring to nature-based electricity – amendments to IFRS (9) and IFRS (7) apply to annual periods commencing on or after 1 January 2026;
- IFRS (18) "Presentation and Disclosure in Financial Statements" applies to annual periods commencing on or after 1 January 2027.
- IFRS (19) "Non-Public Accountable Subsidiaries: Disclosures, applicable to annual periods beginning on or after 1 January 2027;
- Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28), effective date deferred indefinitely.

The above-mentioned standards are not expected to have a material impact on the Fund's financial statements.

5- USE OF JUDGEMENT AND ESTIMATES

The preparation of the financial statements in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and the related assumptions are based on historical experience and other factors that are considered reasonable under the current circumstances, forming the basis for judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and the underlying assumptions are reviewed on an ongoing.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

5-USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

The following are information about the assumptions and estimates that have a material impact on the amounts reported in the financial statements:

- Useful lives of investment properties

Management determines the estimated useful lives of investment properties for the purpose of calculating depreciation. This estimate is made after considering the expected life of the assets or normal wear and tear. Management reviews the residual values and useful lives annually and adjusts the depreciation charge for any changes, if applicable, in the current and future periods. The estimated useful lives of investment properties are disclosed in (Note 6).

- Impairment of investment properties

The Fund engages the services of a qualified professional valuer (an independent third party) to obtain estimates of the market value of investment properties using recognized valuation techniques, for the purpose of performing impairment assessments and disclosing fair value in the financial statements.

- Impairment of Non-Financial Assets

A non-financial asset is considered impaired when its carrying amount exceeds its recoverable amount. The recoverable amount of the asset or cash-generating unit is the higher of the asset's fair value, less costs to sell and its value in use.

The fair value of the asset is estimated based on purely commercial sales of identical assets or observable market prices of similar assets, less any additional costs to sell the asset. The value in use is calculated based on the present value of the expected future cash flows of the assets over the next five years. These expected cash flows do not include restructuring activities to which the Fund is not yet committed, or significant future investments that would enhance the performance of the asset or cash-generating unit being tested.

The recoverable amount is highly sensitive to the discount rate used to calculate the cash flow, as well as the expected future cash flow and the growth rate applied in estimating the value in use.

- Provision for expected credit losses for Rental income receivable

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES

Lease income receivable

Lease income receivable is initially measured at fair value plus direct transaction costs and are subsequently measured at amortized cost using the effective interest rate method. The allowance for impairment of receivables is usually measured at an amount equal to the expected lifetime loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash in current accounts with banks and highly liquid short-term Murabaha deposits with an original maturity of three months or less (if any) that are available to the Fund without any restrictions. Cash and cash equivalents are carried at amortized cost within the statement of financial position.

Investment properties

Investment properties are non-current assets held either to earn rental income, for capital appreciation, or both, but not for sale in the ordinary course of business. Investment properties are measured using the cost model at initial recognition and subsequently at cost less accumulated depreciation and any impairment losses, if any.

An investment property is derecognized upon disposal, when it is occupied by the owner, or when it is no longer held to increase in value.

Any gain or loss on the derecognition of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in the statement of comprehensive income.

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(MANAGED BY AL WASATAH AL MALIAH COMPANY “WASATAH CAPITAL”)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

The cost of a self-constructed investment property includes the cost of materials and direct labor, as well as any other costs directly attributable to bringing the investment property to the condition necessary for its intended use, and capitalized borrowing costs.

The estimated useful lives of the different components of investment properties are as follows:

<u>Statement</u>	<u>Useful life</u>
Buildings	35 years

Derecognition

The Fund derecognizes a financial asset only when the contractual rights to receive the cash flows from the financial asset have expired, or substantially all the risks and rewards of ownership have been transferred to another entity. If the Fund neither transfers nor substantially retains the risks and rewards of ownership and continues to control the transferred asset, it recognizes its retained interest in the transferred asset and the associated liabilities to the extent of the amounts expected to be paid. If the Fund substantially retains all the risks and rewards of ownership of the transferred asset, the Fund continues to recognize the financial asset.

Impairment

An impairment loss, if any, is recognized in the statement of profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. If an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to its revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. The reversal of an impairment loss is recognized immediately as income in the statement of profit or loss.

Financial Instruments

Financial assets and liabilities are recognized when the Fund becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or liabilities, or issuance thereof, except for financial assets and liabilities measured at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities measured at fair value through profit or loss are recognized immediately in the statement of profit or loss.

First: Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), and financial assets measured at amortized cost. Classification depends on the nature and purpose of the financial assets and is determined at initial recognition. All regular purchases and sales of financial assets are recognized on the trade date. Regular purchases or sales refer to acquisitions or disposals of financial assets that require delivery of the asset within the timeframe established by regulations or market practice.

A) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as FVTPL when they are acquired for trading purposes or designated as such.

A financial asset is held for trading if:

- It is acquired primarily for sale in the near term.
- It is part of a portfolio of identified financial instruments managed together with a pattern of short-term profit-taking.
- It is a derivative that is not designated or effective as a hedging instrument.

Financial assets designated at FVTPL are stated at fair value, with any resulting gains or losses recognized in the statement of profit or loss. Net gains or losses include any dividends or interest earned on the financial asset and are included in the statement of profit or loss.

b) Financial Assets Measured at Amortized Cost

Receivables, including trade receivables and other balances, as well as bank balances and cash, are measured at amortized cost using the effective interest method, less any impairment losses recognized in the statement of profit or loss. Interest income is determined by applying an effective interest rate, except for short-term receivables where the discount effect is immaterial.

**AL AZIZIAH REIT FUND (FORMERLY SICO SAUDI REIT FUND)
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6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Second: Financial Liabilities

Financial liabilities, including payables, are measured initially and subsequently at amortized cost using the effective interest method.

The Fund derecognizes a financial liability when the obligation is discharged, cancelled, or expires. The difference between the carrying amount of the derecognized financial liability and the amount paid is recognized in the statement of profit or loss.

Distribution of dividends

Dividends payable to the Fund’s unitholders are recognized as liabilities in the Fund’s financial statements in the period in which the distribution is approved.

The Fund Manager aims to distribute cash dividends to investors semi-annually at a rate of no less than 90% of the Fund’s annual net profits.

Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future cash flows (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the debt instrument, or a shorter period when appropriate, to the net carrying amount of the asset at initial recognition.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of assets or liabilities, the assumptions that market participants would use in pricing the asset or liability are considered in order to achieve their best economic benefit.

The fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits through its highest and best use or by selling it to another market participant that would use the asset optimally.

The Fund uses appropriate valuation techniques in the circumstances for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Net Asset Value

The net asset value per unit is calculated by dividing the equity attributable to unitholders included in the statement of financial position by the number of units outstanding at the end of the year.

Payables and other credit balances

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not invoices have been issued by the suppliers.

Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Revenue Recognition

The Fund recognizes revenue from contracts with customers using a five-step approach, as follows:

Step (1): Identify the contract(s) with the customer.

Step (2): Identify the performance obligations in the contract.

Step (3): Determine the transaction price.

Step (4): Allocate the transaction price to the performance obligations in the contract.

Step (5): Recognize revenue when (or as) the performance obligation is satisfied.

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6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Rental Income from Investment Properties

When the Fund acts as a lessor, it determines at the inception of each lease whether the lease is a finance lease or an operating lease. To classify each lease, the Fund conducts a comprehensive assessment to determine whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. If so, the lease is classified as a finance lease; if not, it is classified as an operating lease. This assessment considers indicators such as whether the lease represents a significant portion of the economic life of the asset.

The Fund has determined that all its current leases are operating leases. Assets leased under operating leases are included in investment properties in the statement of financial position.

Rental income from operating leases is recognized on a straight-line basis over the lease term. When the Fund provides incentives to lessees, the cost of these incentives is spread over the lease term on a straight-line basis, as a deduction from rental income.

Value Added Tax (VAT)

Expenses and assets are recognized net of Value Added Tax (VAT), except in the following cases:

When VAT is incurred on the purchase of assets or services it is non-recoverable from the tax authorities. In such cases, VAT is included as part of the cost of the asset or as part of the expense item, as applicable.

When trade receivables and trade payables are stated including VAT.

The net amount of VAT recoverable from or payable to the tax authorities is presented either as part of other receivables or other payables in the statement of financial position.

Expenses

Expenses are recognized on an accrual basis. Management fees of the Fund are charged at a rate agreed with the Fund Manager. These expenses are calculated semi-annually and are charged to the statement of profit or loss.

Zakat

According to the Zakat rules for investment funds, the Fund is not subject to Zakat provided that it does not engage in economic or investment activities not stipulated in accordance with the terms and conditions approved by the CMA. Zakat will be collected from the fund's unitholders.

The fund manager must submit an information declaration to the Authority within a period not exceeding 120 days from the end of the financial year. The fund manager has registered the fund and will submit the annual zakat information return to the Authority.

Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

Contingent liabilities are not recognized in the Fund's financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the Fund's financial statements but is disclosed when an inflow of economic benefits is probable.

Segment reporting

Operational segment

The operating segment is a component of the Fund that engages in activities from which it may earn revenue and incur expenses, including revenues and expenses relating to transactions with other segments of the Fund. All segment results are regularly reviewed by the Fund's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, with separate financial information available.

The segment results reported to the chief operating decision maker include both directly attributable results and those that can be allocated on a reasonable basis. This includes central administration expenses, research and development costs, related assets/ liabilities, and Zakat assets/liabilities.

No operating segments exist for the Fund, as all revenues generated from the Fund's activities are derived from a single operating segment, namely the leasing segment. Accordingly, there are no reportable operating segments to be disclosed.

Geographic segment

A geographical segment is a group of assets, operations, or entities engaged in profitable activities in a particular economic environment, subject to risks and returns that are different from those operating in other economic environments.

The Fund does not have any geographical segments, as all of the Fund's revenue is generated within the Kingdom of Saudi Arabia; therefore, no geographical segment disclosures are required.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Related Party Transactions

Related Party

A related party is a person or entity that is related to the fund that prepares its financial statements.

(A) A person or a close member of that person’s family is related to the fund if that person:

Has control or joint control over the fund that prepares its financial statements;
Has significant influence over the fund that prepares its financial statements; or
Is a member of the fund’s board of directors.

(B) An entity is considered a related party if any of the following conditions apply:

The fund controls it or it is jointly controlled by a person identified in paragraph (a);

A person identified in paragraph (a) has significant influence over the entity or is a member of its board of directors.

Foreign Currency Translation

Transactions in foreign currencies are translated into Saudi Riyals at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates prevailing at the statement of financial position date. Exchange gains and losses arising from these translations are recognized in the statement of profit or loss.

Subsequent Measurement of Financial Assets

• **Financial assets at fair value through profit or loss (FVTPL)**

These assets are subsequently measured at fair value, with net gains or losses, including any interest or dividend income, recognized in the statement of comprehensive income.

• **Financial assets are at fair value through other comprehensive income (FVOCI)**

Changes in fair value are recognized in other comprehensive income and accumulated in equity under the fair value reserve, while dividend income is recognized in the statement of profit or loss.

• **Financial assets at amortized cost:**

These assets are subsequently measured at amortized cost using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains or losses, and impairment losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is recorded in the statement of comprehensive income.

Reclassification

Financial assets are not reclassified after initial recognition, except in the period in which the Fund changes its business model for managing the financial assets.

Expected Credit Loss (ECL)

The Fund applies the simplified approach under IFRS 9 to measure expected credit losses, which uses a lifetime expected credit loss allowance. This approach is applied to assess provisions for:

- **Financial assets measured at amortized cost;**

Expected loss rates are based on rental receivable repayment information over the 12 months prior to each reporting period and historical credit losses during that period. These historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the customers’ ability to settle rental receivables. The Fund has determined that Saudi Arabia’s GDP and inflation rate are the most relevant factors. Historical loss rates are adjusted based on expected changes in these factors.

The expected loss model divides the total loss amount into the following:

Probability of default (PD): The likelihood of defaulting over a specific time horizon.

Loss given default (LGD): The estimated loss if default occurs, based on the difference between contractual cash flows due and those expected to be collected, including collateral, typically expressed as a percentage of exposure at default.

Exposure at default (EAD): The estimated exposure at the future default date, considering expected repayments of principal, interest, and any drawdowns on committed facilities.

Model Framework

The Fund uses the probability of default (PD) models at a specific point in time to measure impairment of financial assets. The PD model includes information from the current credit cycle and risk assessment at a specific point in time. The structure of the PD model is used to measure credit deterioration and the initiation of default probability when calculating provisions. For lifetime expected credit losses, cash flows, total carrying amount, loss allowance, and amortized cost of the financial instrument are estimated after properly applying inputs.

Weighted Macroeconomic Scenarios

The Fund incorporates macroeconomic factors such as GDP, inflation rate, and government expenditure to create multiple scenarios for expected credit loss estimates, using best- and worst-case scenarios. Scenario-based analysis incorporates forward-looking information within the ECL estimates. The expected credit loss represents an unbiased, probability-weighted amount derived from assessing a range of possible outcomes.

After adjusting the model inputs for the macroeconomic scenarios, the probability of default for each scenario is calculated, and the weighted average probability of default is determined based on scenario probabilities. Finally, the lifetime weighted average expected credit loss is computed using these probability-weighted outcomes.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Portfolio Segmentation

The Fund segments its financial assets based on credit risk characteristics, using divisions such as geographical region, client type and classification, and other relevant factors. These different segments reflect variations in the probability of default and the recovery rates in the event of default.

Definition of Default

For this purpose, the Fund considers a default to have occurred when:

- There is a likelihood that the client will not fulfill its credit obligations to the Fund in full without the Fund having to resort to actions such as enforcing collateral (if held by the Fund); or
- The client has more than 360 days past due on any significant credit obligation to the Fund. Since the industry sector generally views this period as a fair representation of default for the Fund, this overrides the 90-day assumption mentioned in IFRS (9). The carrying amount of the assets is reduced using the above model, and the loss is recognized in the statement of comprehensive income. Accounts receivables are written off against the related allowance when there is no reasonable expectation of recovery, and all collateral has been realized or transferred to the Fund.

If the estimated impairment loss increases or decreases in the following year due to events occurring after the initial recognition of the impairment, the previously recognized impairment loss is adjusted accordingly. If a previously written-off amount is later recovered, the recovered amount is recognized under other income in the statement of comprehensive income.

Specific Allowance

A specific allowance is recognized on a client-by-client basis at each reporting date. The Fund records a specific allowance against accounts receivable from certain clients and reverses these allowances only when the amounts are recovered from the clients.

Write-off

The carrying amount of a financial asset is written off, either partially or fully, when there is no realistic expectation of recovery. Generally, this occurs when the Fund determines that the debtor has no assets or income sources capable of generating sufficient cash flows to settle the amounts being written off.

Financial Liabilities

All financial liabilities are initially recognized at fair value, less directly attributable transaction costs. The Fund's financial liabilities mainly include unearned rental income, amounts payable to related parties, and other payables. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method.

Derecognition

The Fund derecognizes financial liabilities when the contractual obligations are settled, canceled, or expired.

Financial Assets and Liabilities Modification Transactions

Financial Assets

If the terms of a financial asset are modified, the Fund assesses whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, the contractual rights to the cash flows of the original financial asset are considered to have expired. In this case, the Fund derecognizes the original financial asset and recognizes a new financial asset at fair value. If the cash flows of the modified asset measured at amortized cost are not substantially different, the modification does not result in derecognition of the financial asset. In this case, the Fund recalculates the total carrying amount of the financial asset and recognizes the resulting amount as a gain or loss adjustment in the statement of comprehensive income.

Financial Liabilities

The Fund derecognizes financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognized based on the modified terms at fair value. The difference between the carrying amount of the derecognized financial liability and the new financial liability under the modified terms is recognized in the statement of comprehensive income

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6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Offsetting Financial Instruments

Offsetting is performed between amounts of financial assets and financial liabilities, and the net amount is presented in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Fund intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Any gain or loss arising from the sale of a discontinued operation or remeasurement at fair value less costs to sell is presented as part of a single main item and the profit or loss from discontinued operations.

Fair Value Measurement

The Fund measures financial instruments such as equity instruments at fair value at each statement of financial position date.

Fair value is 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. Fair value measurement assumes that the sale of the asset or transfer of the liability will occur either:

- In the principal market for the assets or liabilities, or
 - In the absence of a principal market, in the most advantageous market for the assets or liabilities.
- Fair value of assets or liabilities is measured assuming that market participants will take advantage when pricing the assets and liabilities and will act in their best economic interests.

The Fund uses appropriate valuation methods depending on the circumstances, with sufficient data available to measure fair value, increasing the use of observable inputs and reducing the use of unobservable inputs.

All assets and liabilities measured at fair value or disclosed in the financial statements are classified within the fair value hierarchy based on the lowest level input used for the overall fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques where the lowest level significant inputs are observable, directly or indirectly.

Level 3: Valuation techniques where the lowest level significant inputs are unobservable.

For assets and liabilities that are measured at fair value on a recurring basis, the Fund ensures whether transfers between the fair value hierarchy levels have occurred by reassessing the classification (based on the lowest level significant inputs for overall fair value measurement) at the end of each financial year. The Fund establishes policies and procedures for both recurring and non-recurring fair value measurements.

At each reporting date, the Fund analyzes changes in the value of assets and liabilities subject to remeasurement or reassessment according to the Fund’s accounting policies. The Fund verifies the key inputs used in the latest valuation by reconciling the information with contracts and other relevant documents. The Fund also compares changes in fair value for each asset and liability category with relevant external sources to determine if the change is reasonable. For disclosure purposes, the Fund classifies assets and liabilities based on the nature, characteristics, and risks of the assets and liabilities and the fair value hierarchy levels mentioned above. Disclosures regarding the fair value of financial instruments measured at fair value or for which fair value has been disclosed are provided in (Note 19).

Issued Units

The Fund has issued units. Upon liquidation of the Fund, these units entitle their holders to the remaining net assets. They are equally ranked in all respects and have identical terms and conditions. Units grant investors the right to claim redemption in cash proportional to their share in the net assets of the Fund upon liquidation. Units are classified as equity when all the following conditions are met:

- They provide the holder with a proportional share of the Fund’s net assets upon liquidation;
- They rank in a class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in that class have identical features;
- Regardless of the Fund’s contractual obligation to repurchase or redeem the monetary instrument or another financial asset, the instrument does not include any other features that require classification as a liability; and
- The total expected cash flows to the instrument over its lifetime depends substantially on the statement of profit or loss and changes in the Fund’s net assets, both recognized and unrecognized, over the instrument’s life.

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7- MANAGEMENT FEE AND OTHER EXPENSES

7-1 Management fees

The fund manager is entitled to an annual management fee of 1% of the net asset value, payable quarterly. Management fees are calculated on a daily basis over the fund’s term and paid at the end of each quarter from the fund’s net assets.

7-2 Custody fees

The fund pays the custodian an annual fee of SAR 155,000, paid monthly at SAR 12,917. Custody fees are calculated daily and are payable within 15 days from the date of receiving the invoice from the fund’s assets.

7-3 Financing structuring fees

The fund pays the fund manager fees up to a maximum of 1.5% of any amount obtained as financing for the fund or any special-purpose company during the fund’s term.

7-4 Capital structuring fees

The fund pays the fund manager a capital structuring fee of 0.25%, payable once from the total subscription amounts raised in the initial offering after unit allocation and deducted from the fund’s income in the first year. In the case of any additional subscription amounts, whether cash via rights issues or in-kind—the capital structuring fee will be 1.5% of the total subscription amounts, payable immediately after closing any capital raising transaction.

7-5 Board of Directors’ Remuneration

Each independent board member will receive up to SAR 20,000 per meeting, annually, for each independent member.

In addition to the above, the Fund may be directly or indirectly subject to other expenses, including but not limited to legal fees, insurance costs, bank financing commissions, or advertisements related to the Fund’s activities, government fees imposed on the Fund and its activities (if any), and costs of unit holders’ meetings. The Fund will not bear any other expenses or fees unless approved by the Board of Directors.

8- CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
	SAR	SAR
Cash at local banks	2,163,775	1,428,042
Murabaha deposits (maturity period less than 90 days)*	4,600,000	-
	<u>6,763,775</u>	<u>1,428,042</u>

*Murabaha deposits represent amounts deposited and invested under agreements entered into with local banks, whereby the bank invests the amounts deposited by the Fund within customer deposits, in a manner that does not conflict with applicable laws and regulations and is compliant with Islamic Sharia principles.

These deposits are subject to Murabaha profit rates ranging from 4.10% to 4.40%. During the year ended 31 December 2025, the Fund earned Murabaha returns amounting to SAR 27,310 (31 December 2024: nil).

9- INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial investments at fair value through profit or loss comprise investments in an investment fund, “SICO Capital Money Market Fund,” managed by SICO Financial Company.

The following is a statement of the movement of the investment as at 31 December 2025:

Fund Name	Balance as at the beginning of the year SAR	Additions during the year SAR	Disposals during the year SAR	Unrealized gain during the year SAR	Balance as at the end of the year SAR
SICO Capital money market fund	<u>11,617,649</u>	<u>3,500,000</u>	<u>(15,117,649)</u>	-	-

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9- INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following is a statement of the movement of the investment as at 31 December 2024:

Fund Name	Balance as at the beginning of the year SAR	Additions during the year SAR	Disposals during the year SAR	Unrealized gain during the year SAR	Balance as at the end of the year SAR
SICO Capital money market fund	11,755,240	12,000,000	(12,592,378)	454,787	11,617,649

(*) The result of sales during the year is as follows:

	31 December 2025 SAR	31 December 2024 SAR
Proceeds received during the year	15,330,040	12,837,580
Cost	(15,117,649)	(12,592,378)
Realized gain	212,391	245,202

10- LEASE RECEIVABLE, NET

	31 December 2025 SAR	31 December 2024 SAR
Lease receivable	309,258	424,250
(Less): provision for expected credit losses *	(265,758)	-
Balance as at the end of the year	43,500	424,250

(*) The movement on Expected credit losses provision is as follows:

	31 December 2025 SAR	31 December 2024 SAR
Charged during the year	265,758	-
Balance at the end of the year	265,758	-

11- ADVANCES AND OTHER RECEIVABLES, NET

	31 December 2025 SAR	31 December 2024 SAR
Value-added tax receivable from the Zakat, Tax and Customs Authority **	2,343,649	4,341,646
Less: provision for impairment relating to value-added tax *	(2,343,649)	-
	-	4,341,646
Value-added tax receivable from customers ****	1,478,674	3,699,625
Advances to suppliers	168,062	293,552
Value-added tax	48,013	408,480
Management fees ***	-	1,975,913
Others	157,991	96,039
	1,852,740	10,815,255

(*) The following is the movement of the provision for impairment against value-added tax receivable from the Zakat, Tax and Customs Authority:

	31 December 2025 SAR	31 December 2024 SAR
Charged during the year	2,343,649	-
Balance at the end of the year	2,343,649	-

(**) During the year ended 31 December 2025, management wrote off an amount of SAR 1,997,997 from the value-added tax receivable from the Zakat, Tax and Customs Authority, which had been recognized as at 31 December 2024, due to management’s assessment that recovery of these amounts is no longer probable, in addition to an agreed-upon procedures report issued by the Fund’s tax advisor. With respect to the remaining balance, management has recorded an impairment provision. According to the fund’s tax advisor, regarding the remaining amount of SAR 2,343,649, the management has established a provision for it and has contracted a specialized advisor to follow up on the procedures for claiming the recovery of these amounts from the authority.

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11- ADVANCES AND OTHER RECEIVABLES, NET (CONTINUED)

(***) Bank Riyad facility utilization fees were charged as management fees during 2022. The bank confirmed that this amount represents non-refundable management fees. As the facility expired in March 2026, this amount was written off during the current period.

(****) The VAT receivable balance includes an amount due from a former tenant (Iskan for Development and Investment Company). An amount of SAR 2,000,000 was collected during 2025, and the remaining balance was recovered in a subsequent period.

12- INVESTMENT PROPERTIES

The following is the movement in investment properties as of 31 December 2025:

	Lands SAR	Buildings SAR	Total SAR
Cost			
Balance as at the beginning of the year	381,549,835	339,722,456	721,272,291
Balance as at the end of the year	381,549,835	339,722,456	721,272,291
Accumulated depreciation			
Balance as at the beginning of the year	-	(58,974,598)	(58,974,598)
Charged during the year	-	(9,706,363)	(9,706,363)
Balance as at the end of the year	-	(68,680,961)	(68,680,961)
Less\ accumulated impairment in value:			
Balance as at the beginning of the year	-	(274,199,286)	(274,199,286)
Reversal during the year	-	9,086,292	9,086,292
Balance as at the end of the year	-	(265,112,994)	(265,112,994)
Net book value as at 31 December 2025	381,549,835	5,928,501	387,478,336

The following is the movement in investment properties as of 31 December 2024:

	Lands SAR	Buildings SAR	Total SAR
Cost			
Balance as at the beginning of the year	381,549,835	339,722,456	721,272,291
Balance as at the end of the year	381,549,835	339,722,456	721,272,291
Accumulated depreciation			
Balance as at the beginning of the year	-	(49,241,643)	(49,241,643)
Charged during the year	-	(9,732,955)	(9,732,955)
Balance as at the end of the year	-	(58,974,598)	(58,974,598)
Less\ accumulated impairment in value:			
Balance as at the beginning of the year	-	(165,840,648)	(165,840,648)
Charged during the year	-	(108,358,638)	(108,358,638)
Balance as at the end of the year	-	(274,199,286)	(274,199,286)
Net book value as at 31 December 2024	381,549,835	6,548,572	388,098,407

The following is an analysis of the net book value of investment properties (land and buildings), as follows:

Property	Nature of the property	31 December 2025 SAR	31 December 2024 SAR
Office building (I-offices) - Al-Rabee District Riyadh	Offices	135,560,836	138,348,407
Iskan Hotel 4 – Al Aziziyah District Makkah	Hospitality tower	102,618,000	101,250,000
Iskan Hotel 5 – Prince Abdullah Al Faisal Plan District Makkah	Hospitality tower	76,350,500	78,500,000
Iskan Hotel 6 – Al Aziziyah District Makkah	Hospitality tower	72,949,000	70,000,000
		387,478,336	388,098,407

The land title deeds are registered in the name of Mashaer REIT Real Estate Company, a special purpose vehicle established to hold the fund’s assets, owned by Albilad Investment Company (the custodian) (Note 1).

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12- INVESTMENT PROPERTIES (CONTINUED)

The following is a summary of the details of the investment properties owned by the Fund:

- **Office Building (I-Offices) – Al Rabie District, Riyadh:** The property is an office building located in Al Rabie district in Riyadh. It is situated on a land area of 6,156 square meters, with a total built-up area of 23,220 square meters.
- **Iskan Hotel 4 – Al Aziziyah District, Makkah:** The property is a hospitality tower consisting of 23 floors, located in Al Aziziyah district in Makkah. It is situated on a land area of 1,288 square meters, with a total built-up area of 18,053 square meters.
- **Iskan Hotel 5 – Prince Abdullah Al Faisal Plan, Makkah:** The property is a hospitality tower consisting of 20 floors, located in Prince Abdullah Al Faisal district in Makkah. It is situated on a land area of 1,383 square meters, with a total built-up area of 19,905 square meters.
- **Iskan Hotel 6 – Al Aziziyah District, Makkah:** The property is a hospitality tower consisting of 18 floors, located in Al Aziziyah district in Makkah. It is situated on a land area of 1,458 square meters, with a total built-up area of 15,201 square meters.

Market values:

The fair value of the investment properties is determined by two independent valuers: Qiam Valuation Company (license No. 1210000052) and Esnad Real Estate Valuation Company (license No. 1210000934). Both valuers are accredited by the Saudi Authority for Accredited Valuers (Taqeem). For further details on fair value, please refer to Notes (13,19).

The valuation of investment properties at market value is as follows:

First evaluator (Qiam Valuation Company)

Property	Evaluation method	31 December 2025	31 December 2024
Office building (I-offices) - Al-Rabee District Riyadh	Discounted cash flows method	188,978,000	223,200,000
Iskan Hotel 4 – Al Aziziyah District Makkah	Discounted cash flows method	101,712,000	109,500,000
Iskan Hotel 5 – Prince Abdullah Al Faisal Plan District Makkah	Discounted cash flows method	77,313,000	81,000,000
Iskan Hotel 6 – Al Aziziyah District Makkah	Discounted cash flows method	74,463,000	74,000,000
		<u>442,466,000</u>	<u>487,700,000</u>

Second evaluator (Esnad Real Estate Valuation Company)

Property	Evaluation method	31 December 2025	31 December 2024
Office building (i-offices) - Al-Rabee District Riyadh	Discounted cash flows method	204,323,000	212,185,792
Iskan Hotel 4 – Al Aziziyah District Makkah	Discounted cash flows method	103,524,000	93,000,000
Iskan Hotel 5 – Prince Abdullah Al Faisal Plan District Makkah	Discounted cash flows method	75,388,000	76,000,000
Iskan Hotel 6 – Al Aziziyah District Makkah	Discounted cash flows method	71,435,000	66,000,000
		<u>454,670,000</u>	<u>447,185,792</u>

- Land No. 277/1 from Plan No. 1/21/7J, located in Al-Aziziyah district, eastern bank of Makkah, along with existing and future buildings on it, has been mortgaged in Favor of Riyadh Bank. The land is owned by Mashaer REIT Real Estate Company as collateral for the loan (Note 15).

- Land No. 166 from Plan No. 1/15/23/B, located in Prince Abdullah Al-Faisal Plan district in Makkah, along with existing and future buildings on it, has been mortgaged in Favor of Riyadh Bank. The land is owned by Mashaer REIT Real Estate Company as collateral for the loan (Note 15).

- Lands No. 3/12 and 3/11 from Plan No. 1/21/2J, located in Al-Aziziyah district in Makkah, along with existing and future buildings on them, have been mortgaged in Favor of Riyadh Bank. The lands are owned by Mashaer REIT Real Estate Company as collateral for the loan (Note 15).

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12-INVESTMENT PROPERTIES (CONTINUED)

- Plots No. 2 and 3 from Plan No. 3090, located in Al-Rabee district in Riyadh, along with existing and future buildings on them, have been mortgaged in Favor of Riyad Bank. The plots are owned by Mashaer REIT Real Estate Company as collateral for the loan (Note 15).

13- IMPACT OF NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS IF INVESTMENT PROPERTIES ARE MEASURED AT FAIR VALUE

In accordance with the Regulations for Real Estate Investment Funds issued by the Capital Market Authority, the Fund Manager relies on the average of two independent valuations to determine the value of the Fund’s assets. As stated in the Fund’s terms and conditions, the announced Net Asset Value is calculated based on market value. However, under the Fund’s accounting policy, investment properties are recognized at cost less accumulated depreciation and impairment, if any, in the financial statements.

The fair value of investment properties is determined by two appraisers: Qiam Appraisal Company, license holder No. 121000052, and Esnad Real Estate Appraisal Company and its partner, license No. 1210000934. The valuation models were applied in accordance with the valuation standards issued by the Royal Institution of Chartered Surveyors (RICS), as well as the International Valuation Standards (IVS) recently issued by the International Valuation Standards Council (IVSC) and adopted by the Saudi Authority for Accredited Valuers (TAQEEM).

The Fund Manager used two valuations to determine the fair value of the investment properties. The properties were valued using the income approach based on the discounted cash flow (DCF) method, which is considered a Level 3 input in the fair value.

As at 31 December 2025, the valuation of the investment properties according to the two valuers amounted to:

	First evaluation	Second evaluation	Average
	SAR	SAR	SAR
Investment properties, net (Note 12,13)	442,466,000	454,670,000	448,568,000
Total	442,466,000	454,670,000	448,568,000

As at 31 December 2024, the valuation of the investment properties according to the two valuers amounted to:

	First evaluation	Second evaluation	Average
	SAR	SAR	SAR
Investment properties, net (Note 12,13)	487,700,000	447,185,792	467,442,896
Total	487,700,000	447,185,792	467,442,896

13-1 The following is a statement of the unrealized gains on investment properties, which have been determined based on property valuation (fair value), as follows:

	31 December 2025	31 December 2024
	SAR	SAR
Average estimated fair value of investment properties	448,568,000	467,442,896
Less: the book value of investment properties, net (Note 12)	(387,478,336)	(388,098,407)
Unrealized gains based on valuation of investment properties	61,089,664	79,344,489
Units issued (number)	57,240,000	57,240,000
Unrealized gain per unit based on valuation of investment properties	1.07	1.39

13-2 The following is an analysis of the net asset value using the fair value of investment properties, as follows:

	31 December 2025	31 December 2024
	SAR	SAR
Net asset value at cost as presented in these financial statements	242,106,467	243,035,922
Unrealized gains based on valuation of investment properties (Note 13-1)	61,089,664	79,344,489
Net asset value at fair value	303,196,131	322,380,411

13-3 Below is analysis of net assets per unit using fair value of development properties:

	31 December 2025	31 December 2024
	SAR	SAR
Book value of net assets attributable to unit holders	4.23	4.25
Unrealized gains based on valuation of investment properties (Note 13-1)	1.07	1.39
Fair value of net assets attributable to unit holders	5.3	5.64

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14- UNEARNED LEASES REVENUE

Unearned rental income arises from the application of International Financial Reporting Standard (IFRS) No. (16) “Leases,” where operating lease income is recognized on a straight-line basis over the lease term, regardless of the actual billing schedule. The balance shown represents the cumulative difference between the rents billed to tenants and the income actually recognized as of 31 December 2025.

	31 December 2025	31 December 2024
	<u>SAR</u>	<u>SAR</u>
Unearned rental income*	2,581,314	2,463,364
	<u>2,581,314</u>	<u>2,463,364</u>

(*) The following is the movement in unrealized rental income:

	31 December 2025	31 December 2024
	<u>SAR</u>	<u>SAR</u>
Balance as at the beginning of the year	2,463,364	2,153,739
Billed during the year	20,878,406	17,994,890
Realized operating lease income (Note 18)	(20,760,456)	(17,685,265)
Balance as at the end of the year	<u>2,581,314</u>	<u>2,463,364</u>

15- SHORT TERM LOANS

The Fund obtained short-term financing from Riyad Bank amounting to SAR 149.89 million, which is renewed on a quarterly basis. Finance costs are calculated in accordance with the terms and conditions of the relevant loan renewal agreements.

The effective profit/interest rate during the year, as per the renewal agreements, ranged between 7.24% and 7.96%.

Under the Fund’s terms and conditions, the Fund is permitted to obtain loans to finance the acquisition of properties in a manner that achieves the Fund’s investment objectives. The title deeds of the Fund’s properties have been pledged as collateral against these facilities (Note 12).

As at 31 December 2025, finance costs charged to the Fund amounted to SAR 11.08 million (2024: SAR 12.31 million), and an amount of SAR 10.96 million was repaid during the year (2024: SAR 12.31 million).

16- ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2025	31 December 2024
	<u>SAR</u>	<u>SAR</u>
Accrued finance cost	826,048	707,975
Provision for legal cases*	-	15,993,927
Others	112,738	227,025
	<u>938,786</u>	<u>16,928,927</u>

(*) During previous years, a tenant filed two lawsuits against the Fund seeking recovery of rental amounts paid for the periods from 27 December 2019 to 26 December 2022. A final judgment was issued in favor of the tenant for an amount of SAR 15,993,927, which was fully settled and paid during the year ended 31 December 2025.

17- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Fund’s related parties include the Unitholders, Fund Manager, and the Fund board, and other Funds which have been managed by the Fund Manager. In the ordinary course of activities, the Fund has transactions with other related parties. The related parties’ transactions are governed by the regulations issued by CMA.

A) Below are the significant transactions and balances with related parties during the year:

<u>Related parties</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Transaction Volume for the year ended</u>			
			<u>2025</u>		<u>2024</u>	
			<u>Debit</u>	<u>Credit</u>	<u>Debit</u>	<u>Credit</u>
		Fund management fees	-	469,230	-	-
		VAT	-	39,828	-	-
Al Wasatah Financial CO (Wasatah capital)	Fund manager	Admin fee	-	23,328	-	-
		Expenses paid on behalf	-	59,109	-	-
		Paid from expenses paid on behalf	40,712	-	-	-
SICO Capital	Former Fund manager	Admin fee	-	-	-	155,693

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17- TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

A) Below are the significant transactions and balances with related parties during the year (continued):

<u>Related parties</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Transaction Volume for the year ended</u>			
			<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
			<u>SAR</u>	<u>SAR</u>	<u>SAR</u>	<u>SAR</u>
Riyad Capital*	Former Custodian	Custody fee	130,163	130,163	-	225,313
Al Bilad Investment Company	Custodian	Custody fee	-	64,361	-	-
Board Members	Fund Board	Attendance Allowances Paid from Attendance allowance	-	25,000	-	20,000
			40,000	-	-	-

(*) Riyadh Capital acted as the custodian during 2024. During the year, the Fund’s terms and conditions were amended, and accordingly, Albilad Capital was appointed as the Fund’s custodian.

B) The balances of due to related parties are as follows:

<u>Related party</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>SAR</u>	<u>SAR</u>
Al Wasatah Financial Co (Wasatah capital)	550,783	-
Al Bilad Investment Company	64,361	-
Board of Directors	5,000	20,000
Riyad Capital	-	43,750
	620,144	63,750

18- REVENUE FROM OPERATING LEASE CONTRACTS

	<u>2025</u>	<u>2024</u>
	<u>SAR</u>	<u>SAR</u>
Operating lease income	20,760,456	17,685,265

Classification of Revenue from Contracts with Customers

Revenue from contracts with customers is primarily classified by public or private sector, geographic market, and the timing of revenue recognition. The revenue recognized is realized over a period of time.

A- Timing of Revenue Recognition

<u>Over a period of time</u>	<u>2025</u>	<u>2024</u>
	<u>SAR</u>	<u>SAR</u>
Operating lease income	20,760,456	17,685,265

B- Geographic Region

	<u>2025</u>	<u>2024</u>
	<u>SAR</u>	<u>SAR</u>
Kingdom of Saudi Arabia	20,760,456	17,685,265

19- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability between knowledgeable and willing parties in an arm’s length transaction. Financial instruments consist of financial assets and financial liabilities.

The Fund uses the following hierarchy to determine and disclose the fair value of properties under development:

Level 1: Quoted prices in active markets for identical assets (i.e., without modification or repackaging).

Level 2: Quoted prices in active markets for similar assets or liabilities, or other valuation techniques where all significant inputs are based on observable market data.

Level 3: Valuation techniques where significant inputs are not based on observable market data.

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19-FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair value of investment properties is classified as Level 3 as of 31 December 2025:

	Fair Value			
	Book value SAR	Level (1) SAR	Level (2) SAR	Level (3) SAR
Investment properties, net (Note 12,13)	387,478,336	-	-	448,568,000

The fair value of investment properties is classified as Level 3 as of 31 December 2024:

	Fair Value			
	Book value SAR	Level (1) SAR	Level (2) SAR	Level (3) SAR
Investment properties, net (Note 12,13)	388,098,407	-	-	467,443,000

For assets not measured at fair value but for which fair value is disclosed, investment properties were valued using the discounted cash flow (DCF) method based on significant unobservable inputs. Accordingly, they are classified within Level 3 of the fair value hierarchy. The key inputs include:

Discount rates: reflecting current market assessments of uncertainty in the amount and timing of cash flows (rates used by valuers’ range between 8.65% and 9.5%).

Capitalization rates: based on the physical location, size, and quality of the properties, taking into account market data at the valuation date (rates used by valuers’ range between 5% and 7.5%).

Future rental cash flows: based on the physical location, type, and quality of the properties, supported by terms in existing lease agreements or other contracts, or external evidence such as current market rents for similar properties.

Estimated vacancy rates: based on current and expected future market conditions after the expiry of any existing lease terms.

Maintenance costs: including capital expenditures required to maintain the property’s operating performance over its estimated useful life.

Terminal value: derived in light of assumptions regarding maintenance costs, vacancy rates, and market rental levels.

Other financial instruments include items such as cash and cash equivalents, lease receivables, trade and other receivables, due from related parties, and trade and other payables. These financial assets and liabilities are short-term in nature and their carrying amounts approximate fair value due to their short-term nature and the high credit quality of counterparties.

20- OPERATING LEASE CONTRACTS

The following is a maturity analysis of undiscounted lease payments receivable to be received in future years:

	31 December 2025	31 December 2024
	SAR	SAR
Less than a year	24,780,524	22,916,775
More than one year and less than five years	54,075,000	78,855,524
More than five years	-	-
	78,855,524	101,772,299

21- RISK MANAGEMENT

Credit Risk

Credit risk is represented in the failure of one of the parties to the financial instrument contracts to fulfil its contractual obligations, which leads to the Fund incurring financial losses, the Fund is exposed to credit risks on cash and the like, other debt balances and debt rent receivables, the cash is deposited with a bank with a good credit rating, the following table shows the items that may be exposed to credit risks according to the following:

	31 December 2025	31 December 2024
	SAR	SAR
Cash and cash equivalents	6,763,775	1,428,042
Other receivables	1,852,740	10,815,255
Lease receivables, net	43,500	424,250
	8,660,015	12,667,547

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21-RISK MANAGEMENT (CONTINUED)

Liquidity risk

The Fund's difficulties are in providing funds to meet obligations related to financial instruments. Liquidity risk arises from the inability to sell an asset quickly and at an amount equivalent to its fair value. The Fund reduces liquidity risk by ensuring that banks have balances.

The following is the statement of accrual liabilities as of 31 December 2025:

	Book value SAR	Less than a year SAR	More than a year SAR	Total contractual payments SAR
Short term loans	149,891,640	152,455,236	-	152,455,236
Accrued expenses and other payables	938,786	938,786	-	938,786
Due to related parties	620,144	620,144	-	620,144
Total	151,450,570	154,014,166	-	154,014,166

The following is the statement of accrual liabilities as of 31 December 2024:

	Book value SAR	Less than a year SAR	More than a year SAR	Total contractual payments SAR
Short term borrowings	149,891,640	152,167,274	-	152,167,274
Accrued expenses and other payables	16,928,927	16,928,927	-	16,928,927
Due to related parties	63,750	63,750	-	63,750
Total	166,884,317	169,159,951	-	169,159,951

Market Price Risk

Market risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to changes in market prices. Market prices contain 3 types: interest rate risk, currency risk, and other price risks such as stock price risk and commodity price risk.

Commission Rate Risk

This represents the risk arising from fluctuations in the value of financial instruments due to changes in prevailing commission rates in the market. The Fund's management monitors changes in market commission rates and their impact on the Fund's activities.

Currency Risk

The risk of changes in the value of financial instruments due to changes in foreign exchange rates. The Fund's management monitors foreign exchange rate fluctuations and believes that the Fund is not substantially exposed to currency risk since the Fund's core transactions are in Saudi Riyals.

Interest Rate Risk

Interest rate risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to a change in the market interest rate. The financial assets and liabilities of the Fund, as at the date of the statement of financial position, are not subject to interest rate risk.

22- RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures have been reclassified and regrouped to conform with the current year's presentation, as follows:

22-1 Statement of Financial Position as of 31 December 2024:

<u>Account</u>	Balance before reclassification SAR	Reclassification SAR	Balance after reclassification SAR
Accrued expenses and other payables	16,992,677	(63,750)	16,928,927
Due to related parties	-	63,750	63,750

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22-RECLASSIFICATION OF COMPARATIVE FIGURES (CONTINUED)

22-2 Statement of Profit or Loss, and Other Comprehensive Income as of 31 December 2024:

<u>Account</u>	Balance before	Reclassification	Balance after
	reclassification		reclassification
	SAR	SAR	SAR
Other expenses	1,775,860	(1,214,489)	561,371
Legal and professional fee	-	240,462	240,462
Custody fee	-	225,313	225,313
Property management fee	-	1,032,589	1,032,589
Rental collection fees	-	181,900	181,900
Edda registration	-	400,000	400,000
Tadawul fee	-	89,279	89,279
BOD attendance fee	-	20,000	20,000

22-3 Statement of Cash Flows as of 31 December 2024:

<u>Account</u>	Balance before	Reclassification	Balance after
	reclassification		reclassification
	SAR	SAR	SAR
Due to related parties	-	63,750	63,750
Accruals and other credit balances	(531,440)	(63,750)	(595,190)

23- SEGMENT INFORMATION

The Fund Manager is responsible for the Fund’s entire portfolio and considers the Fund to have a single operating segment. Asset allocation decisions are based on a single integrated investment strategy, and the Fund’s performance is evaluated on a comprehensive basis.

24- VALUATION DATE

The last valuation date for the purpose of preparing these financial statements was 31 December 2025.

25- SUBSEQUENT EVENTS

- On 27 Ramadan 1447H (corresponding to 16 March 2026), Wasatah Capital, the Fund Manager, announced a cash dividend distribution to unitholders of Al Aziziyah REIT for the period from 1 January 2026 to 31 March 2026. Entitlement to these cash distributions will be for unitholders registered in the unitholders’ register at the end of Thursday, 21 Shawwal 1447H (corresponding to 9 April 2026) (end of trading on Tuesday, 19 Shawwal 1447H, corresponding to 7 April 2026).
- On 27 Ramadan 1447H (corresponding to 16 March 2026), Wasatah Capital announced an update to the terms and conditions of Al Aziziyah REIT, effective from 27 Ramadan 1447H (corresponding to 16 March 2026). The key amendment includes a change in the cash dividend distribution policy from semi-annual distributions paid at the end of February and August, to quarterly cash distributions for the financial periods ending in March, June, September, and December, with dividends to be paid within a maximum of (45) business days from the end of each financial period.
- On 8 Ramadan 1447H (corresponding to 25 February 2026), Wasatah Capital, as the Fund Manager of Al Aziziah REIT, announced the extension of the existing credit facility agreement with Riyadh Bank amounting to SAR 149,891,640 for an additional six months, effective from 9 March 2026.
- In March 2026, geopolitical instability in the Middle East increased, which may have an impact on all countries in the region. The Fund’s management is closely monitoring these geopolitical developments and has concluded that these events are subsequent events that do not require any adjustments to the financial statements. Although the Fund’s financial position has not currently been affected, management continues to assess the potential future impacts on its operations.

Except for the above, management believes that there are no other significant subsequent events after the reporting date and before the issuance of these financial statements that require adjustment or disclosure.

26- APPROVAL OF FINANCIAL STATEMENTS

These financial statements for the year ending on 31 December 2025 were approved by the Board of Directors dated on 6 Shawwal 1447 AH (corresponding to 25 March 2026).