

**Alinma Retail REIT Fund
(Managed by Alinma Capital Company)**

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

AND INDEPENDENT AUDITOR'S REPORT

Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

FINANCIAL STATEMENTS
31 December 2025

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**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND
(Managed by Alinma Capital Company)**

Opinion

We have audited the accompanying financial statements of Alinma Retail REIT Fund (the "Fund") managed by Alinma Capital Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2025, and the related statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Fund's financial statements and we have fulfilled our ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate 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 of 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.

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND
(Managed by Alinma Capital Company)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
<p><u>Assessing impairment of investment properties</u></p> <p>The Fund owns a portfolio of investment properties comprising of commercial buildings located in the Kingdom of Saudi Arabia.</p> <p>Investment properties are held for capital appreciation and/or rental yields and are stated at cost less accumulated depreciation and any impairment losses.</p> <p>As at 31 December 2025, the carrying value of investment properties was SR 1.42 billion (31 December 2024: SR 1.07 billion) which was net of accumulated depreciation of SR 224 million (31 December 2024: SR 186 million).</p> <p>For assessing the impairment of investment properties, the Fund Manager monitors volatility of fair value of properties by engaging two independent certified property valuers to perform a formal valuation of the Fund's investment properties on semi-annual basis.</p> <p>We considered this as key audit matter since the impairment assessment of the investment properties requires significant judgement and estimates by the Fund Manager and the external valuers. Any input inaccuracies or unreasonable bases used in these judgements and estimates (such as in respect of estimated rental value and yield profile applied) could result in a material misstatement of the Statement of Financial Position and in the Statement of profit or loss and other comprehensive income.</p> <p><i>The Fund's accounting policy for investment properties is disclosed in note 5.6, the significant accounting estimates, judgement and assumptions relating to investment properties are disclosed in note 4, related disclosures about investment properties are included in notes 6 and 7 of the accompanying financial statements.</i></p>	<p>Our audit procedures related to assessing impairment of investment properties included:</p> <ul style="list-style-type: none"> - We have obtained an understanding of the process and controls surrounding assessment of impairment of investment properties by performing walkthrough procedures. - We agreed the fair values of the investment properties to the independent management valuers' report. - We evaluated the valuers' credentials, their independence, professional qualifications, competence, experience and ensured that they are certified from Saudi Authority for Accredited Valuers (TAQEEM). - On sample basis, with the assistance of our independent expert, we performed the following: <ul style="list-style-type: none"> o Assessed the appropriateness of valuation methods, assumptions, and estimates used by management in the process of assessment of valuation of investment properties; o Engaged in discussions with management and assessed the relevant assumptions used based on market data where possible; o Assessed the key assumptions and estimates, such as discount rates, growth rate and capitalization rate used by the independent valuers in determining the fair values of the investment properties. - We compared the fair value of the investment properties with their carrying values to determine whether recognition of any impairment loss is required. - We have assessed the adequacy of the disclosures included in the financial statements.

**INDEPENDENT AUDITOR'S REPORT (continued)
TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND
(Managed by Alinma Capital Company)**

Other Information included in the Fund's 2025 Annual Report

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's 2025 annual report other than the financial statements and our auditor's report thereon. The Fund's 2025 annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Fund's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Fund Manager 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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA and the applicable provisions of the Real Estate Investment Funds Regulations issued by the Board of Capital Market Authority, and the Fund's terms and conditions, and for such internal control as the Fund Manager 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, 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 to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's 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 is not a guarantee that an audit conducted in accordance with ISA that are 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT (continued)
TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND
(Managed by Alinma Capital Company)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 audit evidence that is sufficient and appropriate 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 the 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 the Fund's 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, based on the audit evidence obtained, 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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 that we identify during our audit.

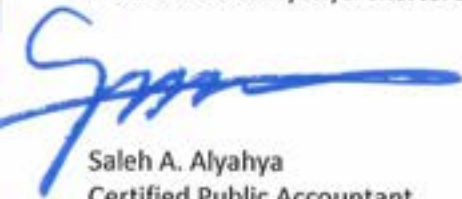
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken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

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND
(Managed by Alinma Capital Company)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, 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.

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya
Certified Public Accountant
Registration No. 473

Riyadh: 12 Shawal 1447H
(31 March 2026)



Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 SR	2024 SR
ASSETS			
NON-CURRENT ASSETS			
Investment properties	6	1,419,872,793	1,074,503,339
TOTAL NON-CURRENT ASSETS		1,419,872,793	1,074,503,339
CURRENT ASSETS			
Rental income receivable	8	3,720,717	1,781,131
Prepayment and other receivables	9	149,096	3,984,435
Financial assets at fair value through profit or loss ("FVTPL")	11	26,273,269	54,613,743
Financial assets at amortised cost	12	-	16,107,691
Bank balance		10,776,624	3,738,566
TOTAL CURRENT ASSETS		40,919,706	80,225,566
TOTAL ASSETS		1,460,792,499	1,154,728,905
LIABILITIES AND EQUITY			
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities	13	5,569,332	5,955,052
Long-term borrowings	14	654,671,996	257,349,291
TOTAL NON-CURRENT LIABILITIES		660,241,328	263,304,343
CURRENT LIABILITIES			
Current portion of lease liabilities	13	650,000	650,000
Contract liabilities	15	17,578,843	42,157,846
Accrued expenses and other payables	16	8,908,464	12,896,098
TOTAL CURRENT LIABILITIES		27,137,307	55,703,944
TOTAL LIABILITIES		687,378,635	319,008,287
EQUITY			
Net assets attributable to unitholders		773,413,864	835,720,618
TOTAL LIABILITIES AND EQUITY		1,460,792,499	1,154,728,905
Units in issue (number)		118,000,000	118,000,000
Net asset value per unit (SR)	7	6.55	7.08

The accompanying notes from 1 to 29 form an integral part of these financial statements.

Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
Revenue			
Revenue from investment properties	18	101,705,705	79,840,216
Gain on disposal of investment property	6	-	107,894,985
		<u>101,705,705</u>	<u>187,735,201</u>
Expenses			
Depreciation on investment properties	6	(37,551,551)	(35,170,204)
Property manager fee and related expenses	20	(16,879,672)	(20,751,618)
Management fees	10	(3,857,564)	(3,261,116)
General and administrative expenses	19	(2,730,116)	(3,271,439)
Reversal of (charge for) expected credit losses	8,9	3,798,221	(14,372,196)
Total expenses		<u>(57,220,682)</u>	<u>(76,826,573)</u>
Operating profit for the year		44,485,023	110,908,628
Finance charges	21	(43,029,215)	(17,590,282)
Income from financial asset at FVTPL	11	2,333,630	2,501,965
Other income		60,481	925,339
Profit for the year before impairment		<u>3,849,919</u>	<u>96,745,650</u>
Charge for impairment on investment properties	6	(24,856,673)	(88,615,772)
Net (loss) profit for the year		<u>(21,006,754)</u>	<u>8,129,878</u>
Other comprehensive income		-	-
Total comprehensive (loss) profit for the year		<u>(21,006,754)</u>	<u>8,129,878</u>

The accompanying notes from 1 to 29 form an integral part of these financial statements.

Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	2025 SR	2024 SR
OPERATING ACTIVITIES			
(Loss) profit for the year		(21,006,754)	8,129,878
Adjustments for:			
Depreciation on investment properties	6	37,551,551	35,170,204
Charge for impairment on investment properties	6	24,856,673	88,615,772
(Reversal of) charge for expected credit loss allowance	8,9	(3,798,221)	14,372,196
Finance charges	21	43,029,215	17,590,282
Special commission income		(21,724)	(328,680)
Income from financial asset at FVTPL	11	(2,333,630)	(2,501,965)
Gain on disposal of investment property		-	(107,894,985)
		<u>78,277,110</u>	<u>53,152,702</u>
Changes in operating assets and liabilities:			
Decrease in prepayment and other receivables		2,207,957	466,243
Decrease (increase) in rental income receivable		3,486,017	(11,503,087)
(Decrease) increase in contract liabilities		(24,579,003)	33,972,107
(Decrease) increase in accrued expenses and other payables		(3,987,634)	4,303,771
Decrease in amounts due from a related party		-	1,219,338
		<u>55,404,447</u>	<u>81,611,074</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of investment properties		(407,777,678)	(223,256,348)
Proceeds from disposal of investment property	6	-	25,000,000
Proceeds from matured financial assets at amortised cost		16,107,691	9,669,000
Purchase of financial assets at FVTPL		(11,688,210)	(50,158,351)
Proceeds from disposal of financial asset at FVTPL		41,000,000	-
Dividend received		1,362,314	-
Special commission income received		21,724	170,204
		<u>(360,974,159)</u>	<u>(238,575,495)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Proceeds against drawdown of long-term borrowings	14	399,000,000	202,249,291
Payment of principal portion of lease liabilities	13	(650,000)	(650,000)
Payment for debt arrangement fees		(1,995,000)	-
Finance cost paid		(42,447,230)	(17,308,687)
Distributions	26	(41,300,000)	(37,760,000)
		<u>312,607,770</u>	<u>146,530,604</u>
Net cash flows from financing activities			
Net increase (decrease) in bank balance		7,038,058	(10,433,817)
Bank balance at the beginning of the year		3,738,566	14,172,383
		<u>10,776,624</u>	<u>3,738,566</u>
Bank balance at end of the year			
NON-CASH TRANSACTIONS			
Purchase of investment property		-	368,000,000

The accompanying notes from 1 to 29 form an integral part of these financial statements.

Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
EQUITY AT THE BEGINNING OF THE YEAR	835,720,618	865,350,740
Comprehensive profit/(loss):		
Net (loss) profit for the year	(21,006,754)	8,129,878
Other comprehensive income for the year	-	-
Total comprehensive (loss) income for the year	(21,006,754)	8,129,878
Dividend distribution (note 26)	(41,300,000)	(37,760,000)
EQUITY AT THE END OF THE YEAR	<u>773,413,864</u>	<u>835,720,618</u>

REDEEMABLE UNIT TRANSACTIONS

Transactions in units for the year ended are summarised as follows:

	<i>2025</i> <i>Units</i>	<i>2024</i> <i>Units</i>
UNITS AT THE BEGINNING AND END OF THE YEAR	<u>118,000,000</u>	<u>118,000,000</u>

Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2025

1 INCORPORATION AND ACTIVITIES

Alinma Retail REIT Fund (the "Fund") is a closed-ended real estate investment traded fund established on 24 Dhul Qa'dah 1439H (corresponding to 6 August 2018). The Fund is listed on the Saudi Stock Exchange ("Tadawul"). The Capital of the Fund is SR 1,180,000,000 divided into 118,000,000 units of SR 10 each. The Fund has a term of 99 years, which is extendable on the discretion of the Fund Manager following the approval of the Capital Market Authority ("CMA").

The Fund is managed by Alinma Capital Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the CMA under license number 09134-37.

While the Fund will primarily invest in developed real estate assets which are ready for use, it may also opportunistically invest in real estate development projects in a value not exceeding 25% of the Fund's total asset value with the aim of achieving an increase in value per unit; provided that:

- (i) at least 75% of the Fund's total assets are invested in developed real estate assets which generate periodic income and;
- (ii) the Fund shall not invest in white land.

In addition, the Fund can also invest up to 25% of the total value of the Fund according to the latest audited financial statements in each of the following, provided that all these investments are Shariah compliant:

- (i) Units of Real Estate Traded Funds publicly offered in the Saudi Stock Exchange and licensed by CMA,
- (ii) Units of private real estate funds licensed by CMA,
- (iii) Real estate investments outside the Kingdom of Saudi Arabia,
- (iv) Cash liquidity / holding of cash,
- (v) Money market funds publicly offered and licensed by CMA,
- (vi) Shares of real estate companies listed on the Saudi Stock Exchange and licensed by CMA, and;
- (vii) Usufruct rights.

Wabel Fund Company, a limited liability company with commercial registration number 101929653, has been established and approved by CMA as a special purpose vehicle ("SPV") for the beneficial interests of the Fund. The SPV owns all the properties of the Fund and is liable for its contractual liabilities on behalf of the Fund.

The Fund has appointed NOMW capital (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

2 REGULATING AUTHORITY

The Fund operates in accordance with Real Estate Investment Fund Regulations ("REIFR") issued by the CMA. The regulations details the requirements for Real Estate Investment Traded Fund within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organisation for Chartered and Professional Accountants (collectively hereafter referred to as IFRS Accounting Standards as endorsed in Kingdom of Saudi Arabia").

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for financial assets at FVTPL that have been measured at fair value. The financial statement has been prepared on the basis that the Fund will continue to operate as a going concern.

The preparation of these financial statements required the use of certain accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements which are disclosed in note 4 to these financial statements.

3.3 Functional and presentation currency

These financial statements are presented in Saudi Riyals ("SR"), which is the functional currency of the Fund. All financial information has been rounded off to the nearest SR.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements in conformity with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

4.1 *Useful lives of investment properties*

The management determines the estimated useful lives of investment properties for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods. The estimated useful lives of the investment properties are disclosed in note 6.1.

4.2 *Impairment of investment properties*

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset or cash generating unit ("CGU") exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The value in use is based on a discounted cash flow ("DCF") model, whereby the future expected cash flows are discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately in the statement of profit or loss and other comprehensive income.

4.3 *Impairment of financial assets held at amortised cost*

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As at the year end, the Fund has rental income receivable for which the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

4.4 *Leases - Estimating the incremental borrowing rate*

The Fund cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Fund would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Fund 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Fund estimates the IBR using observable inputs such as market interest rates, as and when available.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.5 *Determining the lease term*

The Fund as a lessee determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and;
(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.
For contracts that include extension and termination options, the Fund uses judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. In doing so, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. Those factors include current and expected retail unit performance, availability, cost and other terms of substitutes, magnitude of leasehold improvements, length of extension or renewal, and cost of extension or renewal. Following the commencement date, the Fund reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Fund and affects its assessment on whether or not to exercise an option previously included in its determination of the lease term.

4.6 *Property lease classification – Fund as lessor*

The Fund has entered into leases of commercial properties. The Fund has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial properties and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial properties, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

4.7 *Fair value measurement*

The Fund measures its investments in mutual fund at fair value at each reporting date. The investment in the investee fund is valued based on the latest available redemption price of such units for each investee fund, as determined by the investee fund's manager.

The Fund discloses fair value of investment properties which is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement. The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in note 22.

4.8 *Going concern*

The Fund Manager has made an assessment of Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Fund Manager is not aware of any material uncertainties that may cast significant doubt on Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies used in the preparation of these financial statements are as follows:

5.1 *Financial Instruments*

5.1.1 *Financial Instruments - Initial recognition and subsequent measurement*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

5.1 Financial Instruments (continued)

5.1.1 Financial Instruments - Initial recognition and subsequent measurement (continued)

i) Financial assets

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories.

- Financial assets at amortised cost
- Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets measured at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes bank balance, Murabaha and accrued special commission.

Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets at fair through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes investment in mutual funds. Dividends are recognized in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Impairment

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

5.1 Financial instruments (continued)

5.1.1 Financial Instruments - Initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Impairment (continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Fund's financial assets fall into this category.

12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses are recognized for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For financial assets at amortised cost, the Fund applies the low credit risk simplification. At every reporting date, the Fund evaluates whether the financial asset at amortised cost is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Fund reassesses the internal credit rating of the financial assets at amortised cost. In addition, the Fund considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

For rental income receivables, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ii) Financial liabilities

Initial recognition and measurement

The Fund's financial liabilities include dividend payable, amounts due to related parties and other liabilities. Financial liabilities are measured at amortised cost.

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Fund. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

5.1 Financial Instruments (continued)

5.1.2 Current versus non-current classification

The Fund presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
 - All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Fund classifies all other liabilities as non-current.

5.2 Fair value measurement

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

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

5.2 Fair value measurement (continued)

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in note 22.

5.3 Impairment of non-financial assets

The Fund assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Fund estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income.

5.4 Right-of-use assets

The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Fund is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5.5 Lease liabilities

At the commencement date of the lease, the Fund recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Fund and payments of penalties for terminating a lease, if the lease term reflects the Fund exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

5.6 Investment properties

Investment properties comprise completed freehold or leasehold properties that are held to earn rentals or for capital appreciation or both. Investment properties under freehold are stated at cost including transaction costs net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items. Whereas investment properties under leasehold are accounted for in accordance with IFRS 16. The cost less estimated residual value, if any, of investment property under freehold is depreciated on a straight-line basis over the estimated useful lives of the assets. Land, on the other hand, is reported at cost.

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Fund considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15. The fair value of investment properties is disclosed in note 6 and 22 in these financial statements.

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

5.7 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Fund has received consideration from the customer. Contract liabilities are recognised as revenue when the Fund performs under the contract.

5.8 Management fees, custodian fees and other expenses

Management fees, custodian fees, administration fees and other expenses are charged at rates / amounts within limits mentioned in the terms and conditions of the Fund.

5.9 Rental income

The Fund's revenue mainly comprises rental income from leasing properties classified as investment properties. Rental income arising from operating lease on investment properties is recognised, in accordance with the terms of leases over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the lease asset. In addition, the Fund subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Fund's subleases are classified as operating leases.

5.10 Net assets value

The net assets value per unit disclosed in the financial statements is calculated by dividing the net assets of the Fund by the number of units in issue at the year-end.

5.11 Distribution

The Fund has a policy of distributing and paying at least 90% percent of the Fund's net profits on semi-annual basis, the Fund Manager can make additional distributions during the year.

5.12 Finance Cost

Finance cost is recognised in statement of profit or loss and other comprehensive income in the period in which they are incurred.

5.14 Zakat and income tax

Fund is not liable to pay any zakat or income tax which are considered to be the obligation of the unitholders and are as such not provided in the accompanying financial statements.

5.15 New and amended standards and interpretations

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

Amendments to IAS 21: Lack of exchangeability:

The Effects of Changes in Foreign Exchange Rates requires an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide. The amendment has no impact on the Fund's financial statements.

5.16 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable when they become effective and are endorsed by SOCPA.

Standards / amendments to standards / interpretations

Effective date

<i>Amendments to IFRS 9 and IFRS 7: Contracts referencing Nature-dependent Electricity</i>	1 January 2026
<i>Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>IFRS 18 - Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>IFRS 19 - Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

6 INVESTMENT PROPERTIES

The composition of the investment properties as of the reporting date is summarised below:

31 December 2025

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Impairment (note 6.4) SR</i>	<i>Net book value SR</i>
Hafar Al-Batin Mall	485,063,828	(100,847,817)	(137,214,113)	247,001,898
Tabuk Mall	221,873,667	(41,089,148)	(107,539,066)	73,245,453
Dawadmi Mall	177,313,210	(59,355,474)	(38,411,393)	79,546,343
Signature Building	55,165,100	(3,262,551)	-	51,902,549
Safir Office Building	84,000,000	(2,915,266)	-	81,084,734
Jawhara Hittin Building	118,250,000	(4,014,878)	-	114,235,122
Jazl Office Building	386,400,000	(7,211,561)	-	379,188,439
Bin Jalawi Building	399,000,000	(5,331,745)	-	393,668,255
	<u>1,927,065,805</u>	<u>(224,028,440)</u>	<u>(283,164,572)</u>	<u>1,419,872,793</u>

31 December 2024

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Impairment (note 6.4) SR</i>	<i>Net book value SR</i>
Hafar Al-Batin Mall	476,348,250	(89,527,819)	(129,342,431)	257,478,000
Tabuk Mall	221,873,667	(37,461,281)	(85,921,386)	98,491,000
Dawadmi Mall	177,313,210	(52,804,727)	(36,984,483)	87,524,000
Signature Building	55,103,000	(2,169,994)	-	52,933,006
Safir Office Building	84,000,000	(1,441,482)	-	82,558,518
Jawhara Hittin Building	118,250,000	(2,010,185)	-	116,239,815
Jazl Office Building	386,400,000	(1,061,401)	(6,059,599)	379,279,000
	<u>1,519,288,127</u>	<u>(186,476,889)</u>	<u>(258,307,899)</u>	<u>1,074,503,339</u>

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

6 INVESTMENT PROPERTIES (CONTINUED)

6.1 The movement in the investment properties during the year is as follows:

	<i>Freehold lands and buildings</i>	<i>Right-of-use asset</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>Cost</i>			
Balance as at 1 January 2024	1,244,802,784	8,594,560	1,253,397,344
Additions during the year	591,256,348	-	591,256,348
Disposals during the year	(325,365,565)	-	(325,365,565)
Balance as at 31 December 2024	1,510,693,567	8,594,560	1,519,288,127
Additions during the year (note 6.7)	407,777,678	-	407,777,678
Balance as at 31 December 2025	1,918,471,245	8,594,560	1,927,065,805
<i>Accumulated depreciation</i>			
Balance as at 1 January 2024	189,176,945	2,390,290	191,567,235
Depreciation charge during the year	34,690,837	479,367	35,170,204
Disposal during the year	(40,260,550)	-	(40,260,550)
Balance as at 31 December 2024	183,607,232	2,869,657	186,476,889
Depreciation charge during the year	37,073,493	478,058	37,551,551
Balance as at 31 December 2025	220,680,725	3,347,715	224,028,440
<i>Accumulated impairment</i>			
Balance as at 1 January 2024	169,692,127	-	169,692,127
Impairment during the year	88,615,772	-	88,615,772
Balance as at 31 December 2024	258,307,899	-	258,307,899
Impairment during the year	24,856,673	-	24,856,673
Balance as at 31 December 2025	283,164,572	-	283,164,572
<i>Net book amount as at 31 December 2025</i>	<u>1,414,625,948</u>	<u>5,246,845</u>	<u>1,419,872,793</u>
<i>Net book amount as at 31 December 2024</i>	<u>1,068,778,436</u>	<u>5,724,903</u>	<u>1,074,503,339</u>

- i) Included above within land and buildings is land amounted to SR 596,918,116 (2024: SR 371,936,912).
- ii) During the year, depreciation charged to the statement of profit or loss and other comprehensive income amounted to SR 37,551,550 (2024: SR 35,170,205).

6.2 *Useful life*

a- The useful life of Tabuk Mall , Hafer Al-Batin Mall, Signature Building are assessed at 25 years from date of acquisition .

b- The useful life of Dawadmi Mall (leasehold) is assessed at 19 years from the date of acquisition.

c- The useful life of Safir Office Building, Jawhara Hittin Building, Jazl Office Building and Bin Jalawi Building is assessed at 40 years from the date of acquisition.

6 INVESTMENT PROPERTIES (continued)

6.3 Freehold and leasehold properties

Freehold and leasehold properties comprises of the parcel of land acquired or leased on which the buildings are built. The Fund acquired freehold properties in Riyadh, Hafar Al-Batin, Dawadmi and Tabuk with an aggregate area of 188,495 square meter (2024: 188,495 square meter). The Fund leased land in Dawadmi with an area of 72,678 square meter (2024: 72,678 square meter).

6.4 Listed below are the details of the investment properties:

<i>Description</i>	
<i>Dawadmi Mall</i>	Property is a fully constructed commercial facility on a leasehold land, located in Dawadmi, Kingdom of Saudi Arabia ("KSA").
<i>Hafar Al-Batin Mall</i>	Property is a fully constructed commercial facility on a freehold land, located in Al Rayan District, Hafar Al-Batin, KSA.
<i>Tabuk Mall</i>	Property is a fully constructed commercial facility on a freehold land, located in Al Rajhi District, Tabuk, KSA.
<i>Signature Building</i>	Property is a fully constructed commercial facility on a freehold land, located in Al Suhada District, Riyadh, KSA.
<i>Safir Office Building</i>	Property is a fully constructed commercial facility on a freehold land, located in Al Hitin District, Riyadh, KSA.
<i>Jawhara Hittin Building</i>	Property is a fully constructed commercial facility on a freehold land, located in Al Hitin District, Riyadh, KSA.
<i>Jazl Office Building</i>	Property is a fully constructed commercial facility on a freehold land, located in Yasmeen District, Riyadh, KSA.
<i>Bin Jalawi Building</i>	Property is a fully constructed commercial facility on a freehold land, located in Al Qirawan District, Riyadh, KSA.

6.5 Impairment of investment properties

During the year, the investment properties were tested for impairment and the management recognized a net charge of SR 24,856,673 (2024: SR 88,615,772) to adjust the value of its investment properties to its recoverable amount based on the average value as at the reporting period determined by the independent evaluators as shown in note 7.

The key assumptions used for valuation as at 31 December for these investment properties are disclosed in note 22.

6.6 Ownership of investment properties

The title deeds of the investment properties (except for Tabuk Mall and Dawadmi Mall) are pledged as collateral against the financing. The SPV is holding these properties for the beneficial ownership of the Fund and does not possess any controlling interest or any stake in the properties.

6.7 Additions during the year

Bin Jalawi Building is a fully constructed commercial facility on freehold land, located in Al Qairwan District, Riyadh, KSA. The Fund Manager acquired this building for an amount of SR 399 million, with an area of 14,880 square meters.

6.8 Disposal of AlKhair Mall and acquisition of Jazl Office Building

On 13 June 2024, the Board of Directors approved to sell Al Khair Mall property in exchange for the acquisition of Jazl Office Building. The exchange agreement and the transfer of real estate ownership was completed on 28 October 2024. Al Khair Mall with a total net carrying amount of SR 285 million was disposed off, resulting in SR 108 million net gains on disposal, representing the difference between the price of AlKhair Mall (SR 393 million) and the price of the Jazl Office Building (SR 368 million) with a cash amount owed to the Fund of SR 25 million.

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31 December 2025

7 EFFECTS ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED

In accordance with Article 36 of the REIFR issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's real estate assets based on two evaluations prepared by independent evaluators. However, investment properties are carried at cost less depreciation and impairment, if any, in these financial statements.

The fair value measurement of the investment properties was determined by two selected independent valuers, accredited by the Saudi Authority for Accredited Valuers (Taqeem"), i.e., Abaad Real Estate Valuation Company (Appraiser 1), and Elite Real Estate Valuation Company (Appraiser 2) (31 December 2024: Abaad real estate valuation company (Appraiser 1) and Esnad Real Estate Valuation Company (Appraiser 2). The valuers are independent, not related to the Fund, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued.

7.1 As at 31 December, the valuation of the investment properties are as follows:

	<i>Appraiser 1</i> <i>SR</i>	<i>Appraiser 2</i> <i>SR</i>	<i>Average</i> <i>SR</i>
31 December 2025			
<u>Freehold properties</u>			
Hafar Al-Batin Mall	245,700,000	248,303,796	247,001,898
Tabuk Mall	76,600,000	69,890,905	73,245,453
Signature Building	70,700,000	75,228,365	72,964,183
Safir Office Building	113,200,000	109,271,807	111,235,904
Jawhara Hittin Building	135,000,000	136,241,098	135,620,549
Jazl Office Building	394,000,000	408,300,362	401,150,181
Bin Jalawi Building	413,820,000	447,229,341	430,524,671
<u>Leasehold properties</u>			
Dawadmi Mall *	77,200,000	69,454,021	73,327,011
	1,526,220,000	1,563,919,695	1,545,069,850
31 December 2024			
<u>Freehold properties</u>			
Hafar Al-Batin Mall	269,300,000	245,656,000	257,478,000
Tabuk Mall	96,000,000	100,982,000	98,491,000
Signature Building	68,300,000	70,087,000	69,193,500
Safir Office Building	91,300,000	91,250,000	91,275,000
Jawhara Hittin Building	127,200,000	123,278,000	125,239,000
Jazl Office Building	389,300,000	369,258,000	379,279,000
<u>Leasehold properties</u>			
Dawadmi Mall*	86,700,000	88,348,000	87,524,000
	1,128,100,000	1,088,859,000	1,108,479,500

* The fair value of Dawadmi Mall is provided net of lease liabilities, determined by incorporating both expected future cash inflows and the impact of future lease payments. As of 31 December 2025, the gross carrying value of the said investment property amounted to SR 79,546,343 and the related lease liabilities amounted to SR 6,219,332, accordingly net carrying value amounted to SR 73,327,011.

Management has used the average of the two valuations for the purpose of disclosing the fair value of the investment properties. The investment properties were valued taking into consideration a number of factors, including the area space per square and type of property. The unobservable inputs used in the above level 3 fair valuation are disclosed in note 22.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

**7 EFFECT ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED
(continued)**

7.2 The unrealised gain on investment properties based on fair valuation is set out below:

	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
Average fair value of investments properties (note 7.1)	1,545,069,850	1,108,479,500
Less: Carrying value of investments properties (note 6.1)	<u>(1,419,872,793)</u>	<u>(1,074,503,339)</u>
Net impact based on the fair valuation	<u>125,197,057</u>	<u>33,976,161</u>
Units in issue (numbers)	<u>118,000,000</u>	<u>118,000,000</u>
Impact per unit share based on fair valuation (SR)	<u>1.06</u>	<u>0.29</u>

7.3 The net asset value using the fair values of the investment properties is set out below:

	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
Net asset value at cost	773,413,864	835,720,618
Net impact based on fair valuation	<u>125,197,057</u>	<u>33,976,161</u>
Net asset based on fair value	<u>898,610,921</u>	<u>869,696,779</u>

7.4 The net asset value per unit, using the fair values of the investment properties is set out below:

	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
Net asset value per unit at cost	6.55	7.08
Impact on net asset value per unit on account of unrealised gain using fair value	<u>1.06</u>	<u>0.29</u>
Net asset value per unit based on fair value	<u>7.61</u>	<u>7.37</u>

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2025

8 RENTAL INCOME RECEIVABLE

This represents the rental income receivable from the investment properties in accordance with the terms of the corresponding tenancy agreements. Rental income receivables are current in nature.

As at 31 December 2025, the Fund had an allowance for expected credit losses amounting to SR 26,428,152 (2024: SR 41,650,320). Information about the Fund's exposure to expected credit loss are shown in note 24.1.

	2025 SR	2024 SR
Rental income receivable	30,148,869	43,431,451
Less: Allowance for expected credit losses	(26,428,152)	(41,650,320)
	<u>3,720,717</u>	<u>1,781,131</u>

The following is the aging analysis of the rental income receivables as at the reporting date:

	31 December 2025			31 December 2024		
	<i>Gross receivables SR</i>	<i>ECL allowance SR</i>	<i>Loss rate %</i>	<i>Gross receivables SR</i>	<i>ECL allowance SR</i>	<i>Loss rate %</i>
Less than 90 days	3,646,867	1,336,735	37%	4,111,944	2,932,561	71%
Between 91 to 180 days	3,021,549	2,293,626	76%	2,985,134	2,582,534	87%
Between 181 to 360 days	6,576,350	5,893,689	90%	3,506,923	3,307,776	94%
More than 360 days	16,904,103	16,904,103	100%	32,827,450	32,827,449	100%
	<u>30,148,869</u>	<u>26,428,153</u>	<u>88%</u>	<u>43,431,451</u>	<u>41,650,320</u>	<u>96%</u>

The following is the movement of allowance for expected credit losses as at the reporting date:

	2025 SR	2024 SR
At the beginning of the year	41,650,320	27,278,124
(Reversal of) charge for the year	(5,425,603)	14,372,196
Written off during the year (note a)	(9,796,565)	-
At the end of the year	<u>26,428,152</u>	<u>41,650,320</u>

a) On May 20, 2025, the Fund Manager approved the write-off of SR 9,796,565 in rental income receivables. This decision was driven by the economic decline in secondary cities and the insolvency of several tenants who have ceased operations or declared bankruptcy. A major portion of the write-off relates to long-standing arrears outstanding since 2018, which are considered no longer recoverable due to legal enforcement challenges and the financial distress of certain key debtors.

9 PREPAYMENT AND OTHER RECEIVABLES

	2025 SR	2024 SR
Receivable from property manger	1,627,382	2,516,750
Prepaid expenses	149,096	-
Receivable from ZATCA	-	1,467,685
	<u>1,776,478</u>	<u>3,984,435</u>
Less: Provision against receivable from property manager	(1,627,382)	-
	<u>149,096</u>	<u>3,984,435</u>

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

10 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Fund Manager and entities / persons related to Fund Manager are considered as related parties of the Fund. In the ordinary course of its activities, the Fund transacts business with its related parties. The related party transactions are approved by the Fund's Board of Directors.

a) Management fee

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the terms and conditions of the Fund charges the Fund a management fee equal to 0.75% (Y·Y£:0.75%) of the net asset value per annum, provided that management fee does not exceed 12% of the net cash flow from operating activities calculated and settled on quarterly basis.

b) Board of Directors remuneration

Each independent member of the Board of Directors is allowed a remuneration of SR 5,000 (Y·Y£: SR 5,000) per board meeting.

10.1 Related party transactions

The following are the details of the transactions with related parties during the year:

<i>Name of Related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>2025 SR</i>	<i>2024 SR</i>
Alinma Capital Company	Fund Manager	Management fees	(3,857,564)	(3,261,116)
Fund Board of Directors	Members of the Board	Board remuneration (note 19)	(67,500)	(52,500)
Alinma Saudi Riyal Liquidity Fund	Fund Managed by Fund Manager	Purchase of financial assets at FVTPL	(11,688,210)	(50,158,351)
		Proceeds from redemption of financial assets at FVTPL	41,000,000	-
Alinma Bank	Parent Company of Fund Manager	Drawdown of long term borrowings	399,000,000	202,249,291

10.2 Related party balances

Year end balances (payable) arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of balances</i>	<i>As at 31 December 2025 SR</i>	<i>As at 31 December 2024 SR</i>
Alinma Capital Company	Management fees payable (note 16)	(3,863,521)	(4,340,741)
	Administration fees payables	(564,257)	(46,111)
Alinma Saudi Riyal Liquidity Fund	Financial assets at FVTPL (note 11)	8,605,756	36,733,369
Alinma Hospitality REIT Fund	Financial assets at FVTPL (note 11)	17,667,513	17,880,374
Alinma Bank	Bank balance	10,776,624	3,738,566
	Financial assets at amortised cost (note 12)	-	16,107,691
	Long-term borrowings (note 14)	654,671,996	257,349,291

As at 31 December 2025, board members of the Fund held 1,508,172 units of the Fund (2024: 1,594,744 units).

Alinma Retail REIT Fund
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

11 FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL represents investment of 619,916 units (31 December 2024: 2,790,651 units) in Alinma Saudi Riyal Liquidity Fund and 2,128,616 units (31 December 2024: 2,128,616 units) in Alinma Hospitality REIT Fund, an open-ended fund managed by the Fund Manager.

	<i>31 December 2025</i>		<i>31 December 2024</i>	
	<i>Cost</i>	<i>Fair value</i>	<i>Cost</i>	<i>Fair value</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Alinma Saudi Riyal Liquidity Fund	8,313,078	8,605,756	36,423,660	36,733,369
Alinma Hospitality REIT Fund	15,888,147	17,667,513	15,888,147	17,880,374
	<u>24,201,225</u>	<u>26,273,269</u>	<u>52,311,807</u>	<u>54,613,743</u>

The income from financial assets at FVTPL during the year amounted to SR 2,333,630 (31 December 2024: SR 2,501,965), which represent gain or loss on disposal, movement in change in fair value and dividends.

12 FINANCIAL ASSETS AT AMORTIZED COST

	<i>2025</i>	<i>2024</i>
	<i>SR</i>	<i>SR</i>
Wakala investment (i)	-	15,831,000
Accrued Special commission income	-	276,691
	<u>-</u>	<u>16,107,691</u>

- (i) This represented investments placed with Alinma Bank matured within 1 year and carried an average special commission income rate of 5.75%.

13 LEASE LIABILITIES

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>SR</i>	<i>SR</i>
Balance at the beginning of the year	6,605,052	6,973,457
Add: finance charges	264,280	281,595
Less: payments made during the year	(650,000)	(650,000)
Balance at the end of the year	<u>6,219,332</u>	<u>6,605,052</u>
Less: Current portion of lease liabilities	<u>(650,000)</u>	<u>(650,000)</u>
Non-current portion of lease liabilities	<u>5,569,332</u>	<u>5,955,052</u>

14 LONG-TERM BORROWINGS

On 7 November 2022, the SPV of the Fund, on behalf of the Fund, entered into a financing agreement ("agreement") with Alinma Bank (the "Bank") amounting to SR 750 million to finance acquisition of properties. As of 31 December 2025 SR 93.6 million (2024:SR 492.2 million) represents the unused portion of the facility.

The agreement bears a commission rate of three-month SAIBOR + 1.3% per annum, payable annually. The principal amount is scheduled to be paid in full at the end of the term of agreement on 30 November 2030.

The agreement is secured against the pledge of all title deeds of the investment properties (except Tabuk Mall and Dawadmi Mall) (note 6).

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

14 LONG-TERM BORROWINGS (continued)

The agreement is subject to covenant clauses, whereby the Fund is required to meet certain financial and non-financial requirements. The Fund Manager aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the Bank to immediately call loans and borrowings. The covenants are tested half-yearly at 30 June and as at the year end. The Fund did not breach any of its loan covenant and has no indication that it will have difficulty complying with these covenants.

	<i>31 December</i> <i>2025</i> <i>SR</i>	<i>31 December</i> <i>2024</i> <i>SR</i>
<i>Principal:</i>		
Balance at the beginning of the year	257,349,291	55,100,000
Additions during the year	399,000,000	202,249,291
Balance at the end of the year	656,349,291	257,349,291
<i>Debt arrangement fees:</i>		
Additions during the year	(1,995,000)	-
Amortisation of debt arrangement fee	317,705	-
	(1,677,295)	-
	654,671,996	257,349,291

During the year ended 31 December 2025, the Fund incurred financial charges amounted to SR 42,447,230 (2024:SR 17,308,687) (note 21).

15 CONTRACT LIABILITIES

Contract liabilities represents rental income received in advance from tenants for which the Fund has not yet satisfied the related performance obligations. Revenue is recognised in the statement of profit or loss as the underlying services are rendered over the lease term. The movement in contract liabilities for the year is as follows:

	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
At the beginning of the year	42,157,846	8,185,737
Received during the year	70,839,178	107,523,525
Recognized during the year	(95,418,181)	(73,551,416)
At the end of the year	17,578,843	42,157,846

16 ACCRUED EXPENSES AND OTHER PAYABLES

	<i>2025</i> <i>SR</i>	<i>2024</i> <i>SR</i>
Management fees (note 10)	3,863,521	4,340,741
Advance from customers	1,338,271	600,826
Value added tax payable	1,090,127	5,034,217
Dividend payable	55,153	82,558
Custody fees	50,000	90,958
Others	2,511,392	2,746,798
	8,908,464	12,896,098

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31 December 2025

17 ZAKAT

The Ministry of Finance Kingdom of Saudi Arabia has issued a resolution ("MR") numbered 1007 dated 19th Shaban 1445H (corresponding to 29 February 2024) publishing new Zakat regulations applicable from the financial year commencing 1 January 2024. According to the MR, the Fund is not subject to Zakat being not engaged into financing activities. The Fund, however, is required to submit annual information declaration to Zakat, Tax and Customs Authority ("ZATCA"). The Fund has submitted annual information declaration to ZATCA up to the financial year ended 31 December 2025.

18 REVENUE FROM INVESTMENT PROPERTIES

	<i>2025</i>	<i>2024</i>
	<i>SR</i>	<i>SR</i>
Rental income	<u>101,705,705</u>	<u>79,840,216</u>

- (i) The Fund's rental income from investment properties is concentrated within one operating segment and geographical region of the Kingdom of Saudi Arabia, comprising of 8 (2024: 7) investment properties.

19 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2025</i>	<i>2024</i>
	<i>SR</i>	<i>SR</i>
Administration fees	564,257	610,792
Professional fees	495,675	567,810
Regulator fees	409,500	400,000
Property insurance	383,069	444,232
Legal fees	302,615	325,378
Listing fees	168,514	181,140
Custodian fees	129,473	215,258
Board remuneration	67,500	52,500
Others	209,513	474,329
	<u>2,730,116</u>	<u>3,271,439</u>

20 PROPERTY MANAGER FEE AND RELATED EXPENSES

	<i>2025</i>	<i>2024</i>
	<i>SR</i>	<i>SR</i>
Operating expenses	15,335,087	18,189,946
Property manager fees	1,544,585	2,561,672
	<u>16,879,672</u>	<u>20,751,618</u>

21 FINANCIAL CHARGES

	<i>2025</i>	<i>2024</i>
	<i>SR</i>	<i>SR</i>
Long-term borrowings finance charge	42,447,230	17,308,687
Debt arrangement fees	317,705	-
Finance charge on lease liabilities (note 13)	264,280	281,595
	<u>43,029,215</u>	<u>17,590,282</u>

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

22 FAIR VALUE MEASUREMENT

22.1 Financial instruments

Financial assets consist of bank balance, rental income receivables, and other receivables. Financial liabilities consist of due to related parties, management fee payable and borrowings. The fair values of financial assets and financial liabilities are not materially different from their carrying value due to short term nature and are classified as level 2.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>As at 31 December 2025</i>				
Financial assets at FVTPL (note 11)	17,667,513	8,605,756	-	26,273,269
<i>As at 31 December 2024</i>				
Financial assets at FVTPL (note 11)	17,880,374	36,733,369	-	54,613,743

22.2 Non-financial assets

The following table shows the fair value of investment properties disclosed as at year end:

<i>Property name</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>Level 3</i> <i>SR</i>	<i>Level 3</i> <i>SR</i>
Hafar Al-Batin Mall	247,001,898	257,478,000
Tabuk Mall	73,245,453	98,491,000
Dawadmi Mall	73,327,011	87,524,000
Signature Building	72,964,183	69,193,500
Safir Office Building	111,235,904	91,275,000
Jawhara Hittin Building	135,620,549	125,239,000
Jazl Office building	401,150,181	379,279,000
Bin Jalawi Building	430,524,671	-
	<u>1,545,069,850</u>	<u>1,108,479,500</u>

When the fair value of items disclosed in these financial statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The key assumptions are listed below.

Changes in assumptions about these factors could affect the fair value of items disclosed in these financial statements and the level where the items are disclosed in the fair value hierarchy.

Alinma Retail REIT Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

22 FAIR VALUE MEASUREMENT (continued)

22.2 Non-financial assets

The fair values of investment properties were assessed by Abaad Company and Elite Company (2024: Abaad and Esnad) as disclosed in note 7. They are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued.

The valuation models have been applied in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Standards, in addition to recently published International Valuation Standards issued by International Valuation Standards Council ("IVSC") and applied by Saudi Authority for Accredited Valuers ("TAQEEM").

Valuation approach	Key assumptions	Range	
		2025	2024
Discounted cash flow	Discount rate (%)	8.07%-12.77%	10.20%-11.45%
	Growth rate (%)	2%-3.3%	2.70%
	Capitalisation rate (%)	7.25%-8.5%	7.5%-8.5%

23 LEASE COMMITMENTS

Future rental commitments under the leases are as follows:

	2025 SR	2024 SR
No later than one year	100,659,684	72,613,203
Later than one year and not later than five years	223,064,477	153,567,804
Later than five years	191,612,688	23,554,253
	<u>515,336,849</u>	<u>249,735,260</u>

24 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

The Fund has its terms and conditions document that sets out its overall business strategies, its tolerance of risks and its general risk management philosophy.

24.1 Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risks on the following financial instruments:

	2025 SR	2024 SR
Bank balance	10,776,624	3,738,566
Rental income receivables (note 8)	3,501,576	1,781,131
Receivable from property manger	-	2,516,750
Financial assets at amortised cost	-	16,107,691
	<u>14,278,200</u>	<u>24,144,138</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2025

24 FINANCIAL RISK MANAGEMENT (continued)

24.1 Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The Fund seeks to limit its credit risk with respect to rental income receivables by charging rent in advance, and by monitoring outstanding balances on an ongoing basis with the actual results for the Fund. As at the year-end, the related parties have sound financial position and have the ability to repay their debts towards the Fund. For banks and financial institutions, the Fund only deals with reputable banks with sound credit ratings.

The Fund applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for rent receivables, which is disclosed in note 8.

24.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments:

	<i>On demand</i> <i>SR</i>	<i>Less than</i> <i>12 months</i> <i>SR</i>	<i>More than 12</i> <i>months</i> <i>SR</i>	<i>Total</i> <i>SR</i>
<i>31 December 2025</i>				
Lease liabilities	-	896,957	8,483,711	9,380,668
Contract liabilities	-	17,578,843	-	17,578,843
Long-term borrowing	-	40,470,646	815,017,107	855,487,753
Management fees	-	3,863,521	-	3,863,521
Other	55,153	1,564,308	-	1,619,461
	<u>55,153</u>	<u>64,374,275</u>	<u>823,500,818</u>	<u>887,930,246</u>
<i>31 December 2024</i>				
Lease liabilities	-	914,280	9,380,668	10,294,948
Contract liabilities	-	42,157,846	-	42,157,846
Long-term borrowing	-	17,451,281	335,430,446	352,881,727
Management fees	-	4,340,741	-	4,340,741
Other	82,558	1,840,672	-	1,923,230
	<u>82,558</u>	<u>66,704,820</u>	<u>344,811,114</u>	<u>411,598,492</u>

24.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Fund does not have any significant exposure to currency risk as all its monetary assets and monetary liabilities are denominated in Saudi Riyals.

25 OPERATING SEGMENT

The Fund is organised into one operating segment. All of the Fund's activities are interrelated and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

26 DISTRIBUTIONS

In accordance with the terms and conditions of the Fund, amounts paid as distribution to unitholders were as follows:

	Dividend rate (per unit) SR	For the year ended 31 December 2025 SR
Final half yearly dividend for the year ended 31 December 2024	0.17	20,060,000
First half yearly interim dividend for the year ended 31 December 2025	0.18	21,240,000
		<u>41,300,000</u>

	Dividend rate (per unit) SR	For the year ended 31 December 2024 SR
Final half yearly dividend for the year ended 31 December 2023	0.17	20,060,000
First half yearly interim dividend for the year ended 31 December 2024	0.15	17,700,000
		<u>37,760,000</u>

27 LAST VALUATION DAY

The last valuation day for the year was 31 December 2025 (2024: 31 December 2024).

28 EVENTS AFTER THE REPORTING DATE

On 4 January 2026 the Board of the Fund announced profit distribution of SR 0.17 per unit totalling to SR 20,060,000 which is payable on 12 January 2026. Other than the above, there have been no other subsequent events after the reporting date that require adjustment or disclosure in these financial statements.

29 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Fund's Board of Directors on 30 March 2026 (corresponding to 11 Shawal 1447H).