Riyad REIT Fund
A Real Estate Investment Traded Fund
(Managed by Riyad Capital)

Interim Condensed Consolidated Financial Statements (Unaudited)
and Independent Auditor's Review Report
For the Six-Month Period Ended June 30, 2026

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And Independent Auditor's Review Report
For the six-month period ended June 30, 2026

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Independent Auditor's Review Report
on the Interim Condensed Consolidated Financial Statements

To the Unitholders of Riyad REIT Fund
A Real Estate Investment Traded Fund
(Managed by Riyad Capital)
Riyadh, Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Riyad REIT Fund (the "Fund") and its subsidiaries (together, the "Group"), managed by Riyad Capital (the "Fund Manager"), as at June 30, 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to conclude these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Fund", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2025, were audited by another auditor, who expressed an unmodified opinion on those financial statements on Shawwal 13, 1447H, corresponding to March 31, 2026G. In addition, the interim condensed consolidated financial statements of the Group for the six-month period ended June 30, 2025, were reviewed by another auditor, who expressed an unmodified conclusion on those interim financial statements dated Safar 17, 1447H, corresponding to August 11, 2025G.

Baker Tilly Professional Services

Majed Muneer Al Nemer
(Certified Public Accountant - License No. 381)

ب.ت: C.R: 1010428101
بيكر تيلي للإستشارات المهنية
BAKER TILLY Professional Services

Riyadh on Safar 28, 1448H
Corresponding to August 11, 2026G

Riyad REIT Fund
A Real Estate Investment Traded Fund
(Managed by Riyad Capital)

Interim condensed consolidated statement of financial position
As at June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	**June 30, 2026**	December 31, 2025
		(Unaudited)	(Audited)
Assets			
Property and equipment	6	**903,670,575**	924,431,212
Investment properties	7	**811,469,204**	813,303,168
Properties under development		**122,129,268**	111,066,055
Financial assets at fair value through profit or loss (FVTPL)	11	**587,563,701**	695,347,524
Inventory		**580,688**	700,268
Trade receivables		**100,337,703**	82,148,605
Prepayments and other assets		**14,887,650**	17,306,325
Cash and cash equivalents		**93,193,970**	74,918,554
Total assets		**2,633,832,759**	2,719,221,711
Liabilities			
Islamic financing	8	**1,379,411,729**	1,376,222,503
Trade payables		**22,997,546**	19,569,690
Unearned rental income		**25,332,326**	33,744,438
Management fees payable	4,10	**98,489,044**	87,094,914
Accrued expenses and other liabilities		**43,432,103**	37,757,701
Employee defined benefit obligations		**5,540,356**	4,852,072
Total liabilities		**1,575,203,104**	1,559,241,318
Net assets attributable to unitholders		**1,058,629,655**	1,159,980,393
Units in issue (number)		**171,697,101**	171,697,101
Net asset value per unit - at carrying value		**6.17**	6.76
Net asset value per unit - at fair value	9	**9.41**	10.00

The accompanying notes form an integral part of these interim condensed consolidated financial statements

Riyad REIT Fund
A Real Estate Investment Traded Fund
(Managed by Riyad Capital)

Interim condensed consolidated statement of profit or loss and other comprehensive income
(Unaudited)
For the six-month period ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	**June 30, 2026**	June 30, 2025
Rental and operating income		**116,481,371**	121,199,317
Cost of revenue		**(29,271,053)**	(30,701,792)
Depreciation of property and equipment	6	**(10,079,520)**	(10,079,520)
Impairment of property and equipment	6	**(10,681,117)**	-
Depreciation of investment properties	7	**(6,196,801)**	(6,387,888)
Reversal of impairment of investment properties	7	**4,362,837**	6,560,247
Gross profit		**64,615,717**	80,590,364
Fund management fees	4,10	**(11,394,129)**	(11,792,033)
Property management expenses		**(4,573,910)**	(5,050,227)
Custody fees	10	**(50,000)**	(50,000)
Expected credit losses		**-**	(20,087,620)
General and administrative expenses		**(30,860,023)**	(31,206,118)
Operating profit		**17,737,655**	12,404,366
Dividend income from financial assets at FVTPL		**5,104,961**	3,527,019
Realised loss on financial assets at FVTPL		**(4,162,290)**	-
Unrealised loss on financial assets at FVTPL		**(49,740,456)**	-
Finance costs	10	**(43,405,912)**	(44,868,625)
Other income		**586,840**	3,057,352
Loss for the period		**(73,879,202)**	(25,879,888)
Other comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**(73,879,202)**	(25,879,888)

The accompanying notes form an integral part of these interim condensed consolidated financial statements

Interim condensed consolidated statement of changes in equity (Unaudited)
For the six-month period ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	**June 30, 2026**	June 30, 2025
Net asset value (equity) attributable to unitholders as at January 1		**1,159,980,393**	1,228,352,754
Total comprehensive loss for the period		**(73,879,202)**	(25,879,888)
Dividends declared during the period	13	**(27,471,536)**	(27,471,075)
Net asset value (equity) attributable to unitholders as at the end of the period		**1,058,629,655**	1,175,001,791

Riyad REIT Fund
A Real Estate Investment Traded Fund
(Managed by Riyad Capital)

Interim condensed consolidated statement of cash flow (Unaudited)
For the six-month period ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	June 30, 2026	June 30, 2025
Cash flows from operating activities		
Loss for the period	**(73,879,202)**	(25,879,888)
Adjustments for non-cash items:		
Depreciation of property and equipment	**10,079,520**	10,079,520
Impairment of property and equipment	**10,681,117**	-
Depreciation of investment properties	**6,196,801**	6,387,888
Reversal of impairment of investment properties	**(4,362,837)**	(6,560,247)
Realised loss on financial assets at FVTPL	**4,162,290**	-
Unrealised loss on financial assets at FVTPL	**49,740,456**	-
Finance costs	**43,405,912**	44,868,625
Expected credit loss allowance	**-**	20,087,620
	46,024,057	48,983,518
Changes in working capital:		
Inventory	**119,580**	(66,623)
Properties under development	**(11,063,213)**	(17,587,538)
Trade receivables	**(18,189,098)**	(16,722,627)
Prepayments and other assets	**2,418,675**	17,635,865
Trade payables	**3,427,856**	(302,511)
Unearned rental income	**(8,412,112)**	(6,326,772)
Management fees payable	**11,394,130**	11,792,033
Accrued expenses and other liabilities	**5,674,402**	2,547,650
Employees defined benefit obligations	**688,284**	499,713
Net cash generated from operating activities	**32,082,561**	40,452,708
Cash flows from investing activities		
Proceeds from sale of financial assets at FVTPL	**53,881,078**	-
Net cash generated from investing activities	**53,881,078**	-
Cash flows from financing activities		
Finance costs paid	**(40,216,687)**	(63,051,747)
Dividends paid	**(27,471,536)**	(27,471,075)
Net cash used in financing activities	**(67,688,223)**	(90,522,822)
Net change in cash and cash equivalents during the period	**18,275,416**	(50,070,114)
Cash and cash equivalents at the beginning of the period	**74,918,554**	112,212,026
Cash and cash equivalents at the end of the period	**93,193,970**	62,141,912

The accompanying notes form an integral part of these interim condensed consolidated financial statements

(All amounts in Saudi Riyals unless otherwise stated)

1- ORGANIZATION AND ACTIVITY

Riyad REIT Fund ("REIT" or the "Fund") is a closed-ended, Shariah-compliant traded real estate investment fund. The Fund operates in accordance with the Real Estate Investment Traded Funds Instructions and the Real Estate Investment Funds Regulations issued by the Capital Market Authority. The Fund is listed on the Saudi Stock Exchange ("Tadawul"), and its units are traded in accordance with the relevant laws and regulations. The Fund is managed by Riyad Capital (the "Fund Manager"), a single shareholder closed joint stock company in the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010239234, licensed by the Capital Market Authority under License No. 37-07070, and a subsidiary wholly owned (100%) by Riyad Bank. The units outstanding in the REIT total 171,697,101 units, and its term is ninety-nine years, extendable as the Fund Manager deems appropriate, subject to the approval of the Capital Market Authority.

The primary investment objective of the REIT is to provide investors with recurring income through investment in income-generating real estate assets located principally in the Kingdom of Saudi Arabia. While the real estate investment fund will invest primarily in such assets, it may also invest in real estate development projects, provided that:

a) it invests in developed, income-generating real estate assets amounting to not less than 75% of the Fund's total assets; and
b) the Fund does not invest in vacant land.

The Fund may also invest, on a secondary basis, in development opportunities that offer attractive growth prospects and address specialised real estate needs not currently available in certain locations, with investments in such development projects expected to generate added value for unitholders over the medium term. Over the longer term, the Fund's investment portfolio will continue to focus on attractive investments across diversified real estate sectors, including, but not limited to, offices, commercial showrooms, residential properties, hospitality facilities, warehouses, and others, with a view to building a diversified and stable income-generating real estate asset base for unitholders and achieving reasonable growth in the value of the portfolio.

These interim condensed consolidated financial statements comprise the accounts of the REIT Fund and its subsidiaries (collectively referred to as the "Group") as at June 30, 2026, and December 31, 2025.

Name of subsidiary	Principal activity	Country	Ownership interest and voting power held
Durrat Al-Dahiya Real Estate Development Company - Burj Rafal Hotel	Hotel	Kingdom of Saudi Arabia	100%
Durrat Hittin Hotel Company - Braira Hittin Hotel	Hotel	Kingdom of Saudi Arabia	100%
Rafal Hotel Company	Hotel	Kingdom of Saudi Arabia	100% (owner: Durrat Al-Dahiya)
Takhteet Al-Marafiq for Planning and Maintenance	Operation and maintenance	Kingdom of Saudi Arabia	100%
Shati Al-Khobar Real Estate	Hotel	Kingdom of Saudi Arabia	100%
Durrat Al-Fursan Hotels	Hotel	Kingdom of Saudi Arabia	100%

2- REGULATIONS

The Fund operates in accordance with the Real Estate Investment Funds Regulations issued by the Capital Market Authority, which set out the requirements that real estate investment funds and real estate investment traded funds operating in the Kingdom are required to follow.

3- BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. These Interim Condensed Consolidated Financial Statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. They should therefore be read together with the Fund's financial statements for the year ended December 31, 2025.

The interim period forms an integral part of the full financial year; however, the results of operations for interim periods may not be a fair indicator of the results of operations for the full year.

3-1 GENERAL CONSIDERATIONS

These Interim Condensed Consolidated Financial Statements have been prepared on the historical cost basis, except for investments at fair value through profit or loss, which are measured at fair value, and the employees' defined benefit obligation, which is measured at the present value of the future obligations using the projected unit credit method.

The Interim Condensed Consolidated Financial Statements are presented in Saudi Riyals, which is the functional currency of the Fund, and all amounts are rounded to the nearest Saudi Riyal unless otherwise stated.

4- SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The Fund exercises certain judgements and estimates relating to the future. Judgements and estimates are evaluated on an ongoing basis based on experience and other factors, including the expectation of future events believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. The significant estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those used in the consolidated financial statements for the year ended December 31, 2025.

MANAGEMENT FEES, OTHER EXPENSES AND DEALING FEES

MANAGEMENT FEES AND OTHER EXPENSES

On a semi-annual basis, the Fund Manager charges a management fee of 1.2% per annum of the Fund's net asset value as defined in the Fund's terms and conditions. The Fund also reimburses the Fund Manager for any other expenses incurred on behalf of the Fund, such as audit fees, legal fees, board remuneration and other similar charges.

DEALING FEES

In addition, the Fund Manager charges a one-time dealing fee at a rate of 1% on the purchase or sale price of the real estate assets.

5- MATERIAL ACCOUNTING POLICY INFORMATION

5-1 NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies and methods of computation applied in the preparation of these Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2025, except for the application of the new amendments effective from January 1, 2026. The Fund has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5-2 NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The new standards and amendments to standards disclosed in the Fund's consolidated financial statements for the year ended December 31, 2025 remain unchanged.

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 "Presentation of Financial Statements" and applies to six-month reporting periods beginning on or after January 1, 2027. The Fund's management has not early-adopted the new accounting standard in preparing these Interim Condensed Consolidated Financial Statements; however, early application is permitted.

The Fund's management is currently assessing the expected impact of the initial application of IFRS 18 on its Interim Condensed Consolidated Financial Statements.

STRUCTURE OF THE STATEMENT OF PROFIT OR LOSS
The Fund will present the new required subtotals, namely "operating profit or loss" and "profit or loss before financing and income tax", within the statement of profit or loss.

The Fund will also split the "other income, net" line between the operating and investing categories. Dividend income relating to investments, gains or losses arising on the net investment in leases and rental income will be reclassified from the operating category to the investing category. In contrast, the other items included within other income will continue to be classified within the operating category in accordance with the requirements of IFRS 18.

The Fund will also classify gains or losses arising on the remeasurement of investments at fair value through profit or loss, and finance income, within the investing category.

The Fund will classify interest costs relating to interest on bank borrowings, together with foreign exchange gains or losses associated with financing activities, within the financing category.

The Fund will continue to monitor its exposure to foreign currency exchange rate risk and will present the related foreign exchange gains or losses within the same category in which the income or expense arising from the item that gave rise to the exchange differences is classified.

MANAGEMENT-DEFINED PERFORMANCE MEASURES
The Fund is currently working to identify the general disclosures to be considered in determining management-defined performance measures (MPMs).

Management-defined performance measures relate to the same financial period covered by the financial statements. Accordingly, the MPMs to be disclosed by the Fund after the application of IFRS 18 will be determined based on the Fund's general disclosures relating to the interim financial period of 2027, and the Fund will provide the relevant disclosures within the notes to the financial statements regarding the management-defined performance measures, as required by IFRS 18.

(All amounts in Saudi Riyals unless otherwise stated)

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5-2 NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

Aggregation and disaggregation principles

It is expected that the aggregation and disaggregation principles introduced by IFRS 18 will change the presentation and aggregation of financial statement items. These requirements aim to reinforce transparency by ensuring material information is presented separately, rather than allowing dissimilar items to be obscured through aggregation.

The Fund expects to enhance the descriptions of certain items currently used in the financial statements to reinforce clarity and to be consistent with the objectives of IFRS 18.

Consequent amendments

IFRS 18 makes consequent amendments to IAS 7 "Statement of Cash Flows", which requires entities to use the updated sub-aggregation "operating profit or loss" as a commencement point to settle the cash flows from the operating activities when using the indirect method.

The Fund currently evaluates the requirements related to comparative information and application retrospectively upon the application of IFRS 18.

6- PROPERTY AND EQUIPMENT

The Fund Manager periodically reviews the carrying amounts of fixed assets to determine whether there is any indication of impairment in their value. An impairment loss, if any, is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, being the higher of the asset's fair value, less costs to sell, and its value in use. An impairment loss of SAR 10,681,117 was recognised during the six months ended June 30, 2026 (2025: SAR nil) in respect of one property, based on the periodic valuation reports provided by the Fund's independent valuers.

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Cost		
At January 1,	**1,047,723,295**	1,047,723,295
At the end of the period/year	**1,047,723,295**	1,047,723,295
Accumulated depreciation		
At January 1,	**(123,292,083)**	(103,133,043)
Charge for the period/year	**(10,079,520)**	(20,159,040)
At the end of the period/year	**(133,371,603)**	(123,292,083)
Accumulated impairment		
At January 1,	**-**	-
Charge for the period/year	**(10,681,117)**	-
At the end of the period/year	**(10,681,117)**	-
Net carrying amount at the end of the period/year	**903,670,575**	924,431,212

(All amounts in Saudi Riyals unless otherwise stated)

7- INVESTMENT PROPERTIES

All properties are registered in the name of Riyadh Real Estate Income Company (Special Purpose Company) or companies owned by the Special Purpose Company. The Special Purpose Company holds these properties for the beneficial ownership of the Fund and does not have any controlling interest or ownership interest in the properties.

The Fund Manager periodically reviews the investment properties to determine whether there is any impairment in their value. An impairment loss is recognised to the extent that the carrying amount of investment properties exceeds their recoverable amount, which is the higher of the assets' fair value, less costs to sell and their value in use. During the period ended June 30, 2026, an impairment reversal of SAR 4,362,837 was recognised (June 30, 2025: impairment reversal of SAR 6,560,247), based on the periodic valuation reports provided by the Fund's independent valuers.

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Cost		
As at January 1	**947,498,550**	986,383,550
Disposals	**-**	(38,885,000)
As at the end of the period/year	**947,498,550**	947,498,550
Accumulated depreciation		
At January 1	**(99,452,731)**	(91,067,602)
Charge for the period/year	**(6,196,801)**	(12,739,417)
Disposals	**-**	4,354,288
As at the end of the period/year	**(105,649,532)**	(99,452,731)
Accumulated impairment		
As at January 1	**(34,742,651)**	(50,239,735)
Reversal of impairment recognised in prior periods	**4,362,837**	15,497,084
As at the end of the period/year	**(30,379,814)**	(34,742,651)
Net carrying amount at the end of the period/year	**811,469,204**	813,303,168

8- ISLAMIC FINANCING

The Fund obtained Tawarruq -compliant (Islamic) financing facilities of the Tawarruq type from Riyadh Bank, bearing a variable profit rate of SAIBOR + 1%, maturing in 2031. Riyadh Bank secured these Islamic facilities through a mortgage/pledge over the following properties: Omniya Centre, the Desalination Building, JW Marriott Hotel, the Saudi Electronic University, Al-Olaya Tower, Ascott Corniche Al-Khobar, Residence, Vivenda, Al-Fursan Towers, Al-Raed Building, and Al-Tamayoz Centre.

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
As at January 1	**1,376,222,503**	1,393,666,200
Finance costs paid during the period/year	**(3,536,538)**	(20,980,236)
Accrued finance costs	**6,725,764**	3,536,539
As at the end of the period/year	**1,379,411,729**	1,376,222,503

(All amounts in Saudi Riyals unless otherwise stated)

9- IMPACT ON NET ASSET VALUE IF INVESTMENT PROPERTIES, PROPERTY AND EQUIPMENT, AND PROPERTIES UNDER DEVELOPMENT WERE MEASURED AT FAIR VALUE

The Fund Manager values the investment properties and property and equipment (including the project under construction of a similar nature) based on the average of two valuations prepared by two independent valuers. The net asset value is declared based on the market value derived from these valuations in accordance with the Fund's terms and conditions and the Capital Market Authority's regulations. In accordance with International Financial Reporting Standards, these assets are measured in these financial statements at cost less accumulated depreciation and impairment, if any. Accordingly, the fair value below is for disclosure only and has not been recognised in the Fund's records. The fair value of the investment properties is disclosed pursuant to the requirements of IAS 40, which requires this even under the cost model; the fair value of the property and equipment and the properties under development is additionally disclosed to meet the requirements of the terms and conditions and the Authority's regulations. It does not constitute application of the revaluation model under IAS 16.

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Valuation of property and equipment, investment properties, and properties under development		
First valuation	**2,359,030,000**	2,375,570,000
Second valuation	**2,427,270,000**	2,434,032,000
Average	**2,393,150,000**	2,404,801,000

Management used the average of the two valuations for the purpose of disclosing the fair value of the investments and property development.

The investment properties and properties under development were valued taking into account a number of factors, including the area and type of property, and valuation techniques that rely to a significant extent on unobservable inputs, including financial analysis, land subdivision analysis, the cost approach, the direct comparison approach and the residual value approach.

Below is an analysis of the fair value of the investment properties and properties under development compared with their cost:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Average fair value of property and equipment, investment properties, and properties under development	**2,393,150,000**	2,404,801,000
Less: carrying amount		
- Property and equipment (note 6)	**(903,670,575)**	(924,431,212)
- Investment properties (note 7)	**(811,469,204)**	(813,303,168)
- Properties under development	**(122,129,268)**	(111,066,055)
Excess of estimated fair value over carrying amount	**555,880,953**	556,000,565
Units in issue (number)	**171,697,101**	171,697,101
Excess value per unit from estimated fair value	**3.24**	3.24

(All amounts in Saudi Riyals unless otherwise stated)

9- IMPACT ON NET ASSET VALUE IF INVESTMENT PROPERTIES, PROPERTY AND EQUIPMENT, AND PROPERTIES UNDER DEVELOPMENT WERE MEASURED AT FAIR VALUE (CONTINUED)

Net asset value attributable to unitholders:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Net asset value before fair value adjustment	**1,058,629,655**	1,159,980,393
Excess of estimated fair value over carrying amount	**555,880,953**	556,000,565
Net asset value after the fair value	**1,614,510,608**	1,715,980,958

Net asset value attributable to each unit:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Book value of assets before fair value adjustments	**6.17**	6.76
Estimated fair value surplus attributable to each unit	**3.24**	3.24
	9.41	10.00

All properties are registered in the name of Riyad Real Estate Income Company (the "Company") or companies owned by the Company. The Company holds these properties for the beneficial ownership of the Fund and does not hold any controlling interest or give rise to any risks on the property.

10- RELATED PARTY BALANCES AND TRANSACTIONS

The Fund's related parties include Riyad Capital (the Fund Manager), Riyad Bank (a shareholder in Riyad Capital), Kasb Financial (the Fund's Custodian) and the hotel operators.

The Fund transacts with related parties in the ordinary course of business. Related party transactions are governed by the restrictions of the regulations issued by the Capital Market Authority. The Fund's board approves all transactions with related parties of directors.

The following are the most significant related party transactions carried out by the Fund during the period/year and the resulting balances:

Name of the related party	**Nature of transaction**	**June 30, 2026**	June 30, 2025
Riyad Bank	Finance cost	**43,405,912**	44,868,625
	Bank commissions	**145,053**	1,787
Riyad Capital	Fund management fees	**11,394,129**	11,792,033
KASB Capital	The Fund's Custodian	**50,000**	50,000

Due from related parties

	June 30, 2026	December 31, 2025
Riyad Bank	**2,353,892**	3,371,290
Riyad Capital	**129,035,973**	105,928,565
	131,389,865	109,299,855

(All amounts in Saudi Riyals unless otherwise stated)

10- RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Due to related parties

	June 30, 2026	December 31, 2025
Riyad Bank	**1,379,411,729**	1,376,222,503
Riyad Capital	**98,489,044**	87,094,914
	1,477,900,773	1,463,317,417

The total benefits of key management personnel consist of the following:

	June 30, 2026	December 31, 2025
Board of Directors' Remuneration	**65,000**	65,000
Total Benefits of Key Management Personnel	**65,000**	65,000

11- FAIR VALUE MEASUREMENT

Financial assets comprise trade receivables and other assets. Financial liabilities comprise unearned rental income and accrued management fees. The fair values of the financial assets and financial liabilities do not differ materially from their carrying amounts.

The following table sets out the fair values of the financial instruments and investment properties disclosed at the end of the reporting period:

	Level 1	**Level 2**	**Level 3**	**Total**
June 30, 2026 (Unaudited)				
Financial assets at FVTPL	**-**	**-**	**587,563,701**	**587,563,701**
Property and equipment (note 6)	**-**	**-**	**1,226,352,633**	**1,226,352,633**
Investment properties (note 7)	**-**	**-**	**1,166,797,367**	**1,166,797,367**
	-	**-**	**2,980,713,701**	**2,980,713,701**
December 31, 2025 (Audited)				
Financial assets at FVTPL	-	-	695,347,524	695,347,524
Property and equipment (note 6)	-	-	1,242,429,500	1,242,429,500
Investment properties (note 7)	-	-	1,162,371,500	1,162,371,500
	-	-	3,100,148,524	3,100,148,524

The fair value of the Fund's financial assets at FVTPL is classified under Level 3 of the fair value hierarchy. It is determined based on the net asset values, considering the most recently available financial information for these assets.

There were no transfers between the different levels of the fair value hierarchy during the current period or the prior year.

(All amounts in Saudi Riyals unless otherwise stated)

12- OPERATING SEGMENTS

The Fund's primary operations are carried out in the Kingdom of Saudi Arabia. Transactions between operating segments are conducted on normal commercial terms and conditions. Set out below are the Fund's total assets and liabilities as at June 30, 2026, and December 31, 2025, and its total revenues, operating expenses, and the results for the period ended on June 30, 2026 and 2025, by operating segment.

12-1 Operating segment information as at June 30, 2026 (unaudited):

For the period ended June 30, 2026	**Leasing (Note 7)**	**Third-party managed hotels (Note 6)**	**Financial assets at FVTPL (Note 11)**	**Unallocated**	**Total**
Rental income	**35,166,702**	**-**	**-**	**-**	**35,166,702**
Hotel room revenue	**-**	**61,107,448**	**-**	**-**	**61,107,448**
Food and beverage revenue	**-**	**18,939,563**	**-**	**-**	**18,939,563**
Other operating departments' revenue	**-**	**1,267,658**	**-**	**-**	**1,267,658**
Hotel room costs	**-**	**(16,073,399)**	**-**	**-**	**(16,073,399)**
Food and beverage costs	**-**	**(11,650,277)**	**-**	**-**	**(11,650,277)**
Other operating departments' costs	**-**	**(1,547,377)**	**-**	**-**	**(1,547,377)**
Depreciation of property and equipment	**-**	**(10,079,520)**	**-**	**-**	**(10,079,520)**
Impairment of property and equipment	**-**	**(10,681,117)**	**-**	**-**	**(10,681,117)**
Depreciation of investment properties	**(6,196,801)**	**-**	**-**	**-**	**(6,196,801)**
Reversal of impairment of investment properties	**4,362,837**	**-**	**-**	**-**	**4,362,837**
Gross profit	**33,332,738**	**31,282,979**	**-**	**-**	**64,615,717**
Property management expenses	**(1,368,158)**	**(3,205,752)**	**-**	**-**	**(4,573,910)**
Fund management fees	**(11,394,129)**	**-**	**-**	**-**	**(11,394,129)**
Fund's custodian fees	**(50,000)**	**-**	**-**	**-**	**(50,000)**
General and administrative expenses	**(3,248,053)**	**(27,611,970)**	**-**	**-**	**(30,860,023)**
Net operating profit	**17,272,398**	**465,257**	**-**	**-**	**17,737,655**
Dividend income from financial assets at FVTPL	**-**	**-**	**5,104,961**	**-**	**5,104,961**
Realised loss on financial assets at FVTPL	**-**	**-**	**(4,162,290)**	**-**	**(4,162,290)**
Unrealised loss on financial assets at FVTPL	**-**	**-**	**(49,740,456)**	**-**	**(49,740,456)**
Finance costs	**-**	**-**	**-**	**(43,405,912)**	**(43,405,912)**
Other income	**-**	**-**	**-**	**586,840**	**586,840**
Net loss for the period	**17,272,398**	**465,257**	**(48,797,785)**	**(42,819,072)**	**(73,879,202)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**17,272,398**	**465,257**	**(48,797,785)**	**(42,819,072)**	**(73,879,202)**
As at June 30, 2026:					
Total Assets	**933,598,472**	**958,212,535**	**587,563,701**	**154,458,051**	**2,633,832,759**
Total Liabilities	**42,760,371**	**54,541,960**	**-**	**1,477,900,773**	**1,575,203,104**

(All amounts in Saudi Riyals unless otherwise stated)

12- OPERATING SEGMENTS (CONTINUED)

For the period ended June 30, 2025: (Unaudited)	Leasing (Note 7)	Third-party managed hotels (Note 6)	Financial assets at FVTPL (Note 11)	Unallocated	Total
Rental income	29,104,079	-	-	-	29,104,079
Hotel room revenue	-	66,339,101	-	-	66,339,101
Food and beverage revenue	-	23,004,077	-	-	23,004,077
Other operating departments' revenue	-	2,752,060	-	-	2,752,060
Room costs	-	(15,257,951)	-	-	(15,257,951)
Food and beverage costs	-	(13,898,487)	-	-	(13,898,487)
Reversal of impairment of investment properties	6,560,247	-	-	-	6,560,247
Other operating costs	-	(1,545,354)	-	-	(1,545,354)
Depreciation of property and equipment	-	(10,079,520)	-	-	(10,079,520)
Depreciation of investment properties	(6,387,888)	-	-	-	(6,387,888)
Gross profit	29,276,438	51,313,926	-	-	80,590,364
Property management expenses	(1,224,800)	(3,825,427)	-	-	(5,050,227)
Fund management fees	(11,792,033)	-	-	-	(11,792,033)
Fund's custodian fees	(50,000)	-	-	-	(50,000)
Expected credit loss allowance	(20,087,620)	-	-	-	(20,087,620)
General and administrative expenses	(1,864,190)	(29,341,928)	-	-	(31,206,118)
Net operating profit	(5,742,205)	18,146,571	-	-	12,404,366
Dividend income from financial assets at FVTPL	-	-	3,527,019	-	3,527,019
Finance costs	-	-	-	(44,868,625)	(44,868,625)
Other income	-	-	-	3,057,352	3,057,352
Net loss for the period	(5,742,205)	18,146,571	3,527,019	(41,811,273)	(25,879,888)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	(5,742,205)	18,146,571	3,527,019	(41,811,273)	(25,879,888)
As at December 31, 2025: (Audited)					
Total Assets	924,369,223	971,394,379	695,347,524	128,110,585	2,719,221,711
Total Liabilities	48,960,734	46,963,167	-	1,463,317,417	1,559,241,318

13- DIVIDENDS

On March 25, 2025, the Fund's Board of Directors approved dividends for the six-month financial period ended December 31, 2024, of SAR 0.16 per unit, totalling SAR 27.47 million in favour of the unitholders.

On August 25, 2025, the Fund's Board of Directors approved dividends for the six-month financial period ended June 30, 2025, of SAR 0.16 per unit, totalling SAR 27.47 million in favour of the unitholders.

On March 31, 2026, the Fund's Board of Directors approved dividends for the six-month financial period ended December 31, 2025, of SAR 0.16 per unit; the total dividends paid during the six months ended June 30, 2026, amounted to SAR 27.47 million in favour of the unitholders.

14- CHANGES IN THE FUND'S TERMS AND CONDITIONS

There were no material changes to the Fund's terms and conditions during the period ended June 30, 2026.

15- LAST VALUATION DAY

The last valuation day for the period is June 30, 2026.

16- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These Interim Condensed Consolidated Financial Statements were approved by the Fund's Board of Directors on Safar 27, 1448H, corresponding to August 10, 2026G.