

Al Aziziah REIT Fund Annual Report

2025



Table of Contents

Table of Contents	2	Non-Material Changes During the Period	11
Fund Overview	3	Material Changes During the Period	12
Assets Targeted for Investment by the Fund	4	Fund Board Members	12
Fund Objectives	4	Description of the Nature of Services Provided by the Fund's Board Members	13
Fund Investment Assets and the Ratio of Leased Property Value to Total Real Estate Portfolio Value	5	Fund Performance and the Extent to Which Its Objectives Have Been Achieved	14
Ratio of rental income per asset to the fund's total rental income	6	Fund Board Report on Discussed Matters and Issued Resolutions, Including Fund Performance and the Extent of Achieving Its Objectives	15
Uncollected Revenue to Total Revenue Ratio, Non-Cash Expenses to Fund Net Profit Ratio	7	Board of Directors' Notifications and Resolutions	16
A table comparing the fund's performance over the past three fiscal years	8	Risk Assessment Report	17
Performance Record	9	Financial Statements for the Year Ended 31 December 2025	36
Service Fees, Commissions & Expenses to External Parties During the Year, and the Total Expense Ratio	10	Shariah Auditor's Report	37





Fund Overview

Al Aziziah REIT is a closed-ended Sharia-compliant real estate investment traded fund. It operates under the supervision of the Capital Market Authority (CMA) and in accordance with the Real Estate Investment Funds Regulations. The fund's units were listed on the Main Market (Saudi Exchange - Tadawul) in January 2018, and its units are traded according to the rules and regulations applicable in the Saudi financial market.

The fund aims to invest in structurally developed real estate assets capable of generating periodic rental income, thereby contributing to providing regular cash distributions to unitholders and growing the value of the fund's assets over the long term. The fund may also invest in the development or redevelopment of certain real estate assets in line with its strategy and relevant regulations.

The fund's term is 99 years from the date of its listing, and its initial asset size was approximately 572,400,000 Saudi Riyals at inception. The fund is managed by Al Wasatah Al Maliah Company (Wasatah Capital) in its capacity as the Fund Manager.

The fund manager is keen on managing the fund's assets efficiently to achieve the best interests of the unitholders by diversifying real estate investments, improving asset performance, and maximizing returns in compliance with the fund's strategy and relevant rules and regulations.





Assets Targeted for Investment by the Fund

The fund targets investment in structurally developed, income-generating real estate assets within the Kingdom of Saudi Arabia for no less than 75% of its total asset value. It may also invest in real estate assets outside the Kingdom of Saudi Arabia at a percentage not exceeding 25% of the fund's total asset value, in accordance with the fund's terms and conditions and relevant regulations.

Fund Objectives

The fund aims to invest in structurally developed real estate assets capable of generating periodic rental income, thereby contributing to the achievement of continuous returns and the growth of the fund's asset value. The fund is also committed to distributing no less than (90%) of its annual net profits in cash to unitholders throughout the fund's term, in accordance with the fund's terms and conditions and relevant regulations.





Fund Investment Assets and the Ratio of Leased Property Value to Total Real Estate Portfolio Value

I-Offices Building

Description	Location	Land Area	Occupancy Rate	Value as a Percentage of total Assets
Office Building	Riyadh	6,155.8 sqm2	100%	34.22%

Eskan 4

Description	Location	Land Area	Occupancy Rate	Value as a Percentage of total Assets
Hospitality	Makkah	1,287.97 sqm2	100%	25.90%

Eskan 5

Description	Location	Land Area	Occupancy Rate	Value as a Percentage of total Assets
Hospitality	Makkah	1,382.73 sqm2	100%	19.27%

Eskan 6

Description	Location	Land Area	Occupancy Rate	Value as a Percentage of total Assets
Hospitality	Makkah	1,458 sqm2	100%	18.42%

*All Data based on book value



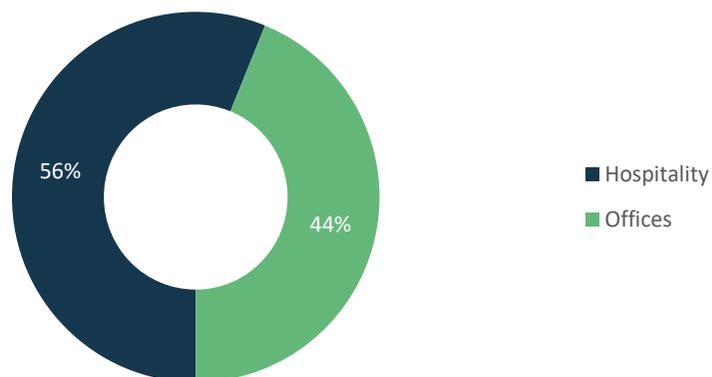


Ratio of rental income per asset to the fund's total rental income

	Property Name	Total Annual Rent	Value as a Percentage of total Fund rent
1	I-Offices	11,137,770	53.65%
2	Eskan 4	2,947,548	14.20%
3	Eskan 5	4,140,000	19.94%
4	Eskan 6	2,535,139	12.21%
	Total	20,760,456	100.00%

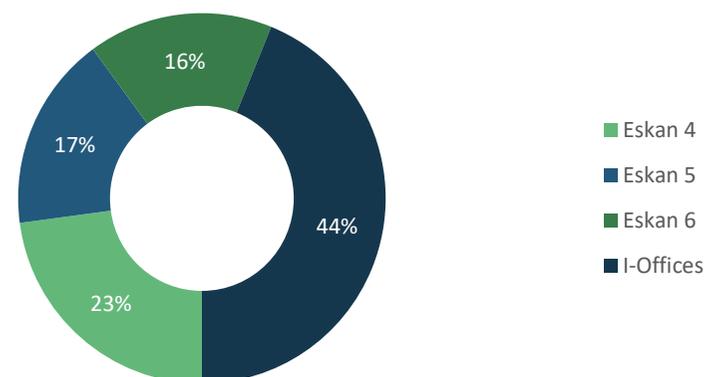
All numbers in SAR

Distribution of the Fund's Portfolio Activities by Sector



Based on the Real Estate Market Value As of December 2025 *

Distribution of the Fund's portfolio Activities by Assets



Based on the Real Estate Market Value As of December 2025 *



Uncollected Revenue to Total Revenue Ratio, Non-Cash Expenses to Fund Net Profit Ratio

Uncollected Revenue to Total Revenue Ratio

Property Name	Collected Rent Rate	Uncollected Rent rate
I-Offices	100%	0%
Eskan 4	98.98%	1.02%
Eskan 5	100%	0%
Eskan 6	99.54%	0.46%

Non-Cash Expenses to Fund Net Profit Ratio is 66.71%*

Depreciation expense reached SAR (9,706,362) offset by a SAR 9,086,292 reversal of impairment provision for investment properties

Description of the Fund's Benchmark Index

Not Applicable

A table comparing the fund's performance over the past three fiscal years

Peroperty Name	2023	2024	2025
Fund Net Asset Value (NAV)	357,958,060	243,035,919	242,106,467
Net Asset Value (NAV) per Unit	6.25	4.25	4.23
Highest Net Asset Value (NAV) per Unit	6.32	4.47	4.25
Lowest Net Asset Value (NAV) per Unit	6.25	4.25	3.83
Number of Units Issued at the end of the Fiscal Year	57,240,000	57,240,000	57,240,000
Distribution per Unit	-	-	-
Expense Ratio to Total Fund Assets	%6.48	%3.69	%5.38
Borrowing / Leverage Ratio to Total Fund Assets	%29.61	%31.24	%33.42
Comparison of Fund Performance vs. Benchmark Index Performance	Not Applicable	Not Applicable	Not Applicable

*Excluding depreciation and reversal of impairment in investment properties. ** Based on market value. *** All figures are in Saudi Riyals (SAR) and based on book value, except for the borrowed assets ratio.

Current Loan Details

On March 09, 2021, the fund obtained a Shariah-compliant bank financing worth SAR 149,891,640 from Riyadh Bank. As of December 31, 2025, the estimated exposure period is 0.69 years, with the loan principal due for repayment on 09/09/2026.

Performance Record

A- Total return for one year, three years, five years, and since inception.

Period	One year	three years	Five years	Since inception
Based on unit price	2.02%	-27.73%	-49.50%	-59.60%
Base on fair value of the Fund's Net Asset Value (NAV) per unit.	-0.38%	-40.98%	-51.69%	-57.70%

*All figures are reported based on book value

B- Total return for each of the last ten fiscal years (or since inception)

Period	2018	2019	2020	2021	2022	2023	2024	2025
Based on unit price	-28.60%	13.59%	-1.36%	7.13%	-34.77%	-18.60%	-12.97%	2.02%
Base on fair value of the Fund's Net Asset Value (NAV) per unit.	1.70%	-0.92%	-13.11%	0.20%	-18.32%	-12.73%	-32.10%	-0.38%

*All figures are reported based on book value



Service Fees, Commissions & Expenses to External Parties During the Year, and the Total Expense Ratio

	Fees	2025	Value as a Percentage of total Fund rent
1	Management Fees	469,230	0.12%
2	Custody Fees	194,524	0.05%
3	Fund Administration Fees	92,929	0.02%
4	External Auditor Fees	45,375	0.011%
5	Regulatory Fees	7,500	0.002%
6	Independent Board Members' Remuneration	25,000	0.01%
7	Edaa Expense	400,000	0.10%
8	Listing Fees in the Financial Market	77,318	0.02%
9	Valuation Fees	111,978	0.03%
10	Depreciation Expense	9,706,362	2.45%
11	Shariah Board Fees	18,802	0.00%
12	Finance Costs	11,075,698	2.80%
13	Property Management and Collection Fees	1,327,294	0.34%
14	Property Maintenance Expenses	30,393	0.01%
15	Other Fees	852,424	0.22%
16	Allowance for Doubtful Debts	2,609,407	0.66%
17	Write-off of other receivable balances	3,973,910	1.00%
18	Reversal of Impairment on Investment Properties	(9,086,292)	-2.29%
19	Total Expenses and Fees Incurred During the Year	21,931,850	5.54%

*All numbers in SAR

Special commissions received by the fund manager during the period, their nature, and how they were utilized.

Not Applicable



Non-Material Changes During the Period

Non-Material Changes During the Period
<p>1. Change in the Membership of the Board of Directors of SICO Saudi REIT Fund Resignation of Board Member Bassam Abdulaziz Noor – (Chairman of the Board – Non-Independent)</p>
<p>2. Change in the Membership of the Board of Directors of SICO Saudi REIT Fund Appointment of Board Member Wissam Haddad (Chairman of the Board – Non-Independent)</p>
<p>3. Appointment of a new Custodian for the fund. Approval of the fund's Board of Directors on a non-fundamental change effective 30/10/2025, including appointing Albilad Investment Company as custodian instead of Riyadh Capital, in addition to updating the fund manager address.</p>
<p>4. Change in the Board of Directors membership of SICO Saudi REIT Fund (Board Restructuring) The Capital Market Authority's approval has been obtained for the reconstitution of the Fund's Board of Directors, such that the board composition shall be as follows: Mr/Abdulaziz bin Abdullah AlHamid - Chairman of the fund's board Mr/Saud bin Othman Alrashudi – Member of the Fund's Board of Directors Mr/Abdulaziz bin Nasser Alsoryai – Member of the Fund's Board of Directors Mr/Abdulmohsin bin Yahya AlJohaimy – Member of the Fund's Board of Directors</p>
<p>5. Update to the Terms and Conditions of Al Aziziah REIT Fund A comprehensive update has been conducted on the Terms and Conditions of Al Aziziah REIT Fund. This update included a number of non-fundamental changes, including: changing the name and logo, updating the data of the Fund Manager and the Board of Directors, and amending certain clauses of the Terms and Conditions, the Manual, and the Summary. Additionally, it involved updating investment strategies, financial statements, conflict of interest policies, periodic reports, complaint procedures, and the financial summary.</p>
<p>6. Appointment of the Auditor and Amendment of the Sharia Committee Remuneration Mechanism: The Terms and Conditions of Al Aziziah REIT Fund have been updated to appoint RSM Allied Accountants Professional Services as the auditor, replacing Ernst & Young (EY), without any change to the audit fees. Additionally, the payment mechanism for the Sharia Supervisory Committee's remuneration has been amended so that it is now borne by the Fund Manager instead of the Fund, without any material impact on the Fund's operations..</p>



Material Changes During the Period

Material Changes During the Period

The voluntary withdrawal of the previous Fund Manager (SICO Capital), following the approval of the Capital Market Authority (CMA) and the General Assembly to appoint Al Wasatah Al Maliah Company (Wasatah Capital) as the successor Fund Manager, effective from 29/07/2025

Fund Board Members

Mr/ Abdulaziz Abdullah AlHumaid	Chairman of the Board – Non-Independent Member
Mr/ Saud Othman AlRushoudi	Fund Board Member – Non-Independent Member
Mr/ Abdulaziz Nasser Alsuraea	Fund Board Member – Independent Member
Mr/ Abdulmohsen Yahya AlJohaimi	Fund Board Member – Independent Member





Description of the Nature of Services Provided by the Fund's Board Members

1. Approval of all contracts, resolutions, and key reports in which the Fund is a party.
2. Reviewing reports that include evaluation of the performance and quality of services provided by professional parties delivering the Fund's core services.
3. Adopting a written policy related to voting rights associated with the Fund's assets.
4. Supervising — where appropriate — and approving any conflict of interest disclosed by the Fund Manager.
5. Holding meetings at least twice annually with the compliance committee and ensuring the Fund Manager's compliance with all relevant regulations and rules related to the Fund.
6. Approving all changes stipulated in Articles (26) and (27) of the Real Estate Investment Funds Regulations before the Fund Manager obtains approval from unit holders or notifying them (where applicable).
7. Ensuring completeness of the Fund's terms and conditions, governance document, and any other supporting document (whether contractual or otherwise), including disclosures related to the Fund, its manager, and its administration, and ensuring compliance with the Real Estate Investment Funds Regulations.
8. Ensuring the Fund Manager performs its responsibilities in the best interest of unit holders in accordance with the Real Estate Investment Funds Regulations, the Fund's terms and conditions, and Sharia supervisory committee resolutions.
9. Evaluating the Fund Manager's approach to risks related to the Fund's assets according to policies and procedures for identifying risks and how they are managed.
10. Acting with honesty, integrity, care, skill, and diligence in a manner that serves the best interests of unit holders.
11. Documenting meeting minutes that include all facts of meetings and decisions taken by the Fund's Board of Directors.
12. Reviewing reports covering all complaints and actions taken regarding them.



Fund Performance and the Extent to Which Its Objectives Have Been Achieved

Strategic Transformation in Fund Management

During 2025, the Fund underwent a fundamental administrative transformation. Based on the extraordinary general assembly meeting held on 26 June 2025, unit holders approved the voluntary withdrawal of SICO Capital from fund management. During the meeting, voting also took place on appointing Al Wasatah Al Maliah (Wasatah Capital) as fund manager. Following that, the Capital Market Authority approval was issued on 29 July 2025 for the withdrawal request and appointment of Al Wasatah Al Maliah (Wasatah Capital) as fund manager. Wasatah Capital officially assumed fund management duties on 22 October 2025. As part of completing the new governance framework, the CMA approved the reconstitution of the Fund Board on 4 November 2025. This marks the beginning of a new phase aimed at enhancing value for unit holders

Operational Performance and Contract Management

The Fund's properties maintained stable operational performance by preserving a 100% full occupancy rate, reflecting the effectiveness of tenant retention strategies and ensuring sustainable returns. In this context, the Fund manager succeeded in improving the current leasing cycle through renewing lease contracts for Eskin Towers (4, 5, 6) and the associated commercial shops in Makkah with a single anchor tenant for three years. This included reviewing and adjusting rental values, resulting in a 47% increase, as part of management efforts to enhance returns from existing assets in line with the investment policy. This will positively and directly reflect on the Fund's recurring operating income growth

Financial Settlements and Receivables Collection

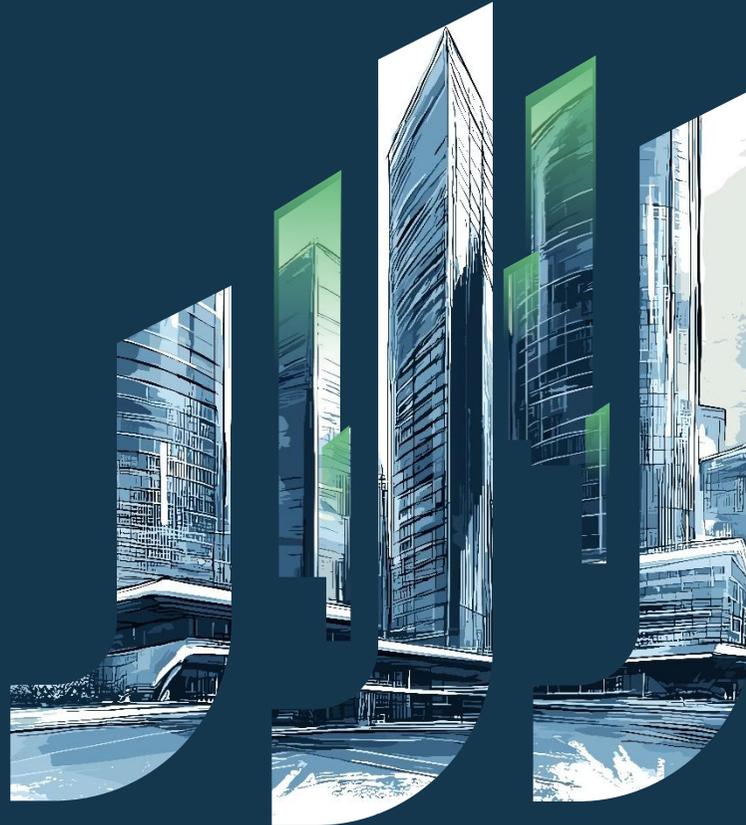
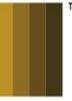
In parallel with strengthening financial solvency and protecting unit holders' rights, the Fund manager exerted intensive efforts in following up outstanding and historical financial claims. These efforts resulted in collecting SAR 2,000,000 representing dues for 2018 and 2019 from the former tenant Eskin Development and Investment Company. This settlement supports the Fund's financial position by adding cash liquidity resulting from resolving prior legal and financial files

Fund Board Report on Discussed Matters and Issued Resolutions, Including Fund Performance and the Extent of Achieving Its Objectives

Date	Summary of key items and resolutions passed.
Meeting Number (1) for 2025 on date 30/06/2025	<ol style="list-style-type: none"> 1. A change in the fund's ownership structure was disclosed, where one owner exited their entire stake of (25.69%) in favor of a nother investor, whose stake subsequently rose to (28.25%). 2. Unitholders approved the withdrawal of the previous manager and the appointment of a new manager on June 26, 2025, pending regulatory approvals from the CMA. 3. The fund received an offer to purchase an asset for (155) million SAR, exceeding the net purchase price by (20) million SAR, which is currently being studied 4. Legal action is being evaluated to claim (4) million SAR for tax entitlements and electricity bills; the relevant party was previously addressed and procedures will follow. 5. Board members confirmed no conflicts of interest, and independent members affirmed their continued independence according to regulatory requirements.
Date	Summary of key items and resolutions passed.
Meeting Number (2) for 2025 on date 11/11/2025	<ol style="list-style-type: none"> 1. A brief presentation was delivered on Al Aziziah REIT (formerly SICO Saudi REIT), including the most prominent updates regarding the fund's operations. 2. Approval was granted to appoint an engineering firm to define property boundaries, alongside reviewing the previous board meeting's results. 3. The fund's strategy and the work plan for the upcoming period were reviewed. 4. Approval was granted to appoint a legal advisor, auditor, and board secretary, plus renewing the insurance and appointing a property manager for I-Offices. 5. Approval was granted for a tax provision of SAR 3,699,625 and the renewal of the Makkah Towers lease for 2026–2028. 6. The delegation of authority matrix and updated board governance framework were approved to enhance the clarity of roles

Board of Directors' Notifications and Resolutions

	Date	Content of the Resolution / Notice
1	2025/07/17	Approval of the previous Board of Directors to appoint Albilad Capital as custodian instead of Riyad Capital.
2	2025/11/04	Approval of the Board of Directors on the updated terms and conditions of Al Aziziah REIT Fund Copy 24
3	2025/11/05	Board approval to appoint Sadarah Law Firm as legal advisor, including handling the financial claims file to recover amounts due to the fund for the years 2018 and 2019.
4	2025/12/01	Board notification regarding governance matters of the Board of Directors of Al Aziziah REIT Fund.
5	2025/12/11	Board approval to appoint representatives for Al Aziziah REIT Fund.
6	2025/12/30	Notification to the Board of Directors regarding the collection of a SAR 2,000,000 debt from Iskan Development and Investment Company



Risk Assessment Report



The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
1	No Guarantee of Investment Return	"The value of units may decrease, and investors may lose some or part of their invested capital	Medium	30	Studying various opportunities to select the most suitable ones in terms of Return on Investment (ROI) and low risk levels.	MEDIUM	Beyond Management Control (Related to External Circumstance)
2	Risk of Non-Compliance with the Relevant Regulations	Negative impacts on the fund's performance, suspension of trading, and delisting.	High	30	Commitment to periodic review of regulatory requirements and enhancing governance and internal control systems to ensure compliance.	HIGH	Beyond Management Control (Related to External Circumstance)
3	Market Liquidity Risk	Liquidity risk within the Saudi Exchange	Very High	50	The Fund Manager recommends that investors consult a financial advisor prior to purchasing units in the fund to obtain professional advice and guidance.	HIGH	Implemented
4	Price Fluctuation Risk	A negative impact on the market value of the units.	Medium	15	The Fund Manager recommends that investors consult a financial advisor before purchasing units in the fund to obtain professional advice and guidance.	MEDIUM	Implemented

The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
5	Risk of Trading at a Lower Price than the Initial Offering Price	Units trading at a price lower than their initial offering price.	Very High	50	The Fund Manager recommends that investors consult a financial advisor prior to purchasing units in the fund to obtain professional advice and guidance.	HIGH	Beyond Management Control (Related to External Circumstance)
6	Distributions Volatility Risk	Reduction in distributions due to unforeseen events	High	20	Maintaining healthy occupancy rates for the fund's properties and scheduling capital expenditures (CapEx) to minimize their impact on distributions.	HIGH	Implemented
7	Risk of Increased Sale of Units	Decrease in unit price	Low	10	The Fund Manager has no control over or influence on investors' decisions in this regard.	LOW	Implemented
8	Risk of Reflection of Fundamental Value	A negative impact on the market price of the unit.	Medium	20	Ensuring the fund's sound performance, effective property management, and transparency in disclosure and reporting to enable investors to take necessary actions.	MEDIUM	Implemented

The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
9	Risk of Restrictions on Funding for Future Acquisitions	Difficulty in acquiring new properties.	Medium	30	The Fund Manager ensures the selection of economically viable properties with strong returns to secure approval from the financing bank.	MEDIUM	Implemented
10	Risk of No History of Fund Operations	Negatively affecting the fund's returns.	Medium	20	Maintaining high occupancy rates for the fund's properties and leasing any existing vacancies as soon as possible.	MEDIUM	Implemented
11	Availability of Appropriate Investments	The scarcity of investments that align with the fund's objectives limits its ability to expand and achieve target returns.	Medium	20	Continuous market monitoring and diversifying investment sourcing to enhance the potential for acquiring suitable assets.	MEDIUM	Implemented
12	Sharia Restrictions	Divesting from the investment, or a portion of it, or a portion of the income	Medium	30	The fund refers all its investments to the appointed Shari'ah Board to review the fund's investments and affairs.	MEDIUM	Implemented

The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
13	Unrestricted use of Fund's Proceeds	It may lead to inefficient liquidity deployment and a potential impact on the fund's returns.	High	35	Developing clear policies for revenue allocation and monitoring their utilization in accordance with the approved investment strategy.	HIGH	Implemented
14	Changes in Market Conditions	Asset values and rental levels may be affected, which in turn would reflect on the fund's performance and returns	Very High	25	Diversifying investments and periodically monitoring market indicators to adjust the strategy as needed.	HIGH	Implemented
15	Non-Participation in Management:	Avoiding influence on decision-making	Medium	35	The Fund Manager adheres to the Fund's Terms and Conditions, the Investment Funds Regulations, and the Board of Directors' resolutions regarding fund management; investors have no participation rights in investment decisions.	MEDIUM	Implemented
16	Dependence on Key Personnel	Impact on the fund's performance	Medium	15	Highly qualified and experienced personnel are recruited, and management staff undergo continuous training to maintain the fund's sound performance.	MEDIUM	Implemented



The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
17	Risk of Increase of Management Fees Percentage on Fund's Income	It may lead to a decrease in net income and a decline in distributed returns to investors	Medium	35	Periodically reviewing the fee structure in alignment with the fund's performance	MEDIUM	Implemented
18	Conflicts of Interest Risk	Making suboptimal investment decisions that do not serve the fund's best interests	Medium	25	Implementing clear governance policies, disclosing conflicts of interest, and strengthening internal controls	MEDIUM	In Progress
19	Acquisition of Initial Real Estate Assets	It may result in negative impacts on the fund's returns and the investors	Medium	30	Conducting due diligence and independent valuations of real estate assets to ensure their investment suitability.	MEDIUM	In Progress
20	Concentration on Real Estate Sector	Impact on the fund's cash flows and financial position	Medium	20	the Fund Manager is keen on diversifying investments in terms of sector activity and geographical concentration.	MEDIUM	Implemented





The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
21	Real Estate General Risk	"Difficulty of exiting real estate investments.	Medium	20	Despite the fund's 99-year duration, the Fund Manager leverages an extensive network of real estate agents to facilitate asset disposals whenever an exit strategy is deemed optimal	MEDIUM	In Progress
22	Risks of Commercial Real Estate Market	Impacted yields and a decline in real estate valuations.	Medium	35	The Fund Manager ensures diversification across various real estate activities and sectors	MEDIUM	Implemented
23	Risk of Reliance on Rent Revenues	Impact on the fund's revenues and the inability to pay out distributions	Medium	30	The Fund Manager ensures that acquired properties maintain healthy occupancy rates and appoints a property manager to oversee leasing and rent collection	MEDIUM	Implemented
24	Third-party's Default and Credit Risk	Default on payments, impacting the fund's income and leading to a reduction in distributions.	Medium	30	The Fund Manager ensures the selection of creditworthy tenants, maintains high service standards, and continuously monitors rent collection through the property manager.	MEDIUM	In Progress



The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
25	Availability of Appropriate Investments Risks	The fund's ability to achieve desired returns	Medium	20	The Fund Manager strives to select the best available market opportunities in accordance with the fund's investment restrictions and eligible investments.	MEDIUM	Implemented
26	Risks of Vacancy of the Real Estate for Long Periods	This may lead to a decrease in revenues and impact the fund's cash flows.	Medium	20	Diversifying the tenant base and implementing an effective marketing and leasing strategy to minimize vacancy periods.	MEDIUM	In Progress
27	Risk of Selling the Property at Capital Loss	"Depreciation of the fund's asset values and a decline in investor returns	Medium	35	Adopting periodic valuations and studies, and timing divestments based on market conditions to enhance opportunities for achieving fair value.	MEDIUM	Implemented
28	Underlying Assets Liquidity Risk	Difficulty of exiting real estate investments.	Medium	30	The Fund Manager maintains a network of real estate brokers through which assets are marketed for sale should a divestment decision be made, notwithstanding the fund's 99-year term.	MEDIUM	Implemented

The Risks of Investment in AlAziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
29	Development Risk	Decline in earnings and Net Asset Value (NAV).	Medium	30	The Fund Manager adheres to the investment restrictions and allocation limits set forth in the Terms and Conditions to prevent significant impacts on yields and distributions; furthermore, real estate development is not a primary objective of the fund.	MEDIUM	In Progress
30	Leverage Risks	Changes in financing costs or terms may adversely affect the fund's performance.	Medium	20	When securing financing, the Fund Manager strives to obtain and select the most suitable offers in terms of costs and conditions.	MEDIUM	Implemented
31	Risks of Actions Taken by Competitors	If the Fund's competitors lease similar residential and/or commercial spaces, or sell comparable assets at prices below the Fund's valuations, the Fund may be unable to lease its spaces at adequate rates or under favorable terms.	Medium	20	When selecting properties, the Fund Manager ensures they are in prime locations and in areas characterized by high demand and healthy occupancy rates	MEDIUM	In Progress
32	Risk of Inability to exit Fund's Investments on good Terms	The fund's financial position may be affected.	Medium	35	The Fund Manager strives to identify optimal timing for divestments and markets the assets through multiple brokers to the extent possible.	MEDIUM	Implemented

The Risks of Investment in Al Aziziah REIT Fund							
#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
33	Risk of Inability of Tenants to Fulfil Rental Obligations	Impacting distributions to unitholders.	Medium	30	The Fund Manager ensures the selection of creditworthy tenants, maintains high service standards, and continuously monitors rent collection through the property manager.	MEDIUM	Implemented
34	Risk of Inability to Renew Leases or Re-lease the Space at the Expiry of the Tenancy Period	"Impact on the fund's financial position and cash flows.	Medium	20	The Fund Manager ensures continuous follow-up with the property manager to lease vacancies as soon as possible, and provides notices to tenants within the notice period to begin marketing the property early.	MEDIUM	Implemented
35	Risk of Uninsured Losses (Inadequate Insurance Coverage)	Financial loss due to uninsured properties or liabilities exceeding insurance coverage limits	Medium	20	To the extent possible, the Fund Manager coordinates with tenants to fulfill insurance requirements and mitigate risks.	MEDIUM	In Progress
36	Real Estate Valuation Risks	Any discrepancy in property valuation accuracy could adversely impact the fund's projected final returns.	Medium	35	Prior to any acquisition or disposal, the Fund Manager ensures that valuations are conducted by two independent accredited valuers, and that such appraisals remain current and valid throughout the transaction process.	MEDIUM	Implemented



The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
37	Non-Saudi Investments and Exchange Rate Risk	Restrictions and risks associated with foreign investments	Medium	30	The Fund Manager adheres to the investment limits and allocation percentages specified in the Terms and Conditions to prevent any significant impact on yields or distributions; furthermore, foreign investment is not a primary objective of the fund.	MEDIUM	Implemented
38	Risks of Real Estate Safety	"Physical damage or business interruption, leading to a loss of revenue.	Medium	30	Conducting periodic maintenance, adhering to safety standards, and maintaining adequate insurance coverage for the assets.	MEDIUM	In Progress
39	Expropriation Risk	A decline in dividend distributions and the market trading price of units.	Medium	20	The Fund Manager ensures that no properties are acquired in areas designated for eminent domain or compulsory acquisition once such zones are officially announced.	MEDIUM	Implemented
40	Risk of Non-renewal of the Lease or Finding Replacement Tenant	A decline in revenue and an increase in vacancy rates.	Medium	20	Strengthening relationships with existing tenants and implementing early marketing and leasing plans to ensure occupancy continuity.	MEDIUM	In Progress





The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
41	Early Termination of the Lease	A significant decline in the fund's revenue compared to previous periods, with the potential for capital losses.	Medium	35	Imposing liquidated damages and contractual guarantees, and activating early marketing plans to secure replacement tenants	MEDIUM	Implemented
42	Acquisition of Initial Assets Risk	This may result in adverse effects on the fund's returns and investor yields	Medium	30	Conducting due diligence and independent valuations of real estate assets to ensure their investment suitability."	MEDIUM	Implemented
43	Failure to Comply with the Applicable Regulations	Fines and restrictions affecting the fund and its reputation	Medium	30	Committing to periodic reviews of regulatory requirements and enhancing governance and oversight systems to ensure full compliance.	MEDIUM	In Progress
44	Risk of Investments Underperformance	A decline in returns and the fund's asset value	Medium	20	Continuous performance oversight and portfolio diversification to enable timely corrective interventions.	MEDIUM	Implemented





The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
45	Risk of Outflows and Unexpected Expenses of the Real Estate Maintenance	These expenses will decrease the fund's net income	Medium	20	The value of units may decrease, and investors may lose some or part of their invested capital.	MEDIUM	In Progress
46	Risk of Developers and Construction	This may adversely affect the results of operations and the fund's financial position.	Medium	35	Selecting experienced developers and monitoring work progress contractually and technically to ensure adherence to timelines.	MEDIUM	Implemented
47	Risks of Construction Cost	This will adversely affect a specific project due to the rising prices of the aforementioned raw materials. Furthermore, the increase in labor wages or the scarcity of labor required to complete these real estate projects will have a negative impact on the fund's projects and its financial position.	Medium	30	The value of units may decrease, and investors may lose some or part of their invested capital.	MEDIUM	Implemented
48	Risks of Real Estate Operation and Management	A decline in operational efficiency and the subsequent impact on revenue.	Medium	30	Implementing periodic monitoring and internal control systems to track performance.	MEDIUM	In Progress



The Risks of Investment in AlAziziah REIT Fund							
#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
49	Risks of Marketing and Selling of Real Estate	"Due to low liquidity in the real estate market, the Fund Manager may be required to redevelop properties to enhance marketability or attract buyers. This, in turn, will impact the fund's revenue and potentially result in financial losses.	Medium	20	Adopting effective marketing strategies to ensure the achievement of the best possible value.	MEDIUM	Implemented
50	Credit and Counterparty Risks	Adversely affecting the fund's financial position	Medium	20	Assessing the counterparty's creditworthiness and diversifying the tenant base	MEDIUM	In Progress
51	Risk of Selling Large Quantities of Units	Pressure on the unit price and a decline in its market value.	Medium	35	Monitoring trading activity and engaging with investors to enhance stability and mitigate price volatility."	MEDIUM	Implemented
52	Risk of Dividend Fluctuations	Instability of returns and diminished fund attractiveness to investors	Medium	30	Diversifying income sources and efficiently managing cash flows to support dividend stability.	MEDIUM	Implemented

The Risks of Investment in Al Aziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
53	Risks of Non-fulfilment or Renewal of Regulatory Licenses	Asset operational disruptions or the imposition of fines, impacting revenue.	Medium	30	Regular monitoring of licenses and adherence to regulatory requirements to ensure business continuity.	MEDIUM	In Progress
54	Risk of Long-term Leases	Difficulty in adjusting rents in alignment with changing market conditions.	Medium	20	Including periodic rent review clauses to keep pace with market changes	MEDIUM	Implemented
55	Risk of Taxation/Value Added Tax (VAT) on Real Estate	Impacting the distributable income to unitholders	Medium	20	The Fund is keen to appoint a tax advisor to undertake this task, ensuring the rights of both the Fund and its unitholders	MEDIUM	In Progress
56	Risks of Lease that Includes Full Insurance and Repair Obligations	Tenant non-compliance may lead to additional financial burdens or a decline in the asset's value.	Medium	35	Conducting regular audits of contractual obligations and verifying insurance policies and maintenance logs to ensure full compliance.	MEDIUM	Implemented



The Risks of Investment in AlAziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
57	Risk of Hotel Sector	The Fund's performance is affected by factors impacting the hospitality sector in general. These include demand-side factors such as economic downturns, outbreaks of diseases or pandemics, quarantine restrictions, public health measures, or any changes in laws and regulations.	Medium	30	Diversifying investment sectors and monitoring hospitality market performance to adjust strategies as needed	MEDIUM	Implemented
58	GOVERNMENT POLICY RISK - RENTAL MARKET	The rent stabilization decision in riyadh may limit rental income growth for the fund's property in riyadh, while the fund's properties in makkah are not expected to be affected, resulting in a limit overall impact on the fund	Medium	20	The Fund adopts strategies to mitigate risks arising from government decisions, including continuous monitoring of regulatory developments and diversifying assets geographically to reduce the impact of changes in rental policies	MEDIUM	In Progress
59	Seasonal and other Risks Associated with the Hotel Industry in Makah and Madinah	The seasonal nature may lead to periodic fluctuations in room revenues, pricing, occupancy rates, and operating expenses.	Medium	31	Diversifying income sources and optimizing marketing strategies to mitigate the impact of seasonality.	MEDIUM	Implemented



The Risks of Investment in AlAziziah REIT Fund

#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
60	Legal Status	"The Fund's lack of a separate legal personality.	Medium	20	The Fund Manager is committed to the Fund's Terms and Conditions, as well as the Implementing Regulations of the Capital Market Authority (CMA).	MEDIUM	Implemented
61	Legal, Tax and Regulatory Risks	Disruption of certain fund operational matters	Medium	20	The Fund Manager is keen to comply with any changes or updates occurring in the regulations.	MEDIUM	In Progress
62	Income Tax Risk	Decrease in returns associated with the investment in the Fund	Medium	35	The Fund is keen to appoint a tax advisor to undertake this task, ensuring the rights of both the Fund and its unitholders.	MEDIUM	Implemented
63	Risk of Governmental and Municipal Approvals	Failure to achieve the Fund's investment objectives.	Medium	30	The Fund Manager seeks to secure necessary permits from competent authorities through formal procedures and adheres to statutory mandates by utilizing certified consulting offices.	MEDIUM	Implemented
64	Force Majeure Risk	Such events may cause delays or potentially diminish the value of the Fund's investments.	Medium	30	Geographic diversification of assets and maintaining adequate insurance coverage.	MEDIUM	In Progress



The Risks of Investment in AlAziziah REIT Fund

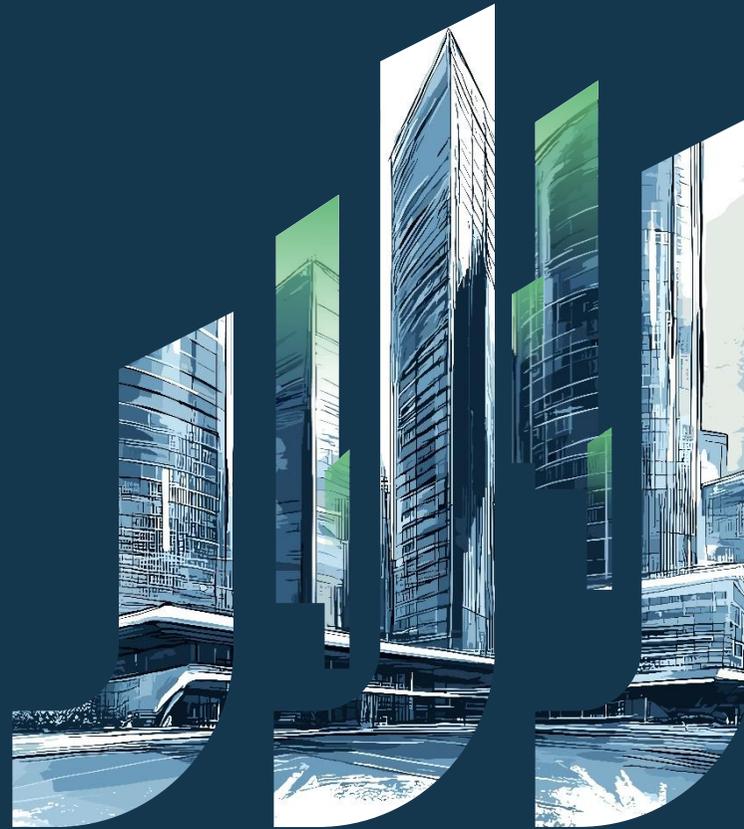
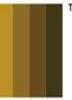
#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
65	Saudization	Rising costs and declining net profits	Medium	20	The Fund Manager is keen to comply with the specified Saudization ratios for the sector, while simultaneously recruiting highly qualified personnel to ensure operational excellence.	MEDIUM	Implemented
66	Third-Party Litigation	Impacting asset valuations and the cash liquidity available for distribution to unitholders.	Medium	20	The Fund Manager is keen to select creditworthy tenants, maintain high service standards, and continuously monitor rent collection through the property manager.	MEDIUM	In Progress
67	Liability and Indemnification	Impact on investor returns due to compensation claims.	Medium	35	The Fund Manager is keen to operate in accordance with the Fund's Terms and Conditions and relevant regulations, collaborating with the Board of Directors to manage the Fund using the best practices.	MEDIUM	Implemented
68	In-kind Distributions Risk	Difficulty in disposing of in-kind contributions.	Medium	30	"The Fund Manager endeavors to select the best exit strategies to serve the best interests of the investors.	MEDIUM	Implemented





The Risks of Investment in AlAziziah REIT Fund							
#	Potential Risk as stated in the T&C	Potential Impact	Impact level	Likelihood (%)	Risk Mitigation Approach	Risk Assessment	Strategy Implementation Status
69	Conflict of Interest Risk	Making sub-optimal investment decisions that do not serve the Fund's best interests.	Medium	30	Implementing clear governance policies, disclosing conflicts of interest, and strengthening internal controls.	MEDIUM	In Progress
70	Risk of Volatility of the Above Distributions	Instability of cash returns for investors and the resulting impact on the Fund's attractiveness.	Medium	20	Diversifying income sources and efficiently managing cash flows to support the stability of distributions.	MEDIUM	Implemented
71	Forward-Looking Statements	Unavailability of relevant economic and financial information	Medium	20	The Fund Manager is keen to involve the Fund's Board of Directors in key investment decisions to select the optimal opportunities that yield superior returns for the Fund	MEDIUM	In Progress
72	Risks of Contracting with Eskan for Development and Investment (as Property Manager and Tenant)	Potential delays or defaults in rent payments by tenants may lead to reduced cash flows and adversely impact the Fund's yields.	Not Applicable	0	Regularly monitoring rent collection to mitigate the risks of tenant default.	Not Applicable	Not Applicable





Financial Statements for the Year Ended 31 December 2025



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

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

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

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

<u>INDEX</u>	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	-
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 26

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditor’s Report (continued)

To the unit holders

AL AZIZIAH REIT FUND (Formerly Sico Saudi REIT Fund)

Closed-ended real estate investment fund traded

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

Key Audit Matters (continued)

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

Other Matter

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

Other Information

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

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

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

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

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

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

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

Independent Auditor's Report (continued)

To the unit holders

AL AZIZIAH REIT FUND (Formerly Sico Saudi REIT Fund)

Closed-ended real estate investment fund traded

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

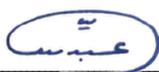
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material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

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

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

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

RSM Allied Accountants Professional Services.



Abdullah Bin Ahmed Al Faddaghi

License No. 706

Riyadh, Kingdom of Saudi Arabia

11 Shawwal 1447 AH (corresponding to 30 March 2026)



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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

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

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

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

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

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

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

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

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

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

Unit transactions

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

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

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

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

1- FUND AND ITS ACTIVITIES

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

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

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

Fund Term:

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

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

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

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

Fund purpose and objectives:

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

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

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

Custodian and Fund management:

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

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

Fund address:

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

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

2- REGULATORY AUTHORITY

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

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

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

2- REGULATORY AUTHORITY (CONTINUED)

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

3- BASIS OF PREPARATION

3-1 Statement of compliance

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

3-2 Basis of measurement

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

3-3 Functional and presentation currency

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

4- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

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

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

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

5- USE OF JUDGEMENT AND ESTIMATES

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

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

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

5-USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

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

- Useful lives of investment properties

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

- Impairment of investment properties

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

- Impairment of Non-Financial Assets

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

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

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

- Provision for expected credit losses for Rental income receivable

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES

Lease income receivable

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

Cash and cash equivalents

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

Investment properties

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

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

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

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

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

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

Derecognition

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

Impairment

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

Financial Instruments

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

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

First: Financial Assets

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

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

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

A financial asset is held for trading if:

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

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

b) Financial Assets Measured at Amortized Cost

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Second: Financial Liabilities

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

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

Distribution of dividends

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

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

Effective Interest Rate Method

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

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

Fair value measurement

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

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

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

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

Net Asset Value

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

Payables and other credit balances

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

Provisions

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

Revenue Recognition

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

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

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

Step (3): Determine the transaction price.

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

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Rental Income from Investment Properties

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

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

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

Value Added Tax (VAT)

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

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

When trade receivables and trade payables are stated including VAT.

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

Expenses

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

Zakat

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

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

Provisions

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

Contingent liabilities

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

Segment reporting

Operational segment

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

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

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

Geographic segment

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

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Related Party Transactions

Related Party

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

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

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

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

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

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

Foreign Currency Translation

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

Subsequent Measurement of Financial Assets

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

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

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

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

• **Financial assets at amortized cost:**

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

Reclassification

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

Expected Credit Loss (ECL)

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

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

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

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

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

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

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

Model Framework

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

Weighted Macroeconomic Scenarios

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

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Portfolio Segmentation

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

Definition of Default

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

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

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

Specific Allowance

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

Write-off

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

Financial Liabilities

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

Derecognition

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

Financial Assets and Liabilities Modification Transactions

Financial Assets

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

Financial Liabilities

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

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

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

6- MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Offsetting Financial Instruments

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

Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the sale of the asset or transfer of the liability will occur either:

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

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

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

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

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

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

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

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

Issued Units

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

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

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

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

7- MANAGEMENT FEE AND OTHER EXPENSES

7-1 Management fees

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

7-2 Custody fees

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

7-3 Financing structuring fees

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

7-4 Capital structuring fees

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

7-5 Board of Directors’ Remuneration

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

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

8- CASH AND CASH EQUIVALENTS

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

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

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

9- INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

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

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

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

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

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

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

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

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

10- LEASE RECEIVABLE, NET

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

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

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

11- ADVANCES AND OTHER RECEIVABLES, NET

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

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

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

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

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

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

11- ADVANCES AND OTHER RECEIVABLES, NET (CONTINUED)

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

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

12- INVESTMENT PROPERTIES

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

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

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

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

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

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

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

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

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

12- INVESTMENT PROPERTIES (CONTINUED)

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

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

Market values:

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

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

First evaluator (Qiam Valuation Company)

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

Second evaluator (Esnad Real Estate Valuation Company)

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

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

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

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

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

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

12-INVESTMENT PROPERTIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14- UNEARNED LEASES REVENUE

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

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

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

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

15- SHORT TERM LOANS

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

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

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

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

16- ACCRUED EXPENSES AND OTHER PAYABLES

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

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

17- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

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

17- TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

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

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

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

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

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

18- REVENUE FROM OPERATING LEASE CONTRACTS

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

Classification of Revenue from Contracts with Customers

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

A- Timing of Revenue Recognition

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

B- Geographic Region

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

19- FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

19-FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

20- OPERATING LEASE CONTRACTS

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

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

21- RISK MANAGEMENT

Credit Risk

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

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

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

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

21-RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

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

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

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

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

Market Price Risk

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

Commission Rate Risk

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

Currency Risk

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

Interest Rate Risk

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

22- RECLASSIFICATION OF COMPARATIVE FIGURES

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

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

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

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

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

22-RECLASSIFICATION OF COMPARATIVE FIGURES (CONTINUED)

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

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

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

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

23- SEGMENT INFORMATION

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

24- VALUATION DATE

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

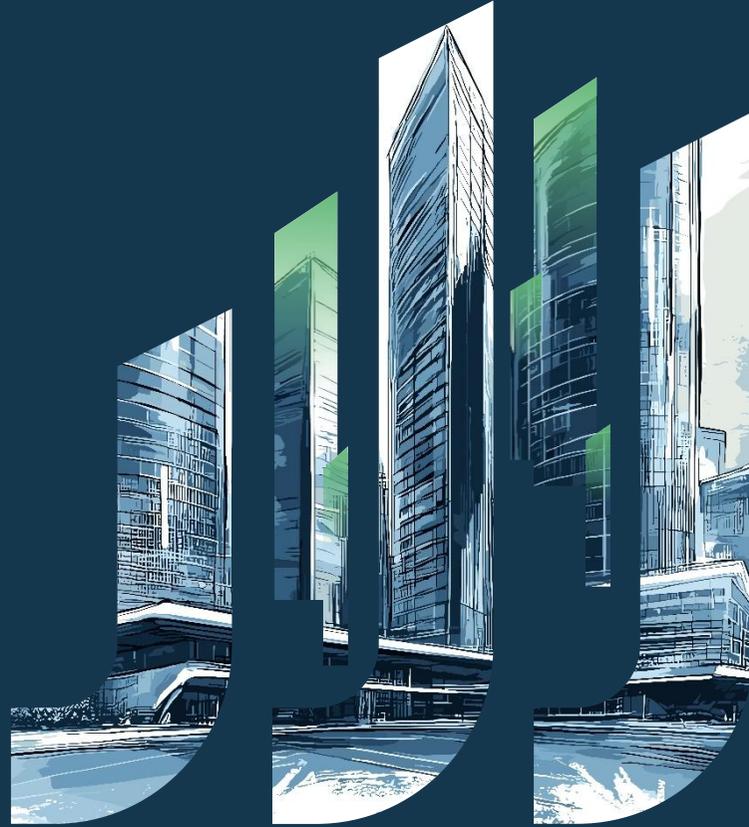
25- SUBSEQUENT EVENTS

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

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

26- APPROVAL OF FINANCIAL STATEMENTS

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



Shariah Auditor's Report



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

01 رمضان 1447

18 فبراير 2026

تقرير اللجنة الشرعية

تقرير اللجنة الشرعية إلى حاملي وحدات صندوق العززية ريت حول توافق أنشطة الصندوق مع الضوابط والمعايير الشرعية خلال السنة المالية المنتهية في 31 ديسمبر 2025.

1. المقدمة:

الحمد لله رب العالمين والصلاة والسلام على أكرم الأنبياء والمرسلين سيدنا محمد وعلى آله وصحبه أجمعين، أما بعد:

بصفتنا اللجنة الشرعية الخاصة بصندوق العززية ريت ("اللجنة") يسرنا أن نقدم لكم التقرير السنوي الخاص باللجنة عن أعمال وأنشطة صندوق العززية ريت ("المنتج") عن السنة المالية المنتهية في 31 ديسمبر 2025، وفق نطاق العمل المتفق عليه.

2. الرأي:

- الرأي العام:

هذا التقرير وما يتضمنه من رأي مستند على إشرافنا على أعمال المنتج المتعلقة بالالتزام بالضوابط والمعايير الشرعية أولاً، ومراجعة عملياته وأنشطته للفترة المحددة ثانياً، وعليه فإننا نؤكد على أن الترتيبات المالية الخاصة بالمنتج والعقود والمعاملات المنفذة مع عملائه والأطراف الأخرى التي أجريت في السنة المالية المنتهية في 31 ديسمبر 2025 قد تمت وفق الضوابط والمعايير الشرعية المعتمدة.

3. مسؤوليتنا:

تشمل مسؤولياتنا فيما يتعلق بالتزام المنتج بالمعايير والضوابط الشرعية في الإشراف على تطبيق هذه المعايير والضوابط على منتجات وخدمات وعمليات المنتج، لا سيما فيما يتعلق بتصميم المعاملات (بما في ذلك الموافقة على العقود والوثائق ذات الصلة، إلخ.). كما أننا مسؤولون أيضاً عن الإشراف وتقديم آرائنا عند الحاجة حول كيفية تنفيذ مثل هذه المعاملات وتوضيح الإجراءات اللازمة لتنفيذ قراراتنا. ونحن مطالبون أيضاً بإجراء تدقيق دوري لحالة التزام المنتج بالمعايير والضوابط الشرعية.

4. المبادئ والمعايير الشرعية المطبقة:

التزم مدير الصندوق بالمعايير والضوابط الشرعية خلال تنفيذه للعقود والمعاملات المالية للسنة المنتهية في 31 ديسمبر 2025 للمبادئ والقواعد والمعايير، على النحو المحدد وبما يتماشى مع الترتيب المنصوص عليه أدناه (أو كما هو محدد من قبل الجهات التنظيمية المعنية):

أ. المعايير الشرعية الصادرة عن هيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية (الأيوبي) والمتطلبات المالية ذات العلاقة الواردة في معايير المحاسبة المالية المعمول بها والصادرة عن الأيوبي.

ب. متطلبات الحوكمة الشرعية الملزمة والصادرة عن الجهات التنظيمية (هيئة السوق المالية السعودية).

5. الاستقلالية والاعتبارات الأخلاقية:

نؤكد التزامنا بالاستقلالية وبجميع المتطلبات الأخلاقية خلال فترة التعاقد. وتشمل هذه المتطلبات تلك المحددة في معايير الحوكمة الصادرة عن الجهات التنظيمية وبالإضافة إلى المعايير الصادرة عن الأيوبي إضافة إلى قواعد أخلاقيات المهنيين في التمويل الإسلامي الصادرة عن نفس الجهة.

6. مسؤوليات مدير الصندوق:

يتحمل مدير الصندوق مسؤولية تنفيذ إطار الحوكمة الشرعية والتأكد من أن الالتزام بالمعايير والضوابط الشرعية جزء لا يتجزأ من تنفيذ العمليات اليومية للمنتج، كما أن مدير الصندوق مسؤول عن ضمان أن الترتيبات المالية والعقود والمعاملات المالية ذات الآثار الشرعية والمبرمة مع العملاء والأطراف الأخرى والسياسات والإجراءات ذات الصلة، في جوهرها وفي شكلها القانوني، متوافقة مع مقتضيات المعايير والضوابط الشرعية. هذا وإن مدير الصندوق مسؤول أيضاً عن تصميم وتنفيذ ومتابعة إجراءات الرقابة الداخلية المناسبة فيما يتعلق بالآليات المحاسبية ذات الصلة.

7. المصادقة:

تمت الموافقة على هذا التقرير وتوقيعه من قبل اللجنة الشرعية.

نسأل الله تعالى التوفيق والسداد،،،



رقم	الاسم	المنصب	التوقيع
1	الشيخ محمد أحمد	رئيس اللجنة الشرعية	



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