ALWAHA REIT FUND

A Closed-Ended Real Estate Investment Fund Traded

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

Financial Statements for the year ended 31 December 2024

With the Independent Auditor's Report to Unitholders

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PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ALWAHA REIT FUND
A Closed-Ended Real Estate Investment Fund Traded
RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Alwaha REIT Fund (the "Fund") Managed by Al Wasatah Al Maliah Company ("The Fund Manager") as at 31 December 2024, and its financial performance and its cash flows for the for the year then ended, in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Fund, which comprise of the following:

- The statement of financial position as at 31 December 2024;
- The statements of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in net assets attributable to Unitholders for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, including material accounting policies/policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with 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 from the Fund in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

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INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Investment properties Valuation	
Al Waha REIT Fund owns a portfolio of real estate investments consisting of a residential building, offices, a commercial building, and warehouses located in the Kingdom of Saudi Arabia. Investment properties are held for the purpose of rental income and are stated at cost less accumulated depreciation and any accumulated impairment losses. Investment properties are remeasured for impairment losses when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss, if any, is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount. To assess impairment in the value of real estate investments, the Fund Manager monitors fluctuations in the fair value of real estate by engaging independent certified real estate evaluators to conduct an approved evaluation of the Fund's investment properties on a semi-annual basis. We considered this to be a key audit matter as the assessment of impairment requires significant judgment by the fund manager and the potential impact of an impairment, if any, could be material to the financial statements. Please refer to the significant accounting judgments, estimates, and assumptions in Note No. 4 relating to impairment of Investment properties, Note No. 5 which contains significant accounting policies relating to impairment in value, and Note No. 9 relating to Investment Properties	For the impairment of investment properties, we performed the following audit procedures: - We obtained two valuation reports from independent real estate appraisers certified by "Taqeem" for each investment property as of December 31, 2024, and we confirmed that the valuation methods are appropriate for use in determining the book values as of the date of the report; - Evaluating the competence, capabilities, and objectivity of evaluation experts. - Gain an understanding of the work of evaluation experts. - Evaluating the suitability of the experts' work as audit evidence for the relevant representations. - We assessed the independence of the external evaluators and read the Fund's contractual terms to determine whether there were any matters that might affect their objectivity or that might impose limitations on the scope of their work; - Involving our professional in evaluating key assumptions and estimates, such as discount rate, capitalization rate, annual rental income, and operating and occupancy expenses, that real estate appraisers use in determining fair values for investment properties; - Valuation of the recoverable amount, i.e. higher than the fair value or value in use of the relevant investment properties in accordance with the above-mentioned valuation reports; - We have reconciled the average fair value of investment properties in accordance with Note No. 10 with the reports of external valuers; And - Evaluating the adequacy of disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ALWAHA REIT FUND
A Closed-Ended Real Estate Investment Fund Traded
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OTHER INFORMATION

Other information consists of the information included in the Fund's 2024 annual report, other than the financial statements and auditor's report thereon. Management is responsible for the other information in its annual report.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Fund Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and the applicable provision Real Estate Investment Fund Regulations's, and It is responsible for such internal control as management 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, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to 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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ALWAHA REIT FUND
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

For PKF Al-Bassam Chartered Accountants

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh, Kingdom of Saudi Arabia
19 Sha'ban 1446 H
Corresponding to: 18 February 2025

	Note	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	**7**	**8,645,907**	10,091,639
Rental income receivables, net	**8**	**1,324,510**	2,754,545
Receivables and other debit balances		**59,707**	387,198
Investment properties, Net	**9**	**152,687,250**	151,335,274
Total assets		**162,717,374**	164,568,656
LIABILITIES			
Unearned rental income	**11**	**3,526,039**	3,244,583
Due to related parties	**12**	**779,706**	707,601
Payables and other credit balances	**13**	**898,932**	3,450,693
Total Liabilities		**5,204,677**	7,402,877
Net asset value (equity) attributable to unitholders		**157,512,697**	157,165,779
Units in issue *(*number)		**15,000,000**	15,000,000
Net assets (equity) attributable to each unit - at Book value		**10.50**	10.48
Net assets (equity) attributable to each unit - at Fair value	**10**	**12.76**	11.36

The accompanying notes from 1 to 22 form an integral part of these financial statements.

ALWAHA REIT FUND
(Managed by Al Wasatah Al Maliah Company ("Wasatah Capital")
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Period ended 31 December 2024
(All amounts in SAR unless otherwise stated)

	Note	31 December 2024	For the period from 30 November 2022 (listing date) until 31 December 2023
REVENUES			
Income from operating lease contracts	14	**18,787,006**	19,434,142
Other revenue		**444,778**	556,777
Total revenue		**19,231,784**	19,990,919
OPERATING EXPENSES			
Fund management fee	12	**(1,764,168)**	(1,779,372)
Investment properties depreciation	9	**(1,117,544)**	(1,191,584)
Operating expenses		**(707,833)**	(1,103,002)
Rental collection fees		**(677,583)**	(646,719)
Legal and professional fees		**(611,093)**	(496,190)
Property management fees	12	**(420,000)**	(462,324)
Custody fees		**(132,000)**	(154,000)
Expected credit loss allowance expense	8	**(1,869,174)**	(106,457)
Impairment loss on investment properties	9	**(3,646)**	(105,366)
Tadawul fees		**(52,067)**	(54,384)
Other expenses		**(279,758)**	(275,742)
Total operating expenses		**(7,634,866)**	(6,375,140)
Operating income		**11,596,918**	13,615,779
Net income for the period		**11,596,918**	13,615,779
Other comprehensive income			-
Total comprehensive income for the period		**11,596,918**	13,615,779

The accompanying notes from 1 to 22 form an integral part of these financial statements.

	Note	31 December 2024	For the period from 30 November 2022 (listing date) until 31 December 2023
Net assets (equity) attributable to Unitholders at the beginning of the period		**157,165,779**	-
Subscriptions during the period	9	-	150,000,000
Total comprehensive income for the period		**11,596,918**	13,615,779
Distribution of dividends	19	**(11,250,000)**	(6,450,000)
Net assets (equity) attributable to Unitholders at the end of the period		**157,512,697**	157,165,779

The accompanying notes from 1 to 22 form an integral part of these financial statements.

	Note	31 December 2024	For the period from 30 November 2022 (listing date) until 31 December 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period		**11,596,918**	13,615,779
Adjustment to reconcile net income to net cash used in operating activities:			
Expected credit loss allowance expense	**8**	**1,869,174**	106,457
Investment properties depreciation	**9**	**1,117,544**	1,191,584
Impairment loss on investment properties	**9**	**3,646**	105,366
		14,587,282	15,019,186
Changes in operating assets & liabilities:			
Rental income receivables	**8**	**(439,139)**	(2,861,002)
Receivables and other debit balances		**327,491**	(387,198)
Unearned rental income	**11**	**281,456**	3,244,583
Due to related parties	**12**	**72,105**	707,601
Payables and other credit balances	**13**	**(2,551,761)**	3,450,693
Net cash generated from operating activities		**12,277,434**	19,173,863
CASH FLOW FROM INVESTING ACTIVITY			
Additions to investment properties		**(2,473,166)**	(34,902,914)
Net cash (used in) investing activity		**(2,473,166)**	(34,902,914)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash subscriptions		**-**	32,270,690
Distribution of dividends	**19**	**(11,250,000)**	(6,450,000)
Net cash flows (used in) /generated from financing activities		**(11,250,000)**	25,820,690
Net change in cash and cash equivalents		**(1,445,732)**	10,091,639
Cash and cash equivalents at the beginning of the period		**10,091,639**	-
Cash and cash equivalents at the end of the period		**8,645,907**	10,091,639

Non-cash transactions		31 December 2024	31 December 2023
Subscribe to issuing in-kind units	**9**	**-**	117,729,310
		-	117,729,310

1. THE FUND AND ITS ACTIVITIES

ALWAHA REIT Fund (The "Fund") is a Closed-Ended Real Estate Investment Fund traded in the parallel market ("Nomu"), under the symbol (9300) that complies with Sharia standards approved by the Sharia Supervisory Committee, and was established in accordance with the laws and regulations issued in the Kingdom of Saudi Arabia and is subject to the regulations and instructions of the Capital Market Authority and the provisions of the Real Estate Investment Funds Regulations.

The Fund is listed on the parallel Saudi stock market ("Nomu"), carries the symbol (9300), and its units are traded based on the regulations and legislation of the Capital Market Authority (CMA). The size of the Fund is 150 million Saudi riyals divided into 15,000,000 units with a nominal value of 10 Saudi riyals per unit. The duration of the Fund is 99 years, which is extendable at the discretion of the Fund Manager following the approval of CMA.

Trading in the Fund's units began dated on 6 Jumada Al-Awwal 1444, corresponding to 30 November 2022. after obtaining the approval of the CMA in the Kingdom of Saudi Arabia.

The Fund's fiscal year begins on January 1 and ends on December 31 of each year, with the exception of the first period, that commenced on the date of listing and ended on December 31, 2023.

The Fund's investment objective is to invest in structurally developed properties capable of generating periodic and rental income, and to distribute a specified percentage of no less than 90% of the Fund's net annual profits in cash to unitholders during the Fund's term. The aforementioned profits are distributed, with the exception of capital gains resulting from the sale of real estate assets, which are reinvested in additional assets to serve the interests of the unit owners. If they are not reinvested within six months from the date of sale, they are distributed to the unitholders.

The Fund is managed by the Al Wasatah Al Maliah Company (Wasatah Capital) ("Fund Manager"), a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under No. 7001506356, licensed as a financial market institution by the Capital Market Authority ("CMA") under License No. (08125-37).

Albilad Investment Company, a Saudi closed joint stock company, is responsible for performing custody duties regarding the Fund and its assets under license No. (08100-37).
Address: King Fahd Road - Olaya - P.O. Box 140 - Riyadh 11411.

2. Statutory regulations

The Fund operates in accordance with Real Estate Investment Fund Regulations issued by the CMA. The regulations detail requirements for real estate funds and publicly traded real estate funds within the Kingdom of Saudi Arabia.

The Minister of Finance, pursuant to Ministerial Resolution No. (29791) dated 9 Jumada al-Awwal 1444 (corresponding to December 3, 2022), approved the zakat rules for the investment fund permitted by the CMA.

The rules apply from 1 January 2023 and require investment funds to register with the Zakat, Tax and Customs Authority (ZATCA). The rules also require investment funds to submit a zakat information declaration to the Authority within 120 days of the end of their financial year, including audited financial statements, records of transactions with related parties, and any other data required by the ZATCA. Under the rules, investment funds are not subject to zakat provided that they do not engage in unconditional economic or investment activities in accordance with the terms and conditions approved by the CMA. Zakat is to be collected from the Fund's unit holders.

3. BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), 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"), to be consistent with the relevant executive regulations issued by the CMA and the terms and conditions of the fund.

Assets and liabilities are presented in the statement of financial position in order of liquidity.

3.2 Basis of measurement

These financial statements have been prepared based on the historical cost convention, using the accounting accrual basis.

On 31 December 2019, the CMA verified the appropriateness of continuing to use the cost model or allowing the use of the fair value model and made the following decisions:

- Requiring listed funds to continue using the cost model to measure investment properties (according to IAS 16) and investment properties (according to IAS 40) in the financial statements prepared for financial periods before the period 2023.

- Allow listed funds to choose between the fair value model and the revaluation model to measure investment properties (according to IAS 40) for fiscal periods beginning from the year 2023 or thereafter.

3.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyal ("SAR") which is the Fund's functional and presentation currency. All amounts are rounded to the nearest Saudi Riyal unless otherwise stated.

4. Key ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparing financial statements requires management to use judgments, estimates, and assumptions that affect the amounts of revenues, expenses, assets, liabilities, accompanying disclosures, and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates may result in outcomes that require material adjustments to the carrying amount of assets or liabilities that affect future periods.

Uncertainty about key assumptions regarding the future and other key sources of estimation at the reporting date, which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities during the subsequent financial period, are described below.

The Fund based its assumptions and estimates on the indicators available when preparing the financial statements. The current conditions and assumptions are subject to development in the future, and changes may occur as a result of market changes or situations outside the Fund's control. Such changes are reflected in the assumptions when they occur.

4.1 Judgments

4.1.1 Going concern

The Fund Manager has assessed the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseele future. Furthermore, the Fund manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

4. Key ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 ESTIMATES

4.2.1 Useful lives of investment properties

The management determines the estimated useful lives of investment properties for calculating depreciation. This estimate is determined after considering expected life of the assets and normal depreciation. Management reviews the residual values and useful lives annually and any change in depreciation charges, if any, are adjusted in current and future periods. The estimated useful lives of the investment properties are disclosed under (Note 5).

4.2.2 Impairment of investment properties

The Fund uses the services of a professionally qualified ("third party") valuer to obtain estimates of the market value of investment properties using recognized valuation methods for the purpose of impairment reviews and fair value disclosures in the financial statements.

4.2.3 Impairment in the value of non-financial assets (Calculate value in use)

Impairment occurs when the book value of an asset or cash-generating unit exceeds its recoverable value, which represents the fair value less costs to sell based on data available from sales transactions in progress in transactions on purely commercial terms for similar assets or based on prices offered in the market less additional costs to sell an asset. The value in use calculation is based on the discounted cash flow model. Cash flows are taken from the budget for the next five years and do not include restructuring activities that the Fund has not yet committed to or important future investments that will enhance the performance of the assets being tested. The recoverable amount is the most sensitive item to the discount rate used for the discounted cash flow model, as well as the expected future cash inflows and the growth rate used for inference purposes. These cash flows are considered the most relevant to the real estate properties that the Fund has proved it.

4.2.4 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 behavior.

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.

5. MATERIAL ACCOUNTING POLICIES Information

The Fund's Board of Directors adopted Disclosure of Accounting Policies (Amendments to IAS 1) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policy themselves, they impacted the accounting policy information disclosed in certain instances.

The following are the accounting policies used in preparing these financial statements.

5.1 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.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.2 Rental income receivable

Rental 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 usually measured at an amount equal to the expected lifetime loss.

5.3 Investment properties

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

Investment properties are derecognized when they are sold, when they are occupied by the owner, or if they are not held to increase their value.

Any gain or loss upon disposal of investment properties (calculated as the difference between the net proceeds from disposal and the book value of the item) is recognized in the statement of comprehensive income.

The cost of 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 operating condition for its intended use and capitalized borrowing costs.

The useful life of the various components of investment properties is as follows:

	Years
Buildings	40 years
Fixtures and Equipment	5-10 years

The book value of the Fund's non-financial assets is reviewed at each reporting date to ensure that there are any indications of impairment. If such an indication exists, the recoverable amount of the asset is estimated.

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the greater of fair value less costs to sell and value in use. The recoverable amount is determined for each individual asset unless the asset does not generate cash inflows that are largely independent of the cash inflows from other assets or a group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is reduced for its recoverable amount for the cash-generating unit. In determining fair value less costs of disposal, recent market transactions, if any, are considered. If such transactions cannot be identified, then an appropriate valuation model is used. Value in use is based on a discounted cash flow model, under which expected future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the asset-specific. risks Impairment losses are recognized in the statement of comprehensive income.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If this indicator exists, the Fund estimates the recoverable amount of assets or cash generating units. Previously recognized impairment losses are reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The amount of the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. The amount of the reversal is recognized in the statement of comprehensive income.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.4 Payables and other credit balances

Payables and other credit balances are recognized at fair value and subsequently measured at amortized cost using the effective commission rate method.

5.5 Rental income from investment properties

When the Fund acts as a lessor, it determines at the inception of the lease whether each lease represents a finance lease or an operating lease.

To classify each lease, the Fund conducts a comprehensive assessment of whether the lease transfers to the lessee substantially all of the risks and rewards associated with ownership of the underlying asset. If this is the case, the lease is a finance lease and if not, it is considered an operating lease. As part of this assessment, the Fund considers indicators such as whether the lease represents a major part of the economic life of the asset.

The Fund has assessed that all of its leases are operating leases. Properties that have been leased under operating lease contracts are included under investment property in the statement of financial position.

Rental income from operating leases is recognized using the straight-line method over the term of the lease. When

the Fund provides incentives to tenants, the cost of the incentives is recognized over the term of the lease, on a straight-line basis, as a reduction of rental income.

5.6 Distribution of dividends

Dividends to unitholders in the Fund are recognized as liabilities in the Fund's financial statements in the period in which the dividends are approved.

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

5.7 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.

5.8 Value Added Tax

Expenses and assets are recognized after deducting the value-added tax amount, except for:

• When the VAT incurred in connection with the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognized as part of the cost of purchasing the assets or as part of the item expense, where applicable, and/or
• When showing rental receivables and trade payables, including the value-added tax amount

The net amount of VAT recoverable from/or due to the tax authorities is included either as part of Receivables and other debit balances or Payables and other credit balances in the statement of financial position.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.9 Other expenses

Other expenses include maintenance expenses and other incidental expenses and fees and are recognized in the statement of comprehensive income in the period in which they are incurred on an accrual basis.

5.10 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.

5.11 Contingent Liabilities

All contingent liabilities arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Fund, or all current liabilities arising from past events, but which are not confirmed for the following reasons:

1) Non-compliance, or
2) The amount of the liability cannot be measured with sufficient reliability; They must all be evaluated at the date of each statement of financial position and disclosed in the Fund's financial statements as contingent liabilities.

5.12 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/period.

5.13 Segment reporting

Operational segment
The operating segment is one of the components of the Fund that carries out activities from which it may generate revenues and incur expenses, including revenues and expenses related to transactions with any of the Fund's other segments. All segment results are periodically evaluated by operating decision makers to make decisions and evaluate the performance of resources allocated to the segment and available financial information separately.

In the Kingdom of Saudi Arabia, the Fund has one operating segment (leasing).

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

The Fund's geographical segments are located in the Kingdom of Saudi Arabia.

5.14 Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into Saudi Riyals using the exchange rate prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions and from remeasuring monetary items denominated in foreign currency at the exchange rates prevailing at the end of the year are recognized in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value, which are translated using the exchange rates at the date on which the fair value was determined.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.15 Financial Instruments

Initial recognition and measurement

Rental income receivable issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Fund becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a Rental income receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs directly attributable to its acquisition or issue, for an item not at FVTPL. Rental income receivable without a significant financing component are initially measured at the transaction price.

Financial assets

Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it meets both of the following conditions:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVOCI if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTOL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.15 Financial Instruments (continued)

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of comprehensive income.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gain, loss, and impairment are recognized in the statement of income. Any gain or loss on derecognition is recognized in the statement of comprehensive income.

Reclassification:

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

Derecognition

A financial asset is derecognised when:

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

The impairment in the value of financial assets

The recognition of credit losses is no longer dependent on the Fund first identifying the credit loss event. Instead, the Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events and reasonable and supportable forecasts that affect the actual collection of future cash flows of the instrument.

ECL assessment:

The Fund applies the simplified approach in IFRS 9 for the purpose of measuring ECL which uses a lifetime expected credit loss allowance. This method is applied for the purpose of evaluating a provision against:

- Financial assets measured at amortized cost

Expected loss rates are based on Rental income receivable information over a period of 12 months prior to each reporting period and the corresponding historical credit losses experienced during this period. Historical loss rates are adjusted to reflect current and forward-looking information regarding macroeconomic factors affecting customers' ability to settle Rental income receivable. The Fund decided that the GDP of the Kingdom of Saudi Arabia (the country in which it provides services), the rate of inflation to be the most appropriate factors and therefore adjusts the historical loss rates based on the expected changes in these factors.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.15 Financial Instruments (continued)

The expected credit loss approach breaks the total loss amount modelling into the following parts: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). These are briefly described below:

PD: The likelihood of a default over a particular time horizon.

LGD: represents an estimate of the loss given default. It is based on the difference between the contractual cash flows due and those that the lender expects to collect, including from any collateral. It is usually expressed as a percentage of exposure at default (EAD).

EAD: It is defined as the outstanding debt at the time of default. This is an estimate of the exposure at a future default rate, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on commitment facilities.

Model and framework

The Fund uses the probability of default model at a certain point in time to measure the impairment in the value of financial assets. Point-in-time PD models incorporate information from the current credit cycle and risk assessment at a point in time. The term structure of the PD at a given point in time can be used to measure credit deterioration and to initiate the PD when making provision calculations. Also, when calculating lifetime ECL, after correctly converting the inputs, the cash flows, total book value, loss allowance, and amortized cost of the financial instrument can be forecast and then calculated.

Weighted average macroeconomic models

The Fund incorporates the macroeconomic factor of GDP, inflation rate and government spending to create multiple models in order to achieve more probable outcomes using the best and worst models. The scenario-based analysis incorporates forward-looking information into an impairment estimate using multiple future macroeconomic models. An estimate of ECL reflects an unbiased, probability-weighted value that is determined by evaluating a range of possible outcomes.

After the model inputs have been adjusted for the above-mentioned macroeconomic models, the PD is calculated for each scenario and then a weighted average PD based on the model probability is computed. In the final step, a lifetime weighted average ECL is determined which is based on probability models.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.15 Financial instruments (Continued)

Portfolio division

The Fund evaluates its financial assets based on the characteristics of credit risk using segmentation processes such as geographic region, customer type, customer classification, and so on. The different breakdowns reflect differences in PD events and in recovery rates in the Default event.

Definition of default

In the above context, the Fund considers default to occur when:

- There is a possibility that the customer will not pay its credit obligations to the Fund in full without the Fund resorting to procedures such as collecting collateral (if held by the Fund), or

- When a customer is more than 360 past-due days at any significant credit obligation of the Fund. As the industry usually suggests that this period fairly represents the default scenario for the Fund, this refutes the 90-day assumption mentioned in IFRS 9.

The carrying amount of the asset is reduced using the above form and the loss is recognized in the statement of comprehensive income. Rental income receivable is written off along with the related provision when there is no real prospect of recovery in the future and all collateral has been realized or has been transferred to the Fund. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of events occurring after the impairment was recognised, the previously recognized impairment loss is increased or decreased. In the event that the amount written off is subsequently recovered, the recovery amount is recognized under other income in the statement of profit or loss.

Specific provision:

A specific provision is recognized on the basis of one customer to another customer at each reporting date the Fund establishes a specific provision against Rental income receivable due from some customers. Provisions are reversed only when outstanding amounts are recovered from clients.

Write-off

The total carrying amount of financial assets is written off (either partially or completely) to the extent that there is no realistic prospect of recovery. This is generally the case when the Fund determines that the debtor does not have assets or sources of income that can generate sufficient cash flows to repay the amounts subject to write-offs.

Financial liabilities

All financial liabilities are initially recognized at fair value, net of direct transactions costs. The Fund's financial liabilities mainly include Unearned rental income, Due to related parties, and Payables and other credit balances. After initial recognition, measured at amortized cost using the effective interest method.

Derecognition

The Fund derecognizes financial liabilities when the contractual obligations are discharged, canceled, or expire .

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.15 Financial instruments (Continued)

Operations to modify financial assets and financial liabilities:

Financial assets

If the terms of a financial asset are modified, the Fund makes an assessment of whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are considered to have expired. In this case, the original financial assets are derecognized, and new financial assets are recognized at fair value.

If the cash flows of a modified asset carried at amortized cost are not significantly different, then the modification does not result in the derecognition of the financial asset. In this case, the Fund recalculates the gross carrying amount of the financial asset and recognizes the amount resulting from adjusting the gross carrying amount as an adjusted profit or loss in the statement of comprehensive income.

Financial liabilities

The Fund derecognizes a 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 based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability that is derecognized, and the new financial liability on modified terms, is recognized in the statement of comprehensive income.

Offsetting of financial instruments

An offset is made between the amounts of financial assets and financial liabilities, and the net amount is presented in the statement of financial position when there is a legally binding right to offset the amounts recorded and when there is an intention to settle on a net basis, in order to sell the assets and settle the liabilities simultaneously.

Any gain or loss arising from the disposal of a discontinued operation, or its re-measurement at fair value less costs to sell, is presented as a part of a single-line item, gain or loss from discontinued operations.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.16 Measurement of fair value

The Fund measures financial instruments such as equity instruments at fair value at the 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

All assets and liabilities that are measured at fair value or disclosed in the financial statements are categorized within the fair value levels hierarchy mentioned below and based on the input to the lowest level of the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Fund verifies whether a transfer has been made between the fair value hierarchy by recalibrating the classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year. The Fund determines the policies and procedures for both recurring fair value measurement and non-recurring fair value measurement.

On each reporting date, the Fund analyzes the changes in the value of assets and liabilities to be re-measured or re-evaluated in accordance with the Fund's accounting policies. For the purposes of this analysis, the Fund verifies the main inputs applied in the latest valuation by matching the information used in calculating the valuation with contracts and other relevant documents. The Fund also compares changes in the fair value of each class of assets and liabilities with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosure, for disclosure, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the hierarchy of levels of fair value measurement mentioned above. Disclosures related to the fair value of financial instruments, which are measured at fair value or for which fair value has been disclosed, are discussed in (Note 10).

5.17 Units in issue

The Fund has issued units. Upon liquidation of the Fund, these units entitle their owners to the remaining net assets. They are rated equally in all respects and have identical terms and conditions. The units give investors the right to demand a cash refund of an amount proportional to the investor's share in the net assets of the Fund in the event of the Fund being liquidated.
Units are classified as equity whenever they meet all of the following conditions:

- Grants the owner a proportional share of the Fund's net assets in the event of the Fund's liquidation;
- They are classified in the category of tools that are subject to all other categories of tools;
- All financial instruments in a class of instruments that are subject to all other classes of instruments have identical characteristics;
- Aside from the Fund's contractual obligation to repurchase or redeem the cash instrument or other financial asset, the instrument does not have any other features that would require classification as a liability; And
- The total expected cash flows attributable to the instrument over its life depend substantially on the profit or loss and the change in the Fund's net recognized and unrecognized assets over the life of the instrument.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.18 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS:

The following new amendments to standards, enlisted below, are effective from 1 January 2024 but they do not have a material effect on the Company's financial statements.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	• The amendment has clarified • what is meant by a right to defer settlement, • that a right to defer must exist at the end of the reporting period, • that classification is unaffected by the likelihood that an entity will exercise its deferral right, and • that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.18 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS(CONTINUED):

The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.18 NEW STANDARS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS(CONTINUED):

The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Management anticipates that these amendments will be adopted in the Company's financial statements as and when it is applicable and adoption of this amendments may have no material impact on the financial statements of the Company in the period of initial application.

6. MANAGEMENT FEES, AND OTHER FEES

6.1 Subscription fees
The investor pays the Fund manager a subscription fee of a maximum of 2% of the subscribed and allocated amount during the initial public offering period or at any increase in the net asset value of the Fund.

6.2 Management fees
The Fund pays the Fund Manager an annual fee of 1% charged daily from the total value of the Fund's assets according to the latest evaluation, after deducting expenses, calculated daily and paid every three months, starting from the listing date.

6.3 Custody fees
The Fund pays the custodian an annual fee of a maximum of 0.05% of the total value of the Fund's real estate assets, provided that the amount paid monthly is not less than 11,000 Saudi riyals, as it is based on the most recent evaluation of real estate assets. It is calculated on a daily basis and paid quarterly at the end of each quarter.

6.4 Financing structuring fees
The Fund pays the Fund Manager a financing structuring fee equivalent to 1% of the amount withdrawn under any bank facilities for the Fund.

6.5 Transaction Fees
The Fund pays the Fund Manager a fee of 1% of the purchase or sale price of each real estate asset it acquires or sells in exchange for his efforts in completing the purchase and sale of any real estate asset for the Fund throughout the life of the Fund, due and paid directly after the completion of the purchase or sale process.

7. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash at local banks	**1,560,735**	2,868,176
Murabaha deposits	**7,085,172**	7,223,463
	8,645,907	10,091,639

Murabaha deposits represented agreements under which the bank sold to the customer a commodity or asset that was originally purchased or acquired by the bank based on a promise issued by the customer to buy it. The selling price consists of cost plus an agreed upon profit margin.

The Murabaha rates that the Fund deals with banks range between 4.83% and 5.54%, as the rates are variable and not fixed.

8. RENTAL INCOME RECEIVABLE, NET

	31 December 2024	31 December 2023
Rental income receivable	**3,300,141**	2,861,002
Provision for expected credit losses	**(1,975,631)**	(106,457)
Rental income receivable	**1,324,510**	2,754,545

The movement on the allowance for expected credit losses is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the period	**106,457**	-
Expected credit loss during the period	**1,869,174**	(106,457)
Balance at the end of the period	**1,975,631**	(106,457)

The aging analysis of total receivables from rental income is as follows

	31 December 2024	31 December 2023
0-3 Months	**1,419,526**	1,222,529
3-12 Months	**1,558,578**	1,638,473
More than 365 days	**322,037**	-
Balance at the end of the period	**3,300,141**	2,861,002

9. INVESTMENT PROPERTIES

The Fund owns the following investment properties:

Property	Nature of the property	Cost of purchase
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	Offices and showrooms	**61,611,133**
Al-Hayer Showrooms and offices - almasanie District	Offices and showrooms	**15,256,585**
Olaya Street Gas Station - Al Murooj District	Gas station	**13,531,099**
Residential building - Al-Nakhil district	Residential building	**8,983,440**
Warehouse Plot No. 9 - Al Aziziyah District	Warehouse	**11,114,660**
Warehouse Plot No. 10 - Al Aziziyah District	Warehouse	**11,159,007**
Warehouse Plot No. 13 - Al Aziziyah District	Warehouse	**8,050,768**
Exhibition Plot No. 192 - Dar Albayda District	Exhibitions	**6,765,549**
Warehouse Plot No. 197 - Dar Albayda District	Warehouse	**2,072,062**
Warehouse Plot No. 202 - Dar Albayda District	Warehouse	**2,435,597**
Warehouse Plot No. 207 - Dar Albayda District	Warehouse	**4,218,770**
Warehouse Plot No. 209 - Dar Albayda District	Warehouse	**3,434,580**
		148,633,250

Details of the investment properties owned by the Fund:

Shahad Commercial Center Offices and Showrooms - Al-Murooj District: The property consists of a commercial and office building consisting of 11 showrooms and 37 offices. The average exhibition area is 235 square meters and the average office area is 199 squares meters. This property is located in the city of Riyadh.

Al-Hayer Showrooms and offices - Al Masnaa District: The property consists of a building that includes 21 Showrooms on the ground floor and an upper floor with 15 vacant offices. The average Exhibition area is 376 square meters, and the average office space is 68 square meters. This property is located in the city of Riyadh.

Olaya Street Gas Station - Al Murooj District: The property consists of a station building and a canopy. This property is located in the city of Riyadh.

Residential building - Al-Nakhil district: The property consists of a residential building consisting of 21 apartments with different areas ranging from 109 square meters to 173 square meters, with an average area of 158 square meters. This property is located in the city of Riyadh.

Warehouse No. 9 - Al Aziziyah District: The property consists of 26 warehouses with different areas ranging from 301 square meters to 602 square meters, with an average of 324 square meters. The property is located in the city of Riyadh.

Warehouse Plot No. 10 - Al Aziziyah District: The property consists of 26 warehouses with different areas ranging from 301 square meters to 412 square meters, with an average of 318 square meters. This property is located in the city of Riyadh.

Warehouse Plot No. 13 - Al Aziziyah District: The property consists of 20 warehouses with different areas ranging from 301 square meters to 412 square meters, with an average of 323 square meters. This property is located in the city of Riyadh.

Showrooms Plot No. 192 - Dar Albayda District: The property consists of 15 Exhibitions of different sizes with a total area of 2,250 square meters and an average area of 150 square meters. This property is located in the city of Riyadh.

9. INVESTMENT PROPERTIES (CONTINUED)

Warehouse Plot No. 197 - Dar Albayda District: The property consists of 4 warehouses with a total area of 1,600 square meters and an average area of 400 square meters for each warehouse. The property is located in the city of Riyadh.

Warehouse Plot No. 202 - Dar Albayda District: The property consists of 9 warehouses with a total area of 2,400 square meters and an average area of 267 square meters. This property is located in the city of Riyadh.

Warehouse Plot No. 207 - Dar Albayda District: The property consists of 10 warehouses with areas ranging from 300 square meters to 420 square meters, with an average area of 359 square meters. This property is located in the city of Riyadh.

Warehouse Plot No. 209 - Dar Albayda District: The property consists of 6 warehouses with areas ranging from 390 square meters to 490 square meters, with an average area of 424 square meters. This property is located in the city of Riyadh

All WAHA REIT Fund's properties are held in the name of Wahat Almabanee Real Estate Company ("Special Purpose Company"). The SPV holds these properties for the beneficial ownership of the Fund and does not have any controlling ownership rights or any interest in these properties.

On December 31, 2024, investment properties represent properties that were initially recognized at cost and are subsequently measured at cost less accumulated depreciation and impairment. Below are the details of the cost of investment properties:

	Lands	**Buildings**	**Fixtures and Equipment**	**Total**
Cost:				
Balance as at 1 January 2024	**107,309,230**	**44,997,456**	**325,538**	**152,632,224**
Additions during the year	**-**	**2,297,863**	**175,303**	**2,473,166**
Balance at the end of the period	**107,309,230**	**47,295,319**	**500,841**	**155,105,390**
Accumulated depreciation in value:				
Balance as at 1 January 2024	**-**	**(1,159,664)**	**(31,920)**	**(1,191,584)**
Charged during the year	**-**	**(1,033,101)**	**(84,443)**	**(1,117,544)**
Balance at the end of the period	**-**	**(2,192,765)**	**(116,363)**	**(2,309,128)**
Reversal/accumulated (loss) in value:				
Balance as at 1 January 2024		**(105,366)**	**-**	**(105,366)**
Decrease in value during the year	**-**	**(3,646)**	**-**	**(3,646)**
Balance at the end of the period	**-**	**(109,012)**	**-**	**(109,012)**
Net book value	**107,309,230**	**44,993,542**	**384,478**	**152,687,250**

9. INVESTMENT PROPERTIES (CONTINUED)

As at 31 December 2023:

	Lands	Buildings	Fixtures and Equipment	Total
Cost:				
Additions during the period*	**107,309,230**	**44,997,456**	**325,538**	**152,632,224**
Balance at the end of the period	**107,309,230**	**44,997,456**	**325,538**	**152,632,224**
Accumulated depreciation in value:				
Charged during the period	-	**(1,159,664)**	**(31,920)**	**(1,191,584)**
Balance at the end of the period	-	**(1,159,664)**	**(31,920)**	**(1,191,584)**
Reversal/accumulated (loss) in value:				
Decrease in value during the period	-	**(105,366)**	-	**(105,366)**
Balance at the end of the period	-	**(105,366)**	-	**(105,366)**
Net book value	**107,309,230**	**43,732,426**	**293,618**	**151,335,274**

Market values:
The fair value of investment properties is determined by two independent evaluators ("Jones Lang LaSalle LP Inc.") and ("Areeb Real Estate Valuation Company"), both evaluators accredited by the Saudi Authority for Accredited Valuers (Taqeem).

*Additions in investment properties at 2023 include in kind contribution by the unit holders amounting to 117,729,310 SAR representing their respective units subscription in the Fund

9. INVESTMENT PROPERTIES (CONTINUED)

As of December 31, 2024, the valuation of investment properties was as follows:

The first evaluator (Jones Lang LaSalle LP Inc.) Market capitalization				**Market value**	
Property	**Evaluation method**	**Discount rate**	**Capitalization rate**	**31 December 2024**	**31 December 2023**
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	Discounted cash flow method	**%11.50**	**%9.75**	**80,700,000**	**65,310,000**
Al-Hayer Showrooms and offices - Almasana District	Discounted cash flow method	**%12.25**	**%10**	**18,550,000**	**16,560,000**
Olaya Street gas station - Al-Muruj district	Discounted cash flow method	**%11.25**	**%8.75**	**16,400,000**	**16,520,000**
Residential building - Al-Nakhil district	Discounted cash flow method	**%11.50**	**%9.75**	**12,100,000**	**9,820,000**
Warehouse Plot No. 9 - Al Aziziyah District	Discounted cash flow method	**%11.75**	**%10**	**15,800,000**	**13,550,000**
Warehouse Plot No. 10 - Al-Aziziya District	Discounted cash flow method	**%11.75**	**%10**	**15,750,000**	**13,140,000**
Warehouse Plot No. 13 - Al-Aziziya District	Discounted cash flow method	**%10**	**%8.75**	**10,250,000**	**10,040,000**
Showrooms Plot No. 192 - Dar Albayda District	Discounted cash flow method	**%11.25**	**%9.50**	**8,800,000**	**7,550,000**
Warehouse Plot No. 197 - Dar Albayda District	Discounted cash flow method	**%10.50**	**%9**	**2,450,000**	**2,510,000**
Warehouse Plot No. 202 - Dar Albayda District	Discounted cash flow method	**%10.50**	**%9**	**3,300,000**	**2,900,000**
Warehouse Plot No. 207 - Dar Albayda District	Discounted cash flow method	**%10.50**	**%9**	**5,350,000**	**5,470,000**
Warehouse Plot No. 209 – Dar Albayda District	Discounted cash flow method	**%10.50**	**%9**	**3,450,000**	**3,500,000**
				192,900,000	**166,870,000**

9. INVESTMENT PROPERTIES (CONTINUED)

As of December 31, 2024, the valuation of investment properties was as follows:

The second evaluator (Areeb Real Estate Valuation Company)				**Market value**	
Property	**Evaluation method**	**Discount rate**	**Capitalization rate**	**31 December 2024**	**31 December 2023**
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	Discounted cash flow method	**10%**	**12%**	**68,561,751**	**65,998,817**
Al-Hayer Showrooms and offices - Al-Masnaa District	Discounted cash flow method	**9.75%**	**10.50%**	**19,152,289**	**16,764,400**
Olaya Street gas station - Al-Muruj district	Discounted cash flow method	**9.50%**	**9%**	**16,458,377**	**16,045,527**
Residential building - Al-Nakhil district	Discounted cash flow method	**9.75%**	**11%**	**10,061,868**	**8,589,471**
Warehouse Plot No. 9 - Al-Aziziya District	Discounted cash flow method	**9.75%**	**11%**	**16,905,280**	**13,413,163**
Warehouse Plot No. 10 - Al-Aziziya District	Discounted cash flow method	**9.85%**	**11%**	**17,858,465**	**12,865,336**
Warehouse Plot No. 13 - Al-Aziziya District	Discounted cash flow method	**9.75%**	**11%**	**8,719,234**	**8,598,297**
Showrooms Plot No. 192 - Dar Albayda District	Discounted cash flow method	**9.50%**	**11%**	**9,828,408**	**7,187,909**
Warehouse Plot No. 197 - Dar Albayda District	Discounted cash flow method	**9.50%**	**11%**	**2,210,016**	**2,249,782**
Warehouse Plot No. 202 - Dar Albayda District	Discounted cash flow method	**9.50%**	**11%**	**2,577,037**	**2,603,891**
Warehouse Plot No. 207 - Dar Albayda District	Discounted cash flow method	**9.50%**	**11%**	**4,835,060**	**4,891,218**
Warehouse Plot No. 209 - Dar Albayda District	Discounted cash flow method	**9.50%**	**11%**	**3,122,932**	**3,116,383**
				180,290,717	**162,324,194**

10. THE EFFECT OF NET ASSET VALUE ATTRIBUTABLE TO THE UNITHOLDERS IN THE EVENT THAT INVESTMENT PROPERTIES ARE MEASURED AT FAIR VALUE

According to the Real Estate Investment Funds Regulations issued by the CMA in the Kingdom of Saudi Arabia, the Fund manager evaluates the Fund's assets with an average of two valuations by independent valuers. As explained in the Fund's terms and conditions, the net asset value is disclosed based on market value. However, in accordance with the Fund's accounting policy, investment properties are stated at cost less accumulated depreciation and impairment, if any, in these financial statements.

The following is the evaluation of investment properties:

31 December 2024	**Valuation 1**	**Valuation 2**	**Average**
Investment properties (note 9)	**192,900,000**	**180,290,717**	**186,595,359**
Total	**192,900,000**	**180,290,717**	**186,595,359**

31 December 2023	**Valuation 1**	**Valuation 2**	**Average**
Investment properties (note 9)	**166,870,000**	**162,324,194**	**164,597,097**
Total	**166,870,000**	**162,324,194**	**164,597,097**

Management used the average of the two valuations for the purpose of disclosing fair value of investment properties.
The following is an analysis of the fair value of investment properties versus cost:

	31 December 2024	**31 December 2023**
Estimated fair value of investment properties based on the average of the two valuations used	**186,595,359**	164,597,097
Deductible: Book value All figures are adjusted per valuations		
Investment properties (note 9)	**(152,687,250)**	(151,335,274)
Estimated fair value excess of book value	**33,908,109**	13,261,823
Units in issue (in number)	**15,000,000**	15,000,000
Value per unit relating to excess of estimated fair value	**2.26**	0.88

Net asset value attributable to unitholders:

	31 December 2024	**31 December 2023**
Net assets attributable to the Unitholders as per the financial statements before fair value adjustment	**157,512,697**	157,165,779
Estimated fair value excess of book value	**33,908,109**	13,261,823
Net assets attributable to the Unitholders based on fair valuation of investment properties	**191,420,806**	170,427,602

10. THE EFFECT OF NET ASSET VALUE ATTRIBUTABLE TO THE UNITHOLDERS IN THE EVENT THAT INVESTMENT PROPERTIES ARE MEASURED AT FAIR VALUE (CONTINUED)

Net asset value per unit:

	31 December 2024	31 December 2023
Net book value of assets attributable to the Unitholders as per the financial statements before fair value adjustment	**10.50**	10.48
Additional value of the unit is based on fair value	**2.26**	0.88
Market value of the assets attributable to the unit	**12.76**	11.36

11. UNEARNED RENTAL INCOME

Unearned rental income represents the total value of invoice amounts issued to customers and not due during the period/year.

	31 December 2024	31 December 2023
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	**1,326,025**	1,253,739
Al-Hayer Exhibitions and offices - Al-Masna'a District	**232,557**	209,944
Olaya Street gas station - Al-Muruj district	**370,879**	372,951
Residential building - Al-Nakhil district	**182,800**	217,218
Warehouse Plot No. 9 - Al Aziziyah District	**325,936**	267,169
Warehouse Plot No. 10 - Al Aziziyah District	**219,010**	175,910
Warehouse Plot No. 13 - Al Aziziyah District	**332,829**	333,452
Exhibition Plot No. 192 - Dar Albayda District	**481,216**	356,557
Warehouse Plot No. 197 - Dar Albayda District	**9,383**	9,414
Warehouse Plot No. 202 - Dar Albayda District	**11,029**	11,066
Warehouse Plot No. 207 - Dar Albayda District	**20,425**	20,492
Warehouse Plot No. 209 - Dar Albayda District	**13,950**	13,996
Others	**-**	2,675
	3,526,039	3,244,583

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

In the ordinary course of the Fund's business, it carries out transactions with related parties. Related parties in the Fund include Board of Directors Fund manager and main shareholder. Transactions with related parties are carried out in accordance with the terms and conditions of the Fund. All transactions with related parties are carried out according to terms agreed upon under a formal agreement.

Transactions with related parties:

Related parties	**Nature of relationship**	**Nature of the transaction**	**December 31, 2024 Debtor/(Creditor)**	December 31, 2023 Debtor/(Creditor)
Al Wasatah Al Maliah Company (Wasatah capital)	Fund manager	Fund management fees	**1,764,168**	1,779,372
		Expenses paid on behalf	**201,094**	219,387
Shumou Investment Company	Unitholder	Property management fees	**420,000**	462,324
		Rent collection and contract documentation commission	**398,020**	445,566
Board of Directors	Board of Directors	Attendance allowances	**40,000**	60,000

Resulting balances with related parties:

	Nature of relationship	**Nature of the transaction**	**December 31, 2024 Debtor/(Creditor)**	December 31, 2023 Debtor/(Creditor)
Al Wasatah Al Maliah Company (Wasatah capital)	Fund manager	Fund management fees	**(531,028)**	(500,171)
Shumou Investment Company	Unitholder	Rent collection and contract documentation commission	**(248,678)**	(207,430)

13. Payables and other credit balances

	31 December 2024	31 December 2023
Investment properties contractors payable	**-**	2,400,699
Security Deposits	**243,348**	434,348
Fees payable	**320,380**	246,632
VAT payable	**228,690**	202,589
Legal and professional fees	**84,250**	151,750
Other accrued expenses	**22,264**	14,675
	898,932	3,450,693

14. Income from operating lease contracts

	31 December 2024	31 December 2023
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	**7,696,471**	7,985,880
Al-Hayer Exhibitions and offices - Al-Masna'a District	**1,967,649**	2,009,605
Residential building - Al-Nakhil district	**1,228,509**	1,142,695
Olaya Street gas station - Al-Muruj district	**1,652,072**	1,806,170
Warehouse Plot No. 9 - Al Aziziyah District	**1,564,598**	1,591,071
Warehouse Plot No. 10 - Al Aziziyah District	**1,555,384**	1,459,009
Warehouse Plot No. 13 - Al Aziziyah District	**893,097**	1,005,259
Exhibition Plot No. 192 - Dar Albayda District	**887,842**	873,238
Warehouse Plot No. 197 - Dar Albayda District	**229,735**	267,384
Warehouse Plot No. 202 - Dar Albayda District	**270,036**	314,290
Warehouse Plot No. 207 - Dar Albayda District	**500,071**	582,026
Warehouse Plot No. 209 - Dar Albayda District	**341,542**	397,515
	18,787,006	19,434,142

Operating Leases

Company as a Lessor

The Fund leases its investment properties. The Fund has classified these leases as operating leases because they do not transfer substantially all the risks and rewards incidental to ownership of the assets. Rental income was recognized by the Fund during 2024 in the amount of 18,787,006 million Saudi Riyals (2023:19,434,142 million Saudi Riyals).

The table below sets out the maturity analysis of lease payments and shows the discounted lease payments that will be received after the reporting date.

	31 December 2024	31 December 2023
Less than 1 year	**19,703,944**	18,787,006
1-2 years	**4,365,597**	4,898,199
2-3 years	**3,264,707**	4,365,597
3-4 years	**2,434,471**	3,264,707
4-5 years	**1,652,029**	2,434,471
More than 5 years	**20,222,441**	21,874,470
	51,643,189	55,624,450

15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Fund does not have any contingent liabilities or capital commitments at the financial position date at the reporting date.

16. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Fund's financial performance.

Financial instruments recorded in these financial statements principally comprise of cash and cash equivalents, Rental income receivable, Receivables and other debit balances, Investment properties, Unearned rental income, Due to related parties, Payables and other credit balances. The specific methods of recognition adopted are disclosed in the individual policy statements associated with each item. Financial assets and liabilities are offset, and net amounts reported in the financial statements, when the Fund has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Market risk
The Fund is subject to the general conditions of the real estate segment in Saudi Arabia, which itself is influenced by a variety of factors such as, but not limited to the overall macroeconomic growth risks in the kingdom, interest rate, demand-supply, availability of financing, investor sentiment, liquidity, legal, and regulatory risks. The Fund's management monitors on a regular basis the fluctuation and changes in the overall economic environment and believes that the impact of such changes is not significant to the Fund.

Interest rate risk
Interest rate risk is exposure to various risks associated with the impact of fluctuations in prevailing interest rates on the Fund's financial position and cash flows. As of December 31, 2024, the Fund is not exposed to interest rate risk on its assets and liabilities.
The Fund's Rental income receivable and Payables and other credit balances carried at amortized cost are not subject to interest rate risk as defined in International Financial Reporting Standard No. (7), as the book value or future cash flows do not change due to changes in market interest rates. Therefore, the Fund is not exposed to fair value interest rate risk.

Foreign currency risks
Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund's transactions are carried out primarily in Saudi Riyals, and therefore the Fund is not exposed to any significant currency risks.

16. FINANCIAL RISK MANAGEMENT(CONTINUED)

Credit risk

The Fund is exposed to credit risk, which is represented by one party causing financial losses to the other party due to its inability to fulfil its obligations. The Fund is exposed to credit risk with respect to its receivables from tenants under operating leases, cash and cash equivalents, other assets, investment properties, unearned rental income, due to related parties, Payables and other credit balances.

It is the Fund's policy when entering into financial instrument contracts to be with reputable parties. The Fund seeks to limit credit risk by monitoring credit exposures, limiting transactions with certain counterparties and continually evaluating the creditworthiness of counterpartie

The following table shows the maximum exposure to credit risk for the content of the statement of financial position:

	31 December 2024	31 December 2023
Cash and cash equivalents	**8,645,907**	10,091,639
Rental income receivable	**3,300,141**	2,861,002
Receivables and other debit balances	**59,707**	387,198
	12,005,755	13,339,839

The book value of financial assets represents the maximum exposure to credit risk for these assets.

Credit risk on receivables and bank balances is limited due to the following:

1. Maintaining cash balances in local banks with good credit ratings,
2. Stability of the financial position of tenants

The Fund has receivables from tenants against operating lease contracts in the Kingdom of Saudi Arabia. The Fund manages credit risks related to receivables from clients through monitoring in accordance with specific policies and procedures. The Fund seeks to limit credit risk by setting credit limits for customers and monitoring outstanding receivables on an ongoing basis. Accounts receivables are monitored to ensure that the Fund's exposure to bad debts is not significant

When calculating the allowance for expected credit losses for lease receivables, an allowance matrix is used based on historical loss rates over the expected life of the Rental income receivable adjusted for future estimates.

The following are the credit ratings of the banks that the Fund deals with and their balances as of December 31, 2024:

	31 December 2024	31 December 2023
A2	**1,560,732**	7,886,536
A-	**7,085,175**	2,205,103
	8,645,907	10,091,639

Liquidity risk

Liquidity risk is the inability of the fund to generate sufficient cash resources to settle its obligations in full when they become due, or it can only do so under materially unfavorable conditions.

The Fund manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any obligations as they arise, either through new subscriptions, liquidation of the investment portfolio, or by taking short-term borrowings from the fund manager.

All financial liabilities have a maturity of less than one year.

16. FINANCIAL RISK MANAGEMENT(CONTINUED)

Capital risk management

It is the Fund's Board of Directors' policy to maintain a sufficient and strong capital base to maintain the confidence of unitholders, creditors and the market and to sustain the future development of the business. The Board of Directors monitors the return on capital employed and the level of dividends to ordinary shareholders and monitors its capital base using the ratio of net debt to equity.

Operational risks

Operational risk is the risk of direct or indirect loss resulting from a variety of causes related to the processes, technology and infrastructure that support the Fund's activities, whether internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency, market and risks such as those arising from legal and regulatory requirements.

All of the Fund's assets and liabilities are distributed in the Kingdom of Saudi Arabia.

17. FAIR VALUE MEASUREMENT

Fair value estimation

The following table shows the fair value of the disclosed financial instruments and investment properties:

31 December 2024	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
Investment properties (Note 9)	152,687,250	-	-	152,687,250
	152,687,250	**-**	**-**	**152,687,250**

31 December 2023	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
Investment properties (Note 9)	151,335,274	-	-	151,335,274
	151,335,274	**-**	**-**	**151,335,274**

The fair value of financial instruments that are not traded in an active market is determined using valuation methods. These valuation methods maximize the use of observable market data and rely as little as possible on the entity's own estimates. If all significant inputs required to measure the fair value of an instrument are observable, then the instrument is included within Level 2. If one or more significant inputs are not based on observable market data, then the instrument is included within Level 3. Changes in assumptions involved These inputs can affect the reported fair value of items in these financial statements and the level at which items within the fair value hierarchy are disclosed.

For assets not carried at fair value but for which fair value has been disclosed, valuation of investment properties has been performed using discounted cash flow method and income capitalization method based on significant unobservable inputs and accordingly it is included within Level 3 of the fair value hierarchy. The main inputs include:

Discount rates that reflect current market assessments of uncertainty in the amount and timing of cash flows (the rate used by valuers is 9.5% - 12.25%)

17. FAIR VALUE MEASUREMENT (CONTINUED)

Capitalization rates based on the physical location, size and quality of the properties and considering market data on the date of the valuation (the rate used by valuers is 8.75% - 11%)

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

Maintenance costs, including the investments required to maintain the functional performance of the property over its estimated useful life.

Maintenance costs, including the investments required to maintain the functional performance of the property over its estimated useful life.

Final value given assumptions about maintenance costs, vacancy rates and market rents.

Other financial instruments include items such as cash and cash equivalents, lease receivables, receivables and other receivables, unearned rental income, due to related parties, other liabilites. They are short-term financial assets and liabilities whose book value is close to fair value, due to their short-term nature and the high credit quality of other parties.

18. SEGMENT INFORMATION

The Fund manager is responsible for the entire Fund's portfolio and considers the business to have one operating segment of rental purposes. Asset allocation decisions are based on a single, integrated investment strategy, and the Fund's performance is assessed on an overall basis.

19. DISTRIBUTION OF DIVIDENDS

On 5 Sha'ban 1445H corresponding to 15 February 2024, the Fund's Board of Directors approved the distribution of dividends in the amount of 0.40 Saudi Riyals per unit, totaling 6,000 million Saudi Riyals to unitholders, for the period from 1 July 2023 to 31 December 2023. The distribution took place on 25 Sha'ban 1445H corresponding to 6 March 2024.

On 4 Safar 1446H corresponding to 8 August 2024, the Fund's Board of Directors announced the distribution of dividends in the amount of 0.35 Saudi Riyals per unit, totaling 5,250,000 Saudi Riyals to unitholders, for the period from 1 January 2024 to 30 June 2024.

20. LAST VALUATION DAY

The last evaluation day of the period was December 31, 2024.

21. SUBSEQUENT EVENTS

On 19 Shaban 1446H, corresponding to 18 February 2025, the Fund's Board of Directors approved the distribution of dividends in the amount of 0.35 Saudi riyals per unit, with a total of 5,250 million Saudi riyals, to unitholders, For the period from 1 July 2024, to 31 December 2024.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the period ending 31 December 2024 were approved by the Board of Directors on 17 Shaban 1446H corresponding to **1**6 February 2025G.