

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
WITH THE INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

ALWAHA REIT FUND**A Closed-End Publicly Traded Real Estate Investment Fund**

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

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL INFORMATION

**To: The Unitholders
Al Waha Reit Fund
(Closed-Ended Real Estate Investment Traded Fund)
(Managed by Al Wasatah Al Maliah Company ("Wasatah Capital"))**

Introduction

We have reviewed the condensed interim statement of financial position of **Al Waha REIT Fund (a closed-ended publicly traded real estate investment fund) (the "Fund")**, managed by Wasatah Capital Financial Brokerage Company (the "Fund Manager"), as at June 30, 2025, and the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in net assets attributable to the unitholders, and the condensed interim statement of cash flows for the six-month period then ended, and the other explanatory notes. management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting," as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The financial statements of the Fund for the year ended December 31, 2024, were audited by another auditor, who expressed an unmodified opinion on those statements on 19 Sha'ban 1446H (corresponding to February 18, 2025). The condensed interim financial information for the six-month period ended June 30, 2024, were also reviewed by another auditor, who expressed an unmodified conclusion on that condensed interim financial information on 4 Safar 1446H (corresponding to August 8, 2024).

RSM Allied Accountants Professional Services



Abdullah Bin Ahmed Al Faddaghi
License No, 706

Riyadh, Kingdom of Saudi Arabia
12 Safar 1447H (Corresponding to August 6, 2025)



ALWAHA REIT FUND
CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND
MANAGED BY AL WASATAH AL MALIAH COMPANY (“WASATAH CAPITAL”)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	<u>Notes</u>	<u>SAR</u>	<u>SAR</u>
<u>Assets</u>			
Cash and cash equivalents	7	9,005,892	8,645,907
Lessors receivables, net	8	4,125,393	1,324,510
Other debit balances		170,840	59,707
Investment Properties, net	9	152,003,244	152,687,250
Total Assets		165,305,369	162,717,374
<u>Liabilities</u>			
Deferred lease revenues		3,738,400	3,526,039
Due to related parties	11	798,876	820,523
Accruals and other credit balances		1,407,580	858,115
Total Liabilities		5,944,856	5,204,677
Unitholders' Funds			
Net assets (equity) attributable to the Unitholders		159,360,513	157,512,697
Units issued (by number)	1	15,000,000	15,000,000
Net asset value per unit - Book value	10-3	10.62	10.50
Net asset value per unit - Fair value	10-3	13.54	12.76

The accompanying notes (1) to (19) form an integral part of these condensed interim financial statements.

ALWAHA REIT FUND
CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND
MANAGED BY AL WASATAH AL MALIAH COMPANY (“WASATAH CAPITAL”)
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS, AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

		For the six-months period ended 30 June	
		2025 (Unaudited) SAR	2024 (Unaudited) SAR
Profit or loss	Notes		
<u>Revenues</u>			
Operating lease revenue	12	10,008,714	9,294,528
Investment Deposit revenue	7	162,609	119,476
General Services Revenue		93,738	90,175
Total Revenue		10,265,061	9,504,179
<u>Expenses</u>			
Fund management fees	6,11	(954,568)	(844,290)
Depreciation of investment properties	9	(979,911)	(552,659)
Operations expenses		(1,040,052)	(319,095)
Rentals collection fees		(269,199)	(319,024)
Legal and professional fees		(245,622)	(308,208)
Property management fees	6,11	(210,000)	(210,000)
Custody fees	6,11	(66,000)	(66,000)
Reversal/ (charged) for Expected Credit Losses	8	871,267	(53,338)
Impairment of Investment Properties	9	(73,642)	(17,684)
Tadawul Fees		(25,800)	(26,766)
Board of Directors' Meeting Attendance Fees	6,11	(20,000)	(20,000)
Other expenses		(153,718)	(115,288)
Total Expenses		(3,167,245)	(2,852,352)
Net Profit for the Period		7,097,816	6,651,827
Other Comprehensive income for the period		-	-
Total Comprehensive income for the period		7,097,816	6,651,827

The accompanying notes (1) to (19) form an integral part of these condensed interim financial statements.

ALWAHA REIT FUND
CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND
MANAGED BY AL WASATAH AL MALIAH COMPANY (“WASATAH CAPITAL”)
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
UNITHOLDERS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	For the six-months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	SAR	SAR
Net asset value attributable to unitholders at beginning of the period	157,512,697	157,165,779
Total Comprehensive income for the period	7,097,816	6,651,827
Cash dividends distributed during the period (Note 16)	(5,250,000)	(6,000,000)
Net asset value attributable to unitholders at end of the period	159,360,513	157,817,606
	For the six-months period ended 30 June 2025 (Unaudited) SAR	For the six-months period ended 30 June 2024 (Unaudited) SAR
Number of units at beginning of the period	15,000,000	15,000,000
Number of units at end of the period	15,000,000	15,000,000

The accompanying notes (1) to (19) form an integral part of these condensed interim financial statements.

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

	For the six-months period ended 30 June 2025 (Unaudited) SAR	For the six-months period ended 30 June 2024 (Unaudited) SAR
Cash Flows from Operating Activities		
Net income for the period	7,097,816	6,651,827
Adjustments:		
Reversal/ (charged) for Expected Credit Losses	(871,267)	53,338
Depreciation of investment properties	979,911	552,659
Impairment of Investment Properties	73,642	17,684
	<u>7,280,102</u>	<u>7,275,508</u>
Changes in operating assets & liabilities:		
Lease receivables	(1,929,616)	41,799
Other debit balances	(111,133)	135,141
Unearned lease revenues	212,361	290,385
Due to related parties	(21,647)	(17,367)
Accruals and other credit balances	549,465	(2,382,496)
Net cash generated from operating activities	<u>5,979,532</u>	<u>5,342,970</u>
Cash Flows from Investing Activities		
Investment property's additions	(369,547)	(1,980,272)
Net cash used in investing activities	<u>(369,547)</u>	<u>(1,980,272)</u>
Cash Flows from Financing Activities		
Dividends distribution	(5,250,000)	(6,000,000)
Net cash flows used in financing activities	<u>(5,250,000)</u>	<u>(6,000,000)</u>
Net change in cash and cash equivalents	359,985	(2,637,302)
Cash and cash equivalents at beginning of the period	8,645,907	10,091,639
Cash and cash equivalents at end of the period	<u><u>9,005,892</u></u>	<u><u>7,454,337</u></u>

The accompanying notes (1) to (19) form an integral part of these condensed interim financial statements.

ALWAHA REIT FUND

CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

1.FUND AND ITS ACTIVITIES

Al Waha REIT Fund is a closed-ended Shariah-compliant real estate investment fund listed on the Parallel Market (Nomu). The Fund has been established in accordance with the applicable rules and regulations in the Kingdom of Saudi Arabia and is subject to the regulations and instructions of the Capital Market Authority (CMA) and the Real Estate Investment Funds Regulations issued by the CMA Board pursuant to Resolution No. 1-193-2006 dated 19/6/1427H (corresponding to 15/07/2006), as amended by CMA Resolution No. 2025-54-1 dated 23/11/1446H (corresponding to 21/05/2025), based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/6/1424H.

The Fund is listed on the Saudi Stock Exchange’s Parallel Market (“Nomu”) under the ticker symbol (9300), and its units are traded in accordance with the regulations and legislation of the Capital Market Authority. The Fund’s size is SAR 150 million, divided into 15,000,000 units, each with a nominal value of SAR 10.

FUND DURATION

The Fund has a duration of 99 years starting from the date the Fund's units were listed on the Parallel Market (Nomu) (the “Listing Date”) and made available for trading as of November 30, 2022. This duration is renewable for a similar period at the discretion of the Fund Manager, subject to the approval of the Fund’s Board of Directors and subsequently the approval of the Capital Market Authority.

Trading of the Fund’s units on the Saudi Stock Exchange’s Parallel Market (Nomu) commenced on 6 Jumada Al-Awwal 1444H, corresponding to November 30, 2022, following the approval of the Capital Market Authority in the Kingdom of Saudi Arabia.

The targeted fund size at the initial public offering period amounted to a minimum offering of SAR 148,633,250 and a maximum offering of SAR 150,000,000.

FUND OBJECTIVE

the fund’s investment objective is to invest in real estate developed through construction, capable of generating periodic rental income, and to distribute a specified percentage not less than 90% of the fund’s net annual profits in cash to unitholders during the fund’s duration. the aforementioned dividends are distributed excluding the capital gains resulting from the sale of real estate assets, which are reinvested in additional assets that serve the interests of unitholders. if not reinvested within six months from the date of sale, they are distributed to the unitholders. the fund is managed by wasatah capital financial brokerage company (“the fund manager”), a closed joint-stock company registered in the commercial registry of the kingdom of saudi arabia under number 7001506356, licensed as a financial market institution by the authority under license number (08125-37).

bilad investment company - a closed joint-stock saudi company - undertakes the custody tasks related to the fund and its assets under license number (08100-37).

the fund management office address is as follows:

address: wasatah capital financial brokerage company, olaya road – po box (rhga7459), riyadh 12283 – kingdom of saudi arabia.

2.REGULATORY AUTHORITY

the fund operates in accordance with the regulations of real estate investment funds issued by the capital market authority, which specify the requirements that real estate investment funds and publicly traded real estate investment funds operating in the kingdom of saudi arabia must follow. the board of the saudi capital market authority has approved a package of improvements to develop the regulatory environment for investment funds in the kingdom by making amendments to the investment funds regulations, the real estate investment funds regulations, and the glossary of terms used in the authority’s regulations and rules. these amendments aim to develop the regulatory provisions for investment funds to enhance the asset management industry and increase its competitiveness by identifying areas for development and adopting best international practices. additionally, several other regulatory provisions have been developed to contribute to the growth of the investment funds sector and real estate investment funds, enhance transparency and disclosure levels for unitholders, and achieve governance standards that ensure the protection of investors’ rights.

3.BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

3.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (34), “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants- SOCPA. These condensed interim financial statements do not include all the information and disclosures required to issue the complete set of financial statements. Also, the results for the period ended 30 June 2025 are not necessarily indicative of the results that can be expected for the year ending on 31 December 2025. It should also be read in conjunction with the company's latest financial statements for the year ended 31 December 2024. However, selected explanatory notes have also been included to explain important events and transactions to understand the changes in the financial position and financial performance of the Company since 31 December 2024.

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

3. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUEUD)**3.2 Preparation of condensed interim Financial Statement**

The condensed interim financial statements have been prepared on a historical cost convention except when International Accounting Standard (34), “Interim Financial Reporting” requires use of another measurement basis, as indicated in the applied accounting policies (Note 5), and in accordance with the accrual basis and going concern.

3. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)**3.3 Functional and presentation currency**

These condensed interim financial statements are presented in Saudi Riyals, which is the Fund’s functional currency and the amounts in these financial statements are rounded to the nearest Saudi Riyal.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

the preparation of these condensed interim financial statements requires management to make judgments and estimates that affect the application of accounting policies and the amounts recognized for assets, liabilities, revenues, and expenses. actual results may differ from these estimates.

the significant estimates made by management in applying the fund’s accounting policies and the key sources of estimation uncertainty were similar to those disclosed in the most recent annual financial statements.

5. MATERIAL ACCOUNTING POLICIES**NEW STANDARDS, AMENDMENTS TO STANDARDS, AND INTERPRETATIONS**

New standards and a set of amendments to standards effective from January 1, 2025, were issued and explained in the fund’s annual financial statements, but they have no significant impact on the fund’s condensed interim financial statements.

6. MANAGEMENT FEE AND OTHER EXPENSES**6-1 Subscription Fees**

The investor pays the fund manager a subscription fee of up to 2% of the subscribed and allocated amount, during the initial public offering period or any increase in the fund’s net asset value.

6-2 Management Fees

The fund pays the fund manager an annual fee of 1%, charged daily on the total value of the fund’s assets based on the latest valuation after deducting expenses. This fee is calculated daily and paid quarterly, starting from the listing date.

6-3 Custody Fees

The fund pays the custodian an annual fee of up to 0.05% of the total value of the fund’s real estate assets, provided that the monthly payment is not less than SAR 11,000. The fee is based on the latest valuation of the real estate assets, calculated daily and paid quarterly at the end of each quarter.

6-4 Financing Structuring Fees

The fund pays the fund manager financing structuring fees equivalent to 1% of the amount drawn under any bank facilities on behalf of the fund.

6-5 Property Management Fees

The Fund pays an annual amount of SAR 800,000, excluding VAT, in accordance with the agreement concluded with Shumo Commercial Investment Co. Ltd. for the management of the following properties: a residential building in Al-Nakheel district and Shahad Commercial Center Offices and Showrooms - Al-Muruj District in addition, a 2.5% fee is paid to Helm Al-Safwa Real Estate Office from the net revenues generated from the following properties: Al-Hayer Showrooms and offices - Almasana District, and the industrial showrooms, Plot 192.

6-6 Transaction Fees

The fund pays the fund manager a fee of 1% of the purchase or sale price of each real estate asset acquired or sold in consideration of their efforts to complete the buying and selling transactions of any real estate asset for the fund throughout the fund’s life. This fee is due and payable immediately after the completion of the sale or purchase.

6-7 Board Members’ Remuneration

Each independent board member will receive SAR 10,000 per meeting, with a maximum of SAR 30,000 annually for each independent member.

In addition to the above, the fund will be directly or indirectly subject to other expenses, including but not limited to legal fees, insurance costs, bank financing commissions, advertisements related to the fund’s activities (if any), government fees imposed on the fund and its activities (if any), and costs of unitholders’ meetings. It is noted that the fund will not bear any other expenses or fees unless approved by the fund’s board of directors.

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****7. CASH AND CASH EQUIVALENTS**

	30 June 2025	31 December 2024
	Unaudited	Audited
	SAR	SAR
Cash at local banks	762,311	1,560,735
Murabaha deposits (maturity period less than 90 days) *	8,243,581	7,085,172
	9,005,892	8,645,907

*This item represents a Murabaha deposit with Bank AlJazira, with a maturity date not exceeding 90 days. The effective profit rate on this deposit ranged between 4.27% and 5.19%. During the period, the fund participated in Murabaha deposits with Bank AlJazira totaling SAR 45,437,811. The effective profit on this deposit for the six months ended June 30, 2025, amounted to SAR 162,609 (June 30, 2024: SAR 119,476).

8. LESSORS RECEIVABLES, NET

	30 June 2025	31 December 2024
	Unaudited	Audited
	SAR	SAR
Lease receivable	5,229,757	3,300,141
(Less) Expected credit losses	(1,104,364)	(1,975,631)
Balance at the end of the period/ year	4,125,393	1,324,510

The movement on Expected credit losses Provision is as follows:

	30 June 2025	31 December 2024
	Unaudited	Audited
	SAR	SAR
Balance at the beginning of the period/ year	1,975,631	106,457
Provision during the period/year	-	1,869,174
Reversal during the period/year	(871,267)	-
Balance at the end of the period	1,104,364	1,975,631

The following is an analysis of the aging of trade receivables and the related expected credit loss provision as of:

	Total	From 1	From 61	From 91	From 121	From 181	More than
	SAR	day to 60	days to	days to	days to	days to	270 days
	SAR	days	90 days	120 days	180 days	270 days	270 days
	SAR	SAR	SAR	SAR	SAR	SAR	SAR
30 June 2025							
Total book value	5,229,757	1,722,313	231,644	1,550,440	395,974	98,933	1,230,453
Expected Credit Loss Provision	1,104,364	21,559	12,117	130,079	56,296	42,887	841,426
Expected Credit Loss Rate	21.12%	1.25%	5.23%	8.39%	14.22%	43.35%	68.38%

8. LEASE RECEIVABLE, NET (CONTINUED)

The following is an analysis of the aging of trade receivables and the related expected credit loss provision as of (continued):

	Total	From 1	From 61	From 91	From 121	From 181	More than
	SAR	day to 60	days to	days to	days to	days to	270 days
	SAR	days	90 days	120 days	180 days	270 days	270 days
	SAR	SAR	SAR	SAR	SAR	SAR	SAR
31 December 2024							
Total book value	3,300,141	591,917	220,173	709,090	1,026,232	3,322	749,407
Expected Credit Loss Provision	1,975,631	-	-	531,818	1,026,232	3,322	414,259
Expected Credit Loss Rate	59.87%	0.00%	0.00%	75.00%	100.00%	100.00%	55.28%

ALWAHA REIT FUND
CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND

MANAGED BY AL WASATAH AL MALIAH COMPANY ("WASATAH CAPITAL")

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**
9. INVESTMENT PROPERTIES

Below are the details of the cost of investment properties:

<u>As at 30 June 2025</u> <u>(Unaudited)</u>	Lands SAR	Buildings SAR	Equipment and air conditioners SAR	Building Improvements SAR	Total SAR
Cost:					
Balance at the beginning of the period	107,309,230	41,324,023	492,906	5,979,231	155,105,390
Additions during the period	-	-	165,366	204,181	369,547
Balance at the end of the period	107,309,230	41,324,023	658,272	6,183,412	155,474,937
<u>Accumulated depreciation:</u>					
Balance at the beginning of the period	-	(2,192,765)	(116,363)	-	(2,309,128)
Charged during the period	-	(516,550)	(51,133)	(412,228)	(979,911)
Balance at the end of the period	-	(2,709,315)	(167,496)	(412,228)	(3,289,039)
Less: Accumulated impairment loss					
Carrying amount at the beginning of the period	-	(109,012)	-	-	(109,012)
Impairment during the period	-	(73,642)	-	-	(73,642)
Balance at the end of the period	-	(182,654)	-	-	(182,654)
Net book value 30 June 2025	107,309,230	38,432,054	490,776	5,771,184	152,003,244

*Some comparative figures have been reclassified and restated to conform with the current presentation as follows:

<u>Account</u>	Balance before reclassification SAR	Reclassification SAR	Balance after reclassification SAR
Investment properties, net (buildings)	44,993,542	(5,971,296)	39,022,246
Accruals and other credit balances	898,932	(40,817)	858,115
Due to related parties	779,706	40,817	820,523
Investment properties, net (Equipment and air conditioners)	384,478	(7,935)	376,543
Investment properties, net (Building Improvements)	-	5,979,231	5,979,231

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****9. INVESTMENT PROPERTIES (CONTINUEUD)**

Below are the details of the cost of investment properties:

<u>As at 31 December 2024</u> <u>(Audited)</u>	<u>Lands</u> <u>SAR</u>	<u>Buildings</u> <u>SAR</u>	<u>Equipment</u> <u>and air</u> <u>conditioners</u> <u>SAR</u>	<u>Building</u> <u>Improvements</u> <u>SAR</u>	<u>Total</u> <u>SAR</u>
<u>Cost:</u>					
Balance at the beginning of the year	107,309,230	41,324,023	317,603	3,681,368	152,632,224
Additions during the year	-	-	175,303	2,297,863	2,473,166
Balance at the end of the year	107,309,230	41,324,023	492,906	5,979,231	155,105,390
<u>Accumulated depreciation:</u>					
Balance at the beginning of the year	-	(1,159,664)	(31,920)	-	(1,191,584)
					(1,117,544)
Charged during the year	-	(1,033,101)	(84,443)	-	-
Balance at the end of the year	-	(2,192,765)	(116,363)	-	(2,309,128)
<u>Reversal of accumulated impairment loss</u>					
Impairment loss at the beginning of the year	-	(105,366)	-	-	(105,366)
Impairment during the year	-	(3,646)	-	-	(3,646)
Balance at the end of the year	-	(109,012)	-	-	(109,012)
As of December 31, 2024	<u>107,309,230</u>	<u>39,022,246</u>	<u>376,543</u>	<u>5,979,231</u>	<u>152,687,250</u>

Market values:

The fair value of investment properties is determined by two independent valuers: Jones Lang LaSalle L.P. Inc., holding license number 1210000074, and Areeb Real Estate Valuation Company, holding license number 1210000023. Both valuers are certified by the Saudi Authority for Accredited Valuers (TAQEEM).

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

The first evaluator (Jones Lang LaSalle Incorporated.)

Property	Evaluation method	30 June 2025 Unaudited SAR	31 December 2024 Audited SAR
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	Discounted cash flows method	83,600,000	80,700,000
Al-Hayer Showrooms and offices - Almasana District	Discounted cash flows method	21,600,000	18,550,000
Olaya Street gas station - Al-Muruj district	Discounted cash flows method	16,450,000	16,400,000
Residential building - Al-Nakheel district	Discounted cash flows method	11,900,000	12,100,000
Warehouse Plot No. 9 - Al Aziziyah District	Discounted cash flows method	17,350,000	15,800,000
Warehouse Plot No. 10 - Al-Aziziya District	Discounted cash flows method	17,250,000	15,750,000
Warehouse Plot No. 13 - Al-Aziziya District	Discounted cash flows method	11,150,000	10,250,000
Showrooms Plot No. 192 - Dar Albayda District	Discounted cash flows method	9,200,000	8,800,000
Warehouse Plot No. 197 - Dar Albayda District	Discounted cash flows method	2,450,000	2,450,000
Warehouse Plot No. 202 - Dar Albayda District	Discounted cash flows method	3,350,000	3,300,000
Warehouse Plot No. 207 - Dar Albayda District	Discounted cash flows method	5,350,000	5,350,000
Warehouse Plot No. 209 – Dar Albayda District	Discounted cash flows method	3,400,000	3,450,000
		<u>203,050,000</u>	<u>192,900,000</u>

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****9. INVESTMENT PROPERTIES (CONTINUED)**

The valuation of investment properties at market value was as follows (continued):

The second evaluator (Areab Real Estate Appraisers Co)

Property	Evaluation method	30 June 2025 Unaudited SAR	31 December 2024 Audited SAR
Shahad Commercial Center Offices and Showrooms - Al-Muruj District	Discounted cash flows method	74,879,289	68,561,751
Al-Hayer Showrooms and offices - Almasana District	Discounted cash flows method	20,203,855	19,152,289
Olaya Street gas station - Al-Muruj district	Discounted cash flows method	17,744,851	16,458,377
Residential building - Al- Nakheel district	Discounted cash flows method	9,566,235	10,061,868
Warehouse Plot No. 9 - Al Aziziyah District	Discounted cash flows method	17,324,665	16,905,280
Warehouse Plot No. 10 - Al-Aziziya District	Discounted cash flows method	18,411,605	17,858,465
Warehouse Plot No. 13 - Al-Aziziya District	Discounted cash flows method	8,234,088	8,719,234
Showrooms Plot No. 192 - Dar Albayda District	Discounted cash flows method	10,000,615	9,828,408
Warehouse Plot No. 197 - Dar Albayda District	Discounted cash flows method	2,139,448	2,210,016
Warehouse Plot No. 202 - Dar Albayda District	Discounted cash flows method	2,492,642	2,577,037
Warehouse Plot No. 207 - Dar Albayda District	Discounted cash flows method	4,682,911	4,835,060
Warehouse Plot No. 209 – Dar Albayda District	Discounted cash flows method	3,007,569	3,122,932
		188,687,773	180,290,717

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

In accordance with the Real Estate Investment Funds Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia, 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 published net asset value is calculated based on market value. However, under the Fund’s accounting policy, investment properties are recorded in the interim condensed financial statements at cost less accumulated depreciation and impairment, if any. The fair value of the investment properties is determined by two valuers: Jones Lang LaSalle Saudi Arabia for Real Estate Valuation, holding license number 1210000074, and Areeb Real Estate Valuation and Partner Company, holding license number 1210000023.

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 of 30 June 2025, the valuation of the investment properties according to the two valuers amounted to:

	First evaluation	Second evaluation	Average
Investment properties (Note 9)	203,050,000	188,687,773	195,868,887
Total	203,050,000	188,687,773	195,868,887

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

	First evaluation	Second evaluation	Average
Investment properties (Note 9)	192,900,000	180,290,717	186,595,359
Total	192,900,000	180,290,717	186,595,359

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****10. IMPACT OF NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS IF INVESTMENT
PROPERTIES ARE MEASURED AT FAIR VALUE (CONTINEUD)**

10-1 The following is a statement of the unrealized gains on investment properties, which have been determined based on property valuation (fair value), as follows:

	30 June 2025 unaudited SAR	31 December 2024 Audited SAR
Average Estimated Fair Value of Real Estate Investments	195,868,887	186,595,359
Less: Net Book Value		
Investment properties, net (Note 9)	(152,003,244)	(152,687,250)
Unrealized gains based on revaluation of investment properties	43,865,643	33,908,109
Units issued (in number)	15,000,000	15,000,000
Unit's Share of Unrealized Gains Based on Property Valuations	2.92	2.26

10-2 The following is an analysis of net assets using for Real Estate under development:

	30 June 2025 Unaudited SAR	31 December 2024 Audited SAR
Net asset value at cost as presented in these interim condensed financial statements	159,360,513	157,512,697
Unrealized Gains Based on Property Valuations (Note 10-1)	43,865,643	33,908,109
Net assets attributable to the Unitholders based on fair value of investment properties	203,226,156	191,420,806

10-3 Below is analysis of net assets per unit using fair value of development properties:

	30 June 2025 Unaudited SAR	31 December 2024 Audited SAR
Net asset value per unit at cost as presented in these interim condensed financial statements	10.62	10.50
Additional value per unit based on fair valuation	2.92	2.26
Fair value of the assets attributable to the unit	13.54	12.76

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The Fund's related parties include the Unitholders, Fund Manager, the Developer 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. All related parties' transactions are approved by the Fund Board.

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

		Transaction Volume for the Period Ended 30 June 2024				
Related parties	Nature of Relationship	Nature of Transaction	2025 SAR		SAR	
			Debit	Credit	Debit	Credit
Al Wasatah Al Maliah Co (Wasatah capital)	Fund manager	Fund management fees	-	954,568	-	844,290
		VAT	-	119,248	-	126,644
		Paid from Fund Management Fees	914,529	-	834,636	-
		Paid from VAT	161,389	-	147,290	-
		Expenses paid on behalf	-	138,920	-	148,711
		Paid from Expenses Paid on Behalf	123,737	-	148,711	-
		Property Management Fees	-	210,000	-	210,000
		VAT	-	26,250	-	31,500
		Paid from Property Management Fees	210,000	-	210,000	-
		Paid from VAT	31,500	-	31,500	-
Shumou Investment Co	Principal unit holder	Rental Collection Commission	-	158,950	-	208,584
		Paid from Rental Collection Commission	208,428	-	207,430	-
		Custody Fees	-	66,000	-	66,000
Al Bilad Investment Company	Custodian	VAT	-	9,900	-	9,900
		Paid from Custody Fees	66,000	-	66,000	-
		Paid from VAT	9,900	-	9,900	-
Board Members	Fund Board	Attendance Allowances	-	20,000	-	20,000

B) The above transactions resulted in the following balances due to related parties:

Related party	30 June 2025 (unaudited) SAR	31 December 2024 (audited) SAR
Al Wasatah Al Maliah Co (Wasatah capital)	551,926	538,845
Shumou Investment Co	193,950	248,678
Al Bilad Investment Company	33,000	33,000
Board Members	20,000	-
	798,876	820,523

ALWAHA REIT FUND**CLOSED-ENDED REAL ESTATE INVESTMENT TRADED FUND**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****12. REVENUE FROM OPERATING LEASE CONTRACTS**

	30 June 2025 (unaudited) SAR	30 June 2024 (unaudited) SAR
Operating lease income	10,008,714	9,294,528

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>	30 June 2025 (unaudited) SAR	30 June 2024 (unaudited) SAR
Operating lease income	10,008,714	9,294,528

B- Geographic Region

	30 June 2025 (unaudited) SAR	30 June 2024 (unaudited) SAR
Kingdom of Saudi Arabia	10,008,714	9,294,528

13. 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.

The fair value of investment properties is classified as Level 3 as of 30 June 2025:

	Fair Value			
	Book value SAR	Level 1 SAR	Level 2 SAR	Level 3 SAR
Investment properties (Note 9)	152,003,244	-	-	195,868,887

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 (Note 9)	152,687,250	-	-	186,595,359

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

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUEUD)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUEUD)****Discount rates:** reflecting current market assessments of the uncertainty in the amount and timing of cash flows (the rates used by the valuer’s range between 9.5% and 11.75%).**Capitalization rates:** based on the actual location, size, and quality of the properties, taking market data at the valuation date into account (the rates used by the valuer’s range between 9% and 12%).**Future lease cash flow:** 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.**13.FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)****Estimated vacancy rates:** based on current and projected future market conditions after the expiration of any existing lease period.**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, receivables and others, unearned lease revenues, due to related parties, and accruals and other payables. 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.

14. RECLASSIFICATION OF COMPARATIVE FIGURES

Some comparative figures have been reclassified and restated to conform with the current presentation as follows:

14-1 Statement of Profit or Loss, and Other Comprehensive Income

<u>Account</u>	Balance before reclassification SAR	Reclassification SAR	Balance after reclassification SAR
Operations expenses	(339,095)	20,000	(319,095)
Board of Directors' Meeting Attendance Fees	-	(20,000)	(20,000)

14-2 Statement of Cash Flows

<u>Account</u>	Balance before reclassification SAR	Reclassification SAR	Balance after reclassification SAR
Due to related parties	(9,837)	(7,530)	(17,367)
Accruals and other credit balances	(2,390,026)	7,530	(2,382,496)

15. SEGMENT INFORMATION

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

16. DIVIDEND DISTRIBUTION

On 19 Sha’ban 1446 AH (corresponding to February 18, 2025), the fund’s Board of Directors approved the distribution of dividends amounting to SAR 0.35 per unit, totaling SAR 5,250,000 to the unitholders, for the period from July 1, 2024, to December 31, 2024. The distribution was made on 10 Ramadan 1446 AH, corresponding to March 10, 2025.

17. VALUATION DAY

The last valuation date for the preparation of these condensed interim financial statements was June 30, 2025.

18. SUBSEQUENT EVENTS

On 13 Muharram 1447H, corresponding to July 8, 2025, the unit holders, in their meeting held on that date, resolved to approve an increase in the Fund’s total assets and the supplementary annex to the Fund’s terms and conditions through the issuance of additional units (both in-kind and cash). The increase in the Fund’s capital shall be between a minimum of SAR 47,906,390 and a maximum of SAR 47,909,540 to complete the acquisition of the Al-Jawhara Residential Building property in Riyadh. As well that the subscription period ended on 03/02/1447H, corresponding to July 28, 2025, with a coverage ratio of 109.64%, totaling SAR 24,929,750 excluding the value of the in-kind subscription. The surplus will be refunded to subscribers within 15 business days after the subscription period ends. The new units will be listed and traded within 60 business days after completing the regulatory procedures.

19. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund’s Board of Directors on 10 Safar 1447H, corresponding to August 4, 2025.